Northeast Utilities

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10−Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2010
OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	I.R.S. Employer Identification No.
1−5324	**NORTHEAST UTILITIES** (a Massachusetts voluntary association) One Federal Street Building 111−4 Springfield, Massachusetts 01105 Telephone: (413) 785−5871	04−2147929
0−00404	**THE CONNECTICUT LIGHT AND POWER COMPANY** (a Connecticut corporation) 107 Selden Street Berlin, Connecticut 06037−1616 Telephone: (860) 665−5000	06−0303850
1−6392	**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE** (a New Hampshire corporation) Energy Park 780 North Commercial Street Manchester, New Hampshire 03101−1134 Telephone: (603) 669−4000	02−0181050
0−7624	**WESTERN MASSACHUSETTS ELECTRIC COMPANY** (a Massachusetts corporation) One Federal Street Building 111−4 Springfield, Massachusetts 01105 Telephone: (413) 785−5871	04−1961130

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days:

Yes	No
✓	

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S−T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes	No
✓	

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non−accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b−2 of the Exchange Act. (check one):

	Large Accelerated Filer	Accelerated Filer	Non−accelerated Filer
Northeast Utilities	✓		
The Connecticut Light and Power Company			✓
Public Service Company of New Hampshire			✓
Western Massachusetts Electric Company			✓

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b−2 of the Exchange Act):

	Yes	No
Northeast Utilities		✓
The Connecticut Light and Power Company		✓
Public Service Company of New Hampshire		✓
Western Massachusetts Electric Company		✓

Indicate the number of shares outstanding of each of the issuers' classes of common stock, as of the latest practicable date:

Company − Class of Stock	Outstanding as of October 31, 2010
Northeast Utilities Common shares, $5.00 par value	176,317,768 shares
The Connecticut Light and Power Company Common stock, $10.00 par value	6,035,205 shares
Public Service Company of New Hampshire Common stock, $1.00 par value	301 shares
Western Massachusetts Electric Company Common stock, $25.00 par value	434,653 shares

Northeast Utilities holds all of the 6,035,205 shares, 301 shares, and 434,653 shares of the outstanding common stock of The Connecticut Light and Power Company, Public Service Company of New Hampshire and Western Massachusetts Electric Company, respectively.

Public Service Company of New Hampshire and Western Massachusetts Electric Company each meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10−Q, and each is therefore filing this Form 10−Q with the reduced disclosure format specified in General Instruction H(2) of Form 10−Q.

GLOSSARY OF TERMS

The following is a glossary of abbreviations or acronyms that are found in this report.

CURRENT OR FORMER NU COMPANIES, SEGMENTS OR INVESTMENTS:

Boulos	E.S. Boulos Company
CL&P	The Connecticut Light and Power Company
HWP	HWP Company, formerly the Holyoke Water Power Company
NGS	Northeast Generation Services Company and subsidiaries
NGS Mechanical	NGS Mechanical, Inc.
NPT	Northern Pass Transmission LLC, a jointly owned limited liability company, held by NUTV and NSTAR on a 75 percent and 25 percent basis, respectively
NUTV	NU Transmission Ventures, Inc.
NU or the Company	Northeast Utilities and subsidiaries
NU Enterprises	NU Enterprises, Inc., the parent company of Select Energy, NGS, NGS Mechanical, SECI and Boulos
NUSCO	Northeast Utilities Service Company
NU parent and other companies	NU parent and other companies is comprised of NU parent, NUSCO and other subsidiaries, including HWP, RRR (a real estate subsidiary), and the non−energy−related subsidiaries of Yankee (Yankee Energy Services Company, and Yankee Energy Financial Services Company)
PSNH	Public Service Company of New Hampshire
Regulated companies	NU's Regulated companies, comprised of the electric distribution and transmission segments of CL&P, PSNH and WMECO, the generation activities of PSNH and WMECO, Yankee Gas, a natural gas local distribution company, and NPT
RRR	The Rocky River Realty Company
SECI	Select Energy Contracting, Inc.
Select Energy	Select Energy, Inc.
SESI	Select Energy Services, Inc., a former subsidiary of NU Enterprises
WMECO	Western Massachusetts Electric Company
Yankee	Yankee Energy System, Inc.
Yankee Gas	Yankee Gas Services Company

REGULATORS:

DOE	U.S. Department of Energy
DPU	Massachusetts Department of Public Utilities
DPUC	Connecticut Department of Public Utility Control
FERC	Federal Energy Regulatory Commission
NHPUC	New Hampshire Public Utilities Commission
SEC	Securities and Exchange Commission

OTHER:

2009 Form 10−K	The Northeast Utilities and subsidiaries combined 2009 Annual Report on Form 10−K as filed with the SEC
2010 Healthcare Act	Patient Protection and Affordable Care Act
AFUDC	Allowance For Funds Used During Construction
AMI	Advanced metering infrastructure
ARO	Asset Retirement Obligation
C&LM	Conservation and Load Management
CERCLA	The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980
CfD	Contract for Differences
CSC	Connecticut Siting Council
CTA	Competitive Transition Assessment
CWIP	Construction work in progress
CYAPC	Connecticut Yankee Atomic Power Company
EFSB	Massachusetts Energy Facilities Siting Board
EPS	Earnings Per Share
ERISA	Employee Retirement Income Security Act of 1974
ES	Default Energy Service
ESOP	Employee Stock Ownership Plan

