

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM I
OVERALL RATE OF RETURN - DISTRIBUTION

Cost of Capital at December 31, 2008

	<u>Item</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
1	Common Equity (1)	48.73%	6.505%	3.170%
2				
3	Long-Term Debt	51.27%	5.389%	2.763%
4				
5	Short-Term Debt (2)	<u>0.00%</u>	0.000%	<u>0.000%</u>
6				
7	Total	<u>100.00%</u>		<u>5.933%</u>
8				
9				

10 Note (1): In accordance with DE 06-028, PSNH's allowed ROE is 9.67%.

11

12 Note (2): See Item VI regarding the inclusion of short-term debt in PSNH's capital structure.

13

14 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM I

OVERALL RATE OF RETURN - DISTRIBUTION

Proformed Cost of Capital at December 31, 2008

<u>Item</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
1 Common Equity	51.08%	10.500%	5.363%
2 Long-Term Debt	48.92%	5.222%	2.555%
3 Short-Term Debt	<u>0.00%</u>	0.000%	<u>0.000%</u>
4 Total	<u><u>100.00%</u></u>		<u><u>7.918%</u></u>

5 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM II
 CAPITAL STRUCTURE FOR RATEMAKING PURPOSES - DISTRIBUTION

(Thousands of Dollars)

ITEM	At December 31, 2008	
	Amount	Component Ratio
1 Common Equity		
2 Common Stock	\$ -	0.00%
3 Other Paid-In Capital	350,496	26.92%
4 Retained Earnings (1)	284,033	21.81%
5		
6		
7 Total Common Equity	634,529	48.73%
8		
9		
10 Preferred Stock	-	0.00%
11		
12		
13 Long-Term Debt		
14 Pollution Control Revenue Bonds		
15 Series A - VR	85,494	6.57%
16 Series B - FR	84,406	6.48%
17 Series C - FR	103,715	7.97%
18 Series D Tax Exempt-FR	73,942	5.68%
19 Series E Tax Exempt-FR	44,191	3.39%
20		
21 First Mortgage Bonds		
22		
23 Series L	49,645	3.81%
24 Series M	49,380	3.79%
25 Series N	69,227	5.32%
26 Series O	107,522	8.26%
27		
28 Total Long-Term Debt	667,524	51.27%
29		
30 Short-Term Debt (2)	-	0.00%
31		
32 Total Capitalization	\$ 1,302,053	100.00%
33		
34		

Note (1): Excludes Other Comprehensive Income (OCI) of \$814,000 related to 2008 First Mortgage Bonds - Series O. OCI is excluded from common equity as it is used in calculating net proceeds on the Series O bonds.

Note (2): See Item VI regarding the inclusion of short-term debt in PSNH's capital structure.

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 ITEM II
 CAPITAL STRUCTURE FOR RATEMAKING PURPOSES - DISTRIBUTION

(Thousands of Dollars)

ITEM		Proformed At December 31, 2008	
		Amount	Component Ratio
1	Common Equity		
2	Common Stock	\$ -	0.00%
3	Other Paid-In Capital (1)	569,496	34.08%
4	Retained Earnings	284,033	17.00%
5			
6	Total Common Equity	<u>853,529</u>	<u>51.08%</u>
7			
8			
9	Preferred Stock	<u>-</u>	<u>0.00%</u>
10			
11			
12	Long-Term Debt (2)		
13	Pollution Control Revenue Bonds		
14	Series A - VR	85,758	5.13%
15	Series B - FR	84,735	5.07%
16	Series C - FR	104,035	6.23%
17	Series D Tax Exempt-FR	74,007	4.43%
18	Series E Tax Exempt-FR	44,228	2.65%
19			
20	First Mortgage Bonds (2)		
21			
22	Series L	49,693	2.97%
23	Series M	49,398	2.96%
24	Series N	69,294	4.15%
25	Series O	108,231	6.48%
26	New FMB Issue	148,120	8.86%
27			
28	Total Long-Term Debt	<u>817,498</u>	<u>48.92%</u>
29			
30	Short-Term Debt (3)	<u>-</u>	<u>0.00%</u>
31			
32			
33	Total Capitalization	<u>\$ 1,671,027</u>	<u>100.00%</u>

34
 35 Note (1): Includes \$219M of proformed capital contributions.

36
 37 Note (2): See Schedule V, Page 4 of 4 for information on the updating of the
 38 long-term debt balances.

39
 40 Note (3): See Item VI regarding the inclusion of short-term debt in PSNH's capital structure.