FASB	Financial Accounting Standards Board
Fitch	Fitch Ratings
FMCC	Federally Mandated Congestion Charge
FTR	Financial Transmission Rights
GAAP	Accounting principles generally accepted in the United States of America
GSC	Generation Service Charge
GSRP	Greater Springfield Reliability Project
GWh	Gigawatt Hours
HG&E	Holyoke Gas and Electric, a municipal department of the town of Holyoke
HQ	Hydro−Québec, a corporation wholly−owned by the Québec government, including its divisions that produce, transmit and distribute electricity in Québec, Canada
HVDC	High voltage direct current
HQ Hydro Renewable Energy	H.Q. Hydro Renewable Energy, Inc., a wholly−owned subsidiary of Hydro−Québec
IPP	Independent Power Producers
ISO−NE	ISO New England, Inc., the New England Independent System Operator
KV	Kilovolt
KWh	Kilowatt−Hours
LNG	Liquefied natural gas
LOC	Letter of Credit
LRS	Last resort service
MA DEP	Massachusetts Department of Environmental Protection
MGP	Manufactured Gas Plant
MMBtu	One million British thermal units
Money Pool	Northeast Utilities Money Pool
Moody's	Moody's Investors Services, Inc.
MW	Megawatt
MWh	Megawatt−Hours
MYAPC	Maine Yankee Atomic Power Company
NEEWS	New England East−West Solution
Northern Pass	The high voltage direct current transmission line project from Canada to New Hampshire
NU supplemental benefit trust	The NU Trust Under Supplemental Executive Retirement Plan
NWPP	Northern Wood Power Project
PBOP	Postretirement Benefits Other Than Pension
PBOP Plan	Postretirement Benefits Other Than Pension Plan that provides certain retiree health care benefits, primarily medical and dental, and life insurance benefits
PCRBs	Pollution Control Revenue Bonds
Pension Plan	Single uniform noncontributory defined benefit retirement plan
PGA	Purchased Gas Adjustment
PPA	Pension Protection Act
Regulatory ROE	The average cost of capital method for calculating the return on equity related to the distribution and generation business segments excluding the wholesale transmission segment
ROE	Return on Equity
RMR	Reliability Must Run
RRB	Rate Reduction Bond or Rate Reduction Certificate
RSUs	Restricted share units
S&P	Standard & Poor's Financial Services LLC
SBC	Systems Benefits Charge
SCRC	Stranded Cost Recovery Charge
SERP	Supplemental Executive Retirement Plan
SS	Standard service
TCAM	Transmission Cost Adjustment Mechanism
TSA	Transmission Service Agreement
UI	The United Illuminating Company
VIE	Variable interest entity
WWL Project	The construction of a 16−mile gas pipeline between Waterbury and Wallingford, Connecticut and the increase of vaporization output of Yankee Gas' LNG plant
YAEC	Yankee Atomic Electric Company
Yankee Companies	Connecticut Yankee Atomic Power Company, Yankee Atomic Electric Company and Maine Yankee Atomic Power Company

NORTHEAST UTILITIES AND SUBSIDIARIES
THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY

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NORTHEAST UTILITIES AND SUBSIDIARIES

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NORTHEAST UTILITIES AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 41,179	$ 26,952
Receivables, Net	526,280	512,770
Unbilled Revenues	151,923	229,326
Fuel, Materials and Supplies	247,254	277,085
Marketable Securities	79,969	66,236
Derivative Assets	10,651	31,785
Prepayments and Other Current Assets	178,739	123,700
Total Current Assets	1,235,995	1,267,854
Property, Plant and Equipment, Net	9,318,017	8,839,965
Deferred Debits and Other Assets:		
Regulatory Assets	3,085,019	3,244,931
Goodwill	287,591	287,591
Marketable Securities	45,727	54,905
Derivative Assets	134,704	189,751
Other Long−Term Assets	190,535	172,682
Total Deferred Debits and Other Assets	3,743,576	3,949,860
Total Assets	$ 14,297,588	$ 14,057,679

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Banks	$ 156,000	$ 100,313
Long−Term Debt − Current Portion	66,286	66,286
Accounts Payable	379,184	457,582
Obligations to Third Party Suppliers	71,995	44,978
Accrued Taxes	69,870	50,246
Accrued Interest	107,828	83,763
Derivative Liabilities	61,317	37,617
Other Current Liabilities	144,668	138,627
Total Current Liabilities	1,057,148	979,412
Rate Reduction Bonds	246,711	442,436
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	1,546,255	1,380,143
Regulatory Liabilities	434,498	485,706
Derivative Liabilities	996,209	955,646
Accrued Pension	759,263	781,431
Other Long−Term Liabilities	781,246	845,868
Total Deferred Credits and Other Liabilities	4,517,471	4,448,794
Capitalization:		
Long−Term Debt	4,635,960	4,492,935
Noncontrolling Interest in Consolidated Subsidiary:		
Preferred Stock Not Subject to Mandatory Redemption	116,200	116,200
Equity:		
Common Shareholders' Equity:		
Common Shares	978,677	977,276
Capital Surplus, Paid In	1,772,959	1,762,097
Deferred Contribution Plan	–	(2,944)
Retained Earnings	1,368,956	1,246,543
Accumulated Other Comprehensive Loss	(40,979)	(43,467)
Treasury Stock	(356,950)	(361,603)
Common Shareholders' Equity	3,722,663	3,577,902
Noncontrolling Interest	1,435	–
Total Equity	3,724,098	3,577,902
Total Capitalization	8,476,258	8,187,037
Total Liabilities and Capitalization	$ 14,297,588	$ 14,057,679

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars, Except Share Information)	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Operating Revenues	$ 1,243,337	$ 1,306,173	$ 3,694,182	$ 4,124,087
Operating Expenses:				
Fuel, Purchased and Net Interchange Power	494,125	611,632	1,539,703	2,034,151
Other Operating Expenses	233,472	250,296	688,409	732,562
Maintenance	49,951	61,609	162,405	166,812
Depreciation	70,954	77,074	228,685	231,825
Amortization of Regulatory Assets, Net	50,341	10,542	50,908	19,194
Amortization of Rate Reduction Bonds	60,434	56,669	175,000	163,871
Taxes Other Than Income Taxes	84,427	75,798	244,431	216,651
Total Operating Expenses	1,043,704	1,143,620	3,089,541	3,565,066
Operating Income	199,633	162,553	604,641	559,021
Interest Expense:				
Interest on Long−Term Debt	57,802	55,733	173,594	168,191
Interest on Rate Reduction Bonds	4,661	8,657	16,985	28,889
Other Interest	3,435	5,245	9,778	8,490
Interest Expense	65,898	69,635	200,357	205,570
Other Income, Net	10,118	9,490	19,726	26,081
Income Before Income Tax Expense	143,853	102,408	424,010	379,532
Income Tax Expense	41,918	36,230	161,126	130,047
Net Income	101,935	66,178	262,884	249,485
Net Income Attributable to Noncontrolling Interests	1,411	1,390	4,204	4,169
Net Income Attributable to Controlling Interests	$ 100,524	$ 64,788	$ 258,680	$ 245,316
Basic Earnings Per Common Share	$ 0.57	$ 0.37	$ 1.47	$ 1.43
Fully Diluted Earnings Per Common Share	$ 0.57	$ 0.37	$ 1.46	$ 1.43
Dividends Declared Per Common Share	$ 0.26	$ 0.24	$ 0.77	$ 0.71
Weighted Average Common Shares Outstanding:				
Basic	176,752,714	175,358,776	176,557,889	170,958,396
Fully Diluted	177,012,278	175,995,506	176,762,088	171,532,913

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)	Nine Months Ended September 30, 2010	2009
Operating Activities:		
Net Income	$ 262,884	$ 249,485
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Bad Debt Expense	24,632	31,519
Depreciation	228,685	231,825
Deferred Income Taxes	105,070	77,617
Pension and PBOP Expense, Net of PBOP Contributions	41,709	10,197
Pension Contribution	(45,000)	–
Regulatory Overrecoveries, Net	44,479	44,519
Amortization of Regulatory Assets, Net	50,908	19,194
Amortization of Rate Reduction Bonds	175,000	163,871
Derivative Assets and Liabilities	(9,228)	(18,519)
Other	(46,190)	(13,485)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	20,905	122,700
Fuel, Materials and Supplies	33,337	18,900
Taxes Receivable/Accrued	(12,904)	59,641
Other Current Assets	(6,379)	(7,490)
Accounts Payable	(59,601)	(242,179)
Other Current Liabilities	35,340	13,335
Net Cash Flows Provided by Operating Activities	843,647	761,130
Investing Activities:		
Investments in Property and Plant	(677,579)	(634,446)
Proceeds from Sales of Marketable Securities	146,305	182,131
Purchases of Marketable Securities	(148,075)	(183,814)
Other Investing Activities	(10,412)	4,298
Net Cash Flows Used in Investing Activities	(689,761)	(631,831)
Financing Activities:		
Issuance of Common Shares	–	388,529
Cash Dividends on Common Shares	(135,349)	(120,647)
Cash Dividends on Preferred Stock	(4,169)	(4,169)
Increase/(Decrease) in Short−Term Debt	55,687	(293,663)
Issuance of Long−Term Debt	145,000	312,000
Retirements of Long−Term Debt	(4,286)	(54,286)
Retirements of Rate Reduction Bonds	(195,724)	(183,208)
Other Financing Activities	(818)	(14,694)
Net Cash Flows (Used In)/Provided by Financing Activities	(139,659)	29,862
Net Increase in Cash and Cash Equivalents	14,227	159,161
Cash and Cash Equivalents − Beginning of Period	26,952	89,816
Cash and Cash Equivalents − End of Period	$ 41,179	$ 248,977

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
ASSETS		
Current Assets:		
Cash	$ 7,118	$ 45
Receivables, Net	350,738	327,969
Accounts Receivable from Affiliated Companies	1,646	2,362
Notes Receivable from Affiliated Companies	–	97,775
Unbilled Revenues	91,434	140,632
Materials and Supplies	62,292	65,623
Derivative Assets	1,930	24,593
Prepayments and Other Current Assets	79,116	18,385
Total Current Assets	594,274	677,384
Property, Plant and Equipment, Net	5,487,899	5,340,561
Deferred Debits and Other Assets:		
Regulatory Assets	1,965,529	2,068,778
Derivative Assets	118,761	183,231
Other Long−Term Assets	87,032	94,610
Total Deferred Debits and Other Assets	2,171,322	2,346,619
Total Assets	$ 8,253,495	$ 8,364,564