41
 42
 43 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM III
HISTORICAL CAPITAL STRUCTURE
FOR RATEMAKING PURPOSES
AT DECEMBER 31

(Thousands of Dollars)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
1 Common Equity	\$ 537,867	\$ 467,562	\$ 452,505	\$ 399,677	\$ 380,260
2 Long-Term Debt	558,586	488,132	487,568	437,062	387,608
3 Short-Term Debt (1)	<u>21,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4 Total Capital	<u>\$ 1,118,353</u>	<u>\$ 955,694</u>	<u>\$ 940,073</u>	<u>\$ 836,739</u>	<u>\$ 767,868</u>

5 Note (1): PSNH included short-term debt in its allowed capital structure in 2007 in accordance with DE 06-028.

6 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM IV
CAPITALIZATION RATIOS
AT DECEMBER 31

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
1 Common Equity	48.09%	48.92%	48.14%	47.77%	49.52%
2 Long-Term Debt	49.95%	51.08%	51.86%	52.23%	50.48%
3 Short-Term Debt (1)	<u>1.96%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
4 Total Capital	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

5 Note (1): PSNH included short-term debt in its allowed capital structure in 2007 in accordance with DE 06-028.

6 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 ITEM V
 LONG-TERM DEBT

(Thousands of Dollars)

LONG-TERM DEBT AT DECEMBER 31, 2008--NET PROCEEDS AT OFFERING DATE

	<u>Title (1)</u>	<u>Date of Offering</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Principal Amount of Issue</u>	<u>Financing Costs</u>	<u>Net Proceeds to the Utility</u>	<u>Net Proceeds % (per unit)</u>
1	Pollution Control Revenue Bonds							
2	Series A - VR (2)	12/19/01	05/01/21	0.400	89,250	5,781	83,469	93.5
3	Series B - FR	12/19/01	05/01/21	4.750	89,250	7,124	82,126	92.0
4	Series C - FR	12/19/01	05/01/21	5.150	108,985	7,787	101,198	92.9
5	Series D Tax Exempt-FR	05/01/98	05/01/21	6.000	75,000	4,149	70,851	94.5
6	Series E Tax Exempt-FR	05/01/98	05/01/21	6.000	44,800	3,088	41,712	93.1
7	First Mortgage Bonds							
8	Series L	07/22/04	07/15/14	5.250	50,000	549	49,451	98.9
9	Series M	10/05/05	10/05/35	5.600	50,000	694	49,306	98.6
10	Series N	09/24/07	09/01/17	6.150	70,000	607	69,393	99.1
11	Series O	05/27/08	05/01/18	6.000	110,000	1,465	108,535	98.7
12	Total Long-Term Debt						<u>656,040</u>	

- 13 Note (1): VR - Variable Rate Financing - Rates are set every 35 days.
 14 FR - Fixed Rate
 15 Note (2): Interest Rate shown is based on the December 2008 auction rate

16 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 ITEM V
 LONG-TERM DEBT

(Thousands of Dollars)

LONG-TERM DEBT AT DECEMBER 31, 2008

	<u>Title</u>	<u>Net Amount Outstanding</u>	<u>Cost Rate Based on Net Proceeds</u>	<u>Annual Cost of Long-Term Debt</u>	<u>Average Cost Rate (%)</u>
1	Pollution Control Revenue Bonds				
2	Series A - VR	85,494	0.901%	770	
3	Series B - FR	84,406	5.617%	4,741	
4	Series C - FR	103,715	6.139%	6,367	
5	Series D Tax Exempt-FR	73,942	6.202%	4,586	
6	Series E Tax Exempt-FR	44,191	6.194%	2,737	
7	First Mortgage Bonds				
8	Series L	49,645	5.415%	2,688	
9	Series M	49,380	5.717%	2,823	
10	Series N	69,227	6.348%	4,394	
11	Series O	107,522	6.385%	6,865	
12	Total Long-Term Debt	<u>667,524</u>		<u>35,973</u>	<u>5.389%</u>

13 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 ITEM V
 LONG-TERM DEBT - UPDATED

(Thousands of Dollars)