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Affiliated Companies	$ 26,325	$ –
Long−Term Debt − Current Portion	62,000	62,000
Accounts Payable	178,654	242,853
Accounts Payable to Affiliated Companies	41,816	48,795
Obligations to Third Party Suppliers	65,907	39,609
Accrued Taxes	48,417	36,860
Accrued Interest	46,784	49,867
Derivative Liabilities	33,544	9,770
Other Current Liabilities	42,729	61,237
Total Current Liabilities	546,176	550,991
Rate Reduction Bonds	48,054	195,587
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	994,504	901,527
Regulatory Liabilities	278,168	316,160
Derivative Liabilities	960,228	913,349
Accrued Pension	42,706	51,319
Other Long−Term Liabilities	396,850	425,887
Total Deferred Credits and Other Liabilities	2,672,456	2,608,242
Capitalization:		
Long−Term Debt	2,520,914	2,520,361
Preferred Stock Not Subject to Mandatory Redemption	116,200	116,200
Common Stockholder's Equity:		
Common Stock	60,352	60,352
Capital Surplus, Paid In	1,602,412	1,601,792
Retained Earnings	689,744	714,210
Accumulated Other Comprehensive Loss	(2,813)	(3,171)
Common Stockholder's Equity	2,349,695	2,373,183
Total Capitalization	4,986,809	5,009,744
Total Liabilities and Capitalization	$ 8,253,495	$ 8,364,564

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Operating Revenues	$ 789,249	$ 859,283	$ 2,292,146	$ 2,598,723
Operating Expenses:				
Fuel, Purchased and Net Interchange Power	334,230	419,620	987,604	1,317,159
Other Operating Expenses	127,779	149,302	382,884	419,887
Maintenance	21,056	31,215	75,715	86,113
Depreciation	38,100	46,519	133,568	140,000
Amortization of Regulatory Assets, Net	32,997	7,911	55,308	24,551
Amortization of Rate Reduction Bonds	43,778	40,976	125,985	117,725
Taxes Other Than Income Taxes	59,884	53,648	168,001	149,736
Total Operating Expenses	657,824	749,191	1,929,065	2,255,171
Operating Income	131,425	110,092	363,081	343,552
Interest Expense:				
Interest on Long−Term Debt	33,656	33,514	100,918	99,486
Interest on Rate Reduction Bonds	1,529	4,455	6,805	15,342
Other Interest	1,496	2,838	4,692	1,420
Interest Expense	36,681	40,807	112,415	116,248
Other Income, Net	6,938	7,070	12,616	17,948
Income Before Income Tax Expense	101,682	76,355	263,282	245,252
Income Tax Expense	32,636	29,818	101,739	87,178
Net Income	$ 69,046	$ 46,537	$ 161,543	$ 158,074

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)	Nine Months Ended September 30, 2010	2009
Operating Activities:		
Net Income	$ 161,543	$ 158,074
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Bad Debt Expense	7,088	11,170
Depreciation	133,568	140,000
Deferred Income Taxes	49,636	34,458
Pension and PBOP Expense, Net of PBOP Contributions	388	(4,329)
Regulatory Overrecoveries, Net	57,696	51,378
Amortization of Regulatory Assets, Net	55,308	24,551
Amortization of Rate Reduction Bonds	125,985	117,725
Other	(38,073)	(25,452)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	2,653	52,715
Materials and Supplies	3,331	(6,205)
Taxes Receivable/Accrued	(13,016)	63,404
Other Current Assets	(16,990)	(15,395)
Accounts Payable	(55,383)	(121,852)
Other Current Liabilities	17,026	1,421
Net Cash Flows Provided by Operating Activities	490,760	481,663
Investing Activities:		
Investments in Property and Plant	(274,193)	(331,644)
Decrease/(Increase) in NU Money Pool Lending	97,775	(89,975)
Other Investing Activities	205	1,630
Net Cash Flows Used in Investing Activities	(176,213)	(419,989)
Financing Activities:		
Cash Dividends on Common Stock	(181,841)	(85,386)
Cash Dividends on Preferred Stock	(4,169)	(4,169)
Decrease in Short−Term Debt	–	(154,982)
Issuance of Long−Term Debt	–	312,000
Increase/(Decrease) in NU Money Pool Borrowings	26,325	(102,725)
Retirements of Rate Reduction Bonds	(147,533)	(137,859)
Capital Contributions from NU Parent	–	116,591
Other Financing Activities	(256)	(2,923)
Net Cash Flows Used in Financing Activities	(307,474)	(59,453)
Net Increase in Cash	7,073	2,221
Cash − Beginning of Period	45	–
Cash − End of Period	$ 7,118	$ 2,221

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
ASSETS		
Current Assets:		
Cash	$ 643	$ 1,974
Receivables, Net	97,930	89,337
Accounts Receivable from Affiliated Companies	917	286
Unbilled Revenues	41,870	49,358
Taxes Receivable	7,534	22,600
Fuel, Materials and Supplies	102,765	127,447
Prepayments and Other Current Assets	14,591	36,387
Total Current Assets	266,250	327,389
Property, Plant and Equipment, Net	1,986,903	1,814,714
Deferred Debits and Other Assets:		
Regulatory Assets	454,988	494,077
Other Long−Term Assets	88,853	61,011
Total Deferred Debits and Other Assets	543,841	555,088
Total Assets	$ 2,796,994	$ 2,697,191

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Affiliated Companies	$ 26,600	$ 26,700
Accounts Payable	92,886	109,521
Accounts Payable to Affiliated Companies	13,845	20,083
Accrued Interest	16,825	10,255
Derivative Liabilities	18,202	18,785
Other Current Liabilities	35,339	27,983
Total Current Liabilities	203,697	213,327
Rate Reduction Bonds	151,479	188,113
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	315,948	275,669
Regulatory Liabilities	68,868	69,872
Derivative Liabilities	3,577	7,635
Accrued Pension	241,287	272,905
Other Long−Term Liabilities	96,175	105,970
Total Deferred Credits and Other Liabilities	725,855	732,051
Capitalization:		
Long−Term Debt	836,337	836,255
Common Stockholder's Equity:		
Common Stock	–	–
Capital Surplus, Paid In	544,000	420,169
Retained Earnings	336,230	307,988
Accumulated Other Comprehensive Loss	(604)	(712)
Common Stockholder's Equity	879,626	727,445
Total Capitalization	1,715,963	1,563,700
Total Liabilities and Capitalization	$ 2,796,994	$ 2,697,191

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Operating Revenues	$ 276,976	$ 275,135	$ 773,866	$ 845,719
Operating Expenses:				
Fuel, Purchased and Net Interchange Power	94,137	120,437	281,161	395,156
Other Operating Expenses	53,133	55,038	172,332	176,242
Maintenance	20,933	22,327	62,560	58,701
Depreciation	17,454	15,567	49,443	46,128
Amortization of Regulatory Assets/(Liabilities), Net	14,513	3,157	(2,809)	(1,656)
Amortization of Rate Reduction Bonds	12,844	12,123	37,481	35,337
Taxes Other Than Income Taxes	14,191	12,361	40,616	34,374
Total Operating Expenses	227,205	241,010	640,784	744,282
Operating Income	49,771	34,125	133,082	101,437
Interest Expense:				
Interest on Long−Term Debt	8,925	8,181	27,705	24,551
Interest on Rate Reduction Bonds	2,320	3,146	7,557	10,210
Other Interest	208	371	572	34
Interest Expense	11,453	11,698	35,834	34,795
Other Income, Net	3,667	2,239	5,882	6,469
Income Before Income Tax Expense	41,985	24,666	103,130	73,111
Income Tax Expense	13,231	8,463	36,950	22,843
Net Income	$ 28,754	$ 16,203	$ 66,180	$ 50,268

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)	Nine Months Ended September 30, 2010	2009
Operating Activities:		
Net Income	$ 66,180	$ 50,268
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Bad Debt Expense	7,237	7,014
Depreciation	49,443	46,128
Deferred Income Taxes	31,876	16,852
Pension and PBOP Expense, Net of PBOP Contributions	14,707	13,137
Pension Contribution	(45,000)	–
Regulatory Underrecoveries, Net	(5,450)	(10,316)
Amortization of Regulatory Liabilities, Net	(2,809)	(1,656)
Amortization of Rate Reduction Bonds	37,481	35,337
Insurance Proceeds	10,000	10,066
Other	(32,525)	(6,123)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(8,973)	(6,937)
Fuel, Materials and Supplies	28,188	878
Taxes Receivable/Accrued	15,066	1,934
Other Current Assets	12,863	10,771
Accounts Payable	(11,599)	(77,433)
Other Current Liabilities	8,989	11,256
Net Cash Flows Provided by Operating Activities	175,674	101,176
Investing Activities:		
Investments in Property and Plant	(217,954)	(169,434)
Decrease in NU Money Pool Lending	–	53,800
Other Investing Activities	(7,753)	(759)
Net Cash Flows Used in Investing Activities	(225,707)	(116,393)
Financing Activities:		
Cash Dividends on Common Stock	(37,938)	(30,633)
(Decrease)/Increase in NU Money Pool Borrowings	(100)	12,700
Retirements of Rate Reduction Bonds	(36,635)	(34,515)
Capital Contributions from NU Parent	123,551	68,946
Other Financing Activities	(176)	(301)
Net Cash Flows Provided by Financing Activities	48,702	16,197
Net (Decrease)/Increase in Cash	(1,331)	980
Cash − Beginning of Period	1,974	195
Cash − End of Period	$ 643	$ 1,175

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
ASSETS		
Current Assets:		
Cash	$ 1	$ 1
Receivables, Net	39,077	38,415
Accounts Receivable from Affiliated Companies	312	191
Unbilled Revenues	12,969	16,090
Materials and Supplies	9,192	8,314
Marketable Securities	38,424	28,261
Prepayments and Other Current Assets	4,034	5,966
Total Current Assets	104,009	97,238
Property, Plant and Equipment, Net	779,749	705,760
Deferred Debits and Other Assets:		
Regulatory Assets	228,094	240,804
Marketable Securities	18,584	28,500
Other Long−Term Assets	38,224	29,498
Total Deferred Debits and Other Assets	284,902	298,802
Total Assets	$ 1,168,660	$ 1,101,800

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands of Dollars)	September 30, 2010	December 31, 2009
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Notes Payable to Affiliated Companies	$ 10,200	$ 136,100
Accounts Payable	40,027	36,680
Accounts Payable to Affiliated Companies	4,011	7,924
Other Current Liabilities	12,108	14,147
Total Current Liabilities	66,346	194,851
Rate Reduction Bonds	47,178	58,735
Deferred Credits and Other Liabilities:		
Accumulated Deferred Income Taxes	218,250	211,391
Regulatory Liabilities	21,887	21,683
Other Long−Term Liabilities	58,207	62,858
Total Deferred Credits and Other Liabilities	298,344	295,932
Capitalization:		
Long−Term Debt	400,249	305,475
Common Stockholder's Equity:		
Common Stock	10,866	10,866
Capital Surplus, Paid In	248,105	145,400
Retained Earnings	97,632	90,549
Accumulated Other Comprehensive Loss	(60)	(8)
Common Stockholder's Equity	356,543	246,807
Total Capitalization	756,792	552,282
Total Liabilities and Capitalization	$ 1,168,660	$ 1,101,800