PROFORMED LONG-TERM DEBT AT DECEMBER 31, 2008--NET PROCEEDS AT OFFERING DATE

Title (1)	Date of Offering	Date of Maturity	Interest Rate (%)	Principal Amount of Issue	Financing Costs	Net Proceeds to the Utility	Net Proceeds % (per unit)
1 Pollution Control Revenue Bonds							
2 Series A - VR (2)	12/19/01	05/01/21	0.220	89,250	5,781	83,469	93.5
3 Series B - FR	12/19/01	05/01/21	4.750	89,250	7,124	82,126	92.0
4 Series C - FR	12/19/01	05/01/21	5.450	108,985	7,787	101,198	92.9
5 Series D Tax Exempt-FR	05/01/98	05/01/21	6.000	75,000	4,149	70,851	94.5
6 Series E Tax Exempt-FR	05/01/98	05/01/21	6.000	44,800	3,088	41,712	93.1
7 First Mortgage Bonds							
8 Series L	07/22/04	07/15/14	5.250	50,000	549	49,451	98.9
9 Series M	10/05/05	10/05/35	5.600	50,000	694	49,306	98.6
10 Series N	09/24/07	09/01/17	6.150	70,000	607	69,393	99.1
11 Series O	05/27/08	05/01/18	6.000	110,000	1,465	108,535	98.7
12 New FMB Issue (3)	12/14/09	12/01/19	4.500	150,000	1,881	148,120	98.7
13 Total Long-Term Debt						<u>804,160</u>	

- 14 Note (1): VR - Variable Rate Financing - Rates are set every 35 days.
 15 FR - Fixed Rate
 16 Note (2): Interest Rate shown is based on the November 2009 auction rate
 17 Note (3): Updated to reflect the issuance on December 14, 2009 of a new 10-year
 18 \$150M First Mortgage Bond, net of financing costs and discounts of \$1.88M.

19 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
 ITEM V
 LONG-TERM DEBT - UPDATED

(Thousands of Dollars)

PROFORMED LONG-TERM DEBT AT DECEMBER 31, 2008

<u>Title</u>	<u>Net Amount Outstanding</u>	<u>Cost Rate Based on Net Proceeds</u>	<u>Annual Cost of Long-Term Debt</u>	<u>Average Cost Rate (%)</u>
1 Pollution Control Revenue Bonds (1)				
2 Series A - VR (2)	85,758	0.711%	610	
3 Series B - FR	84,735	5.595%	4,741	
4 Series C - FR	104,035	6.120%	6,367	
5 Series D Tax Exempt-FR	74,007	6.196%	4,586	
6 Series E Tax Exempt-FR	44,228	6.189%	2,737	
7 First Mortgage Bonds (2)				
8 Series L	49,693	5.410%	2,688	
9 Series M	49,398	5.715%	2,823	
10 Series N	69,294	6.341%	4,394	
11 Series O	108,231	6.289%	6,806	
12 New FMB Issue (3)	<u>148,120</u>	4.684%	<u>6,938</u>	
13 Total Long-Term Debt	<u>817,498</u>		<u>42,691</u>	<u>5.222%</u>

14 Note 1: Unless noted otherwise, net balances outstanding and annual costs have
 15 been updated to reflect the cost of debt as of September 30, 2009.

16 Note 2: Interest rate was reset in November, 2009. See Schedule V, page 3 of 4.

17 Note 3: The new first mortgage bond reflects cost information available as of the
 18 issuance date of December 14, 2009. See Schedule V, page 3 of 4.

19 Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM VI
COST OF SHORT-TERM DEBT

- 1 PSNH's net borrowing position at December 31, 2008 was \$7.2M negative (\$45.2M of STD minus \$ 52.5M of short-term
- 2 liquid investments). Under normal circumstances, PSNH's STD balance would have been zero on December 31, 2008
- 3 since PSNH would have used its cash on hand to repay outstanding short-term borrowings. As a result of the current
- 4 global credit crisis, PSNH senior financial officers have determined that, until the credit crisis subsides, the Company
- 5 will hold cash in excess of its normal requirements in order to satisfy potential peak borrowing requirements.

- 6 As the short-term debt is being held as a liquidity reserve, and does not support rate base, PSNH has excluded it from
- 7 its capital structure.

- 8 The Company is requesting that short-term debt be excluded from its pro forma capital structure for rate-making
- 9 purposes in this filing.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

ITEM VII
PREFERRED STOCK

(Thousands of Dollars)

PREFERRED STOCK OUTSTANDING AT DECEMBER 31, 2008

<u>Title and Dividend Rate</u>	<u>Date of Offering</u>	<u>Financing Costs</u>	<u>Stated Value Per Share</u>	<u>Stated Value Per Issue</u>	<u>Net Proceeds</u>	<u>Net Proceeds Per Unit (%)</u>
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- 1 There are no issues of preferred stock outstanding. The Company has no plans to issue preferred stock.