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Thousands of Dollars)	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Operating Revenues	$ 103,719	$ 96,622	$ 296,400	$ 309,823
Operating Expenses:				
Fuel, Purchased and Net Interchange Power	39,922	42,403	120,274	151,936
Other Operating Expenses	27,314	19,022	73,607	64,503
Maintenance	4,915	5,196	14,825	13,437
Depreciation	5,838	5,609	17,658	16,758
Amortization of Regulatory Assets/(Liabilities), Net	2,735	(430)	445	(3,769)
Amortization of Rate Reduction Bonds	3,812	3,569	11,534	10,809
Taxes Other Than Income Taxes	4,319	4,104	12,483	10,518
Total Operating Expenses	88,855	79,473	250,826	264,192
Operating Income	14,864	17,149	45,574	45,631
Interest Expense:				
Interest on Long−Term Debt	4,691	3,534	13,298	10,531
Interest on Rate Reduction Bonds	811	1,057	2,623	3,337
Other Interest	93	238	275	632
Interest Expense	5,595	4,829	16,196	14,500
Other Income, Net	747	160	1,512	1,095
Income Before Income Tax Expense	10,016	12,480	30,890	32,226
Income Tax Expense	2,679	3,971	12,645	11,764
Net Income	$ 7,337	$ 8,509	$ 18,245	$ 20,462

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands of Dollars)	Nine Months Ended September 30, 2010	2009
Operating Activities:		
Net Income	$ 18,245	$ 20,462
Adjustments to Reconcile Net Income to Net Cash Flows Provided by Operating Activities:		
Bad Debt Expense	5,602	5,858
Depreciation	17,658	16,758
Deferred Income Taxes	4,712	17,227
Pension and PBOP Expense, Net of PBOP Contributions	(524)	(6,840)
Regulatory (Underrecoveries)/Overrecoveries, Net	(8,696)	3,083
Amortization of Regulatory Assets/(Liabilities), Net	445	(3,769)
Amortization of Rate Reduction Bonds	11,534	10,809
Other	(4,437)	(3,580)
Changes in Current Assets and Liabilities:		
Receivables and Unbilled Revenues, Net	(2,896)	4,633
Materials and Supplies	(878)	124
Taxes Receivable/Accrued	1,203	5,616
Other Current Assets	728	1,016
Accounts Payable	(9,900)	(27,176)
Other Current Liabilities	(2,109)	(5,720)
Net Cash Flows Provided by Operating Activities	30,687	38,501
Investing Activities:		
Investments in Property and Plant	(77,710)	(63,726)
Proceeds from Sales of Marketable Securities	94,575	99,898
Purchases of Marketable Securities	(94,896)	(100,413)
Other Investing Activities	(754)	581
Net Cash Flows Used in Investing Activities	(78,785)	(63,660)
Financing Activities:		
Cash Dividends on Common Stock	(11,162)	(14,652)
Increase in Short−Term Debt	–	45,227
Issuance of Long−Term Debt	95,000	–
(Decrease)/Increase in NU Money Pool Borrowings	(125,900)	4,600
Retirements of Rate Reduction Bonds	(11,557)	(10,833)
Capital Contributions from NU Parent	102,600	864
Other Financing Activities	(883)	(46)
Net Cash Flows Provided by Financing Activities	48,098	25,160
Net Increase in Cash	–	1
Cash − Beginning of Period	1	–
Cash − End of Period	$ 1	$ 1

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHEAST UTILITIES AND SUBSIDIARIES
THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES
WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Proposed Merger with NSTAR

On October 18, 2010, NU and NSTAR announced that each company's Board of Trustees unanimously approved a Definitive Merger Agreement (the "agreement") to create a combined company that will be called Northeast Utilities. The transaction will be a merger of equals in a tax−free share for share transfer. The combined company will provide electric and natural gas energy delivery service to approximately 3.5 million electric and natural gas customers through six regulated electric and natural gas utilities in Connecticut, Massachusetts and New Hampshire.

Under the terms of the agreement, NSTAR shareholders would receive 1.312 NU common shares for each common share of NSTAR that they own (the "exchange ratio"). The exchange ratio is structured to result in a no premium merger based on the average closing share price of each company's common shares for the 20 trading days preceding the announcement. Following completion of the merger, the market capitalization of the combined company would be comprised of approximately 56 percent of NU shareholders and approximately 44 percent of former NSTAR shareholders. It is anticipated that NU would issue approximately 137 million shares to the NSTAR shareholders as a result of the merger. Following the closing of the merger, NU's first dividend per common share declared after the closing would be increased to a rate that is equivalent to NSTAR's last dividend per common share paid prior to the closing divided by the exchange ratio.

Completion of the merger is subject to various conditions, including, among others, approval by holders of two−thirds of the outstanding common shares of both companies, the expiration or termination of any applicable waiting period under the Hart−Scott−Rodino Antitrust Improvements Act of 1976, the effectiveness of the registration statement for the NU common shares to be issued to NSTAR shareholders in the merger, and receipt of all required regulatory approvals. The companies anticipate that the regulatory approvals can be obtained in nine to twelve months. The companies intend to seek shareholder approval of the merger in early 2011 and expect that the merger will close in the third quarter of 2011.

B. Presentation

Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with GAAP have been omitted pursuant to the rules and regulations of the SEC. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the entirety of this combined Quarterly Report on Form 10−Q, the first and second quarter 2010 combined Quarterly Reports on Form 10−Q, and the combined 2009 Annual Report on Form 10−K of Northeast Utilities (NU or the Company), CL&P, PSNH, and WMECO, which was filed with the SEC (NU 2009 Form 10−K). The accompanying unaudited condensed consolidated financial statements contain, in the opinion of management, all adjustments (including normal, recurring adjustments) necessary to present fairly NU's and the above companies' financial positions as of September 30, 2010 and December 31, 2009, the results of operations for the three and nine months ended September 30, 2010 and 2009, and cash flows for the nine months ended September 30, 2010 and 2009. The results of operations for the three months ended September 30, 2010 and 2009, and the results of operations and cash flows for the nine months ended September 30, 2010 and 2009, are not necessarily indicative of the results expected for a full year.

Refer to the Glossary of Terms included in this combined Quarterly Report on Form 10−Q for abbreviations and acronyms used throughout the combined notes to the unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements of NU, CL&P, PSNH and WMECO include the accounts of all their respective subsidiaries. Intercompany transactions have been eliminated in consolidation.

In accordance with accounting guidance on the consolidation of VIEs, the Company evaluates its variable interests to determine if it has a controlling financial interest in a VIE that would require consolidation. The Company's variable interests outside of the consolidated group consist of contracts with developers of power plants that are required by regulation and provide for regulatory recovery of contract costs and benefits through customer rates. The Company would consolidate a VIE if it had both the power to direct the activities of a VIE that most significantly impact the entity's economic performance and the obligation to absorb losses of, or receive benefits from, the entity that could potentially be significant to the VIE.

For each variable interest in a power plant, NU evaluates the activities of that particular power plant that most significantly impact the VIE's economic performance to determine whether it has control over those activities. NU's assessment of control includes an analysis of who operates and maintains the power plant including dispatch rights and who controls the activities of the power plant after the expiration of its power purchase agreement with NU. NU also evaluates its exposure to potentially significant losses and benefits of the VIE. As of September 30, 2010, NU held variable interests in VIEs through agreements with certain entities that are single power plant owners of renewable energy, peaking generation and other independent power producers. NU does not control the activities that are economically significant to these VIEs or provide financial or other support to these VIEs. NU does not have financial exposure

because the costs and benefits of all of these arrangements are fully recoverable from, or refundable to, NU's customers. As of September 30, 2010, NU was not identified as the primary beneficiary of, and therefore does not consolidate, any power plant VIEs. The Company does not have any variable interests in a VIE that are material to the accompanying unaudited condensed consolidated financial statements.

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain reclassifications of prior period data were made in the accompanying unaudited condensed consolidated balance sheets and the statements of cash flows for all companies presented. These reclassifications were made to conform to the current period's presentation.

NU evaluates events and transactions that occur after the balance sheet date but before financial statements are issued and recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the balance sheet date and discloses but does not recognize in the financial statements subsequent events that provide evidence about the conditions that arose after the balance sheet date but before the financial statements are issued. See Note 13, "Subsequent Events," for further information.

C.
Fair Value Measurements

NU, including CL&P, PSNH, and WMECO, applies fair value measurement guidance to all derivative contracts recorded at fair value and to the marketable securities held in the NU supplemental benefit trust and WMECO's spent nuclear fuel trust. Fair value measurement guidance is also applied to investment valuations used to calculate the funded status of NU's Pension and PBOP plans and non−recurring fair value measurements of NU's non−financial assets and liabilities, such as AROs and Yankee Gas' goodwill.

Fair Value Hierarchy: In measuring fair value, NU uses observable market data when available and minimizes the use of unobservable inputs. Unobservable inputs are needed to value certain derivative contracts due to complexities in the terms of the contracts. Inputs used in fair value measurements are categorized into three fair value hierarchy levels for disclosure purposes. The entire fair value measurement is categorized based on the lowest level of input that is significant to the fair value measurement. NU evaluates the classification of assets and liabilities measured at fair value on a quarterly basis, and NU's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. The three levels of the fair value hierarchy are described below:

Level 1 − Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 − Inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model−derived valuations in which all significant inputs are observable.

Level 3 − Quoted market prices are not available. Fair value is derived from valuation techniques in which one or more significant inputs or assumptions are unobservable. Where possible, valuation techniques incorporate observable market inputs that can be validated to external sources such as industry exchanges, including prices of energy and energy−related products. Significant unobservable inputs are used in the valuations, including items such as energy and energy−related product prices in future years for which observable prices are not yet available, future contract quantities under full−requirements or supplemental sales contracts, and market volatilities. Items valued using these valuation techniques are classified according to the lowest level for which there is at least one input that is significant to the valuation. Therefore, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

Determination of Fair Value: The valuation techniques and inputs used in NU's fair value measurements are described in Note 2, "Derivative Instruments," and Note 10, "Marketable Securities," to the unaudited condensed consolidated financial statements. There were no changes to the valuation methodologies for derivative instruments or marketable securities as of September 30, 2010 and December 31, 2009.

D.
Regulatory Accounting

The Regulated companies continue to be rate−regulated on a cost−of−service basis, therefore, the accounting policies of the Regulated companies conform to GAAP applicable to rate−regulated enterprises and historically reflect the effects of the rate−making process.

Management believes it is probable that the Regulated companies will recover their respective investments in long−lived assets, including regulatory assets. All material net regulatory assets are earning a return, except for the majority of deferred benefit cost assets, regulatory assets offsetting derivative liabilities, securitized regulatory assets and income tax regulatory assets, all of which are not in rate base. Amortization and deferrals of regulatory assets/(liabilities) are primarily included on a net basis in Amortization of Regulatory Assets/(Liabilities), Net on the accompanying unaudited condensed consolidated statements of income.

Regulatory Assets: The components of regulatory assets are as follows:

(Millions of Dollars)	As of September 30, 2010 NU	As of December 31, 2009 NU
Deferred Benefit Costs	$ 1,078.1	$ 1,132.1
Regulatory Assets Offsetting Derivative Liabilities	922.4	855.6
Securitized Assets	236.6	432.9
Income Taxes, Net	380.8	363.2
Unrecovered Contractual Obligations	133.4	149.5
Regulatory Tracker Deferrals	83.9	104.1
Storm Cost Deferral	62.3	60.0
Asset Retirement Obligations	45.2	42.9
Losses on Reacquired Debt	22.2	24.0
Deferred Environmental Remediation Costs	35.5	24.6
Other Regulatory Assets	84.6	56.0
Totals	$ 3,085.0	$ 3,244.9

	As of September 30, 2010			As of December 31, 2009		
(Millions of Dollars)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
Deferred Benefit Costs	$ 477.3	$ 142.6	$ 98.9	$ 502.4	$ 154.2	$ 104.9
Regulatory Assets Offsetting Derivative Liabilities	899.8	21.8	–	828.6	26.4	–
Securitized Assets	48.0	142.7	45.9	195.4	180.1	57.4
Income Taxes, Net	310.3	28.9	18.1	304.1	21.9	16.9
Unrecovered Contractual Obligations	105.6	–	27.8	118.0	–	31.5
Regulatory Tracker Deferrals	37.4	25.5	16.2	70.3	19.0	11.3
Storm Cost Deferral	4.7	42.3	15.3	–	50.8	9.2
Asset Retirement Obligations	25.5	14.4	3.0	23.8	14.0	2.8
Losses on Reacquired Debt	11.7	8.6	0.4	12.7	9.2	0.4
Deferred Environmental Remediation Costs	–	8.4	–	–	1.3	–
Other Regulatory Assets	45.2	19.8	2.5	13.5	17.2	6.4
Totals	$ 1,965.5	$ 455.0	$ 228.1	$ 2,068.8	$ 494.1	$ 240.8

Additionally, the Regulated companies had $45.3 million ($0.5 million for CL&P, $25 million for PSNH, and $11.9 million for WMECO) and $27.1 million ($9.9 million for CL&P and $9.1 million for WMECO) of regulatory costs as of September 30, 2010 and December 31, 2009, respectively, which were included in Other Long−Term Assets on the accompanying unaudited condensed consolidated balance sheets. These amounts represent incurred costs that have not yet been approved for recovery by the applicable regulatory agency. Management believes these costs are probable of recovery in future cost−of−service regulated rates.

Regulatory Liabilities: The components of regulatory liabilities are as follows:

(Millions of Dollars)	As of September 30, 2010 NU	As of December 31, 2009 NU
Cost of Removal	$ 197.6	$ 209.2
Regulatory Liabilities Offsetting Derivative Assets	25.7	109.4
Regulatory Tracker Deferrals	99.2	62.5
AFUDC Transmission Incentive	58.3	51.1
Pension and PBOP Liabilities − Yankee Gas Acquisition	13.1	15.0
Other Regulatory Liabilities	40.6	38.5
Totals	$ 434.5	$ 485.7

	As of September 30, 2010			As of December 31, 2009		
(Millions of Dollars)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
Cost of Removal	$ 78.7	$ 58.3	$ 11.6	$ 82.2	$ 60.5	$ 16.6
Regulatory Liabilities Offsetting Derivative Assets	25.7	–	–	109.0	0.4	–
Regulatory Tracker Deferrals	88.1	7.4	3.7	56.0	4.4	2.1
AFUDC Transmission Incentive	54.7	–	3.6	50.4	–	0.7
WMECO Provision For Rate Refunds	–	–	2.0	–	–	2.0
Other Regulatory Liabilities	31.0	3.2	1.0	18.6	4.6	0.3
Totals	$ 278.2	$ 68.9	$ 21.9	$ 316.2	$ 69.9	$ 21.7

E.
Property, Plant and Equipment and Accumulated Depreciation

The following tables summarize the NU, CL&P, PSNH, and WMECO investments in utility plant as of September 30, 2010 and December 31, 2009:

(Millions of Dollars)	As of September 30, 2010 NU	As of December 31, 2009 NU
Distribution − Electric	$ 6,100.1	$ 5,893.9
Distribution − Natural Gas	1,098.4	1,071.1
Transmission	3,286.4	3,219.2
Generation	680.0	660.1
Electric and Natural Gas Utility	11,164.9	10,844.3
Other [1]	282.1	265.6
Total Property, Plant and Equipment, Gross	11,447.0	11,109.9
Less: Accumulated Depreciation		
Electric and Natural Gas Utility	(2,844.5)	(2,721.3)
Other	(121.8)	(120.3)
Total Accumulated Depreciation	(2,966.3)	(2,841.6)
Property, Plant and Equipment, Net	8,480.7	8,268.3
Construction Work in Progress	837.3	571.7
Total Property, Plant and Equipment, Net	$ 9,318.0	$ 8,840.0

[1] These assets are primarily owned by RRR ($146.9 million and $143.8 million) and NUSCO ($122.3 million and $109 million) as of September 30, 2010 and December 31, 2009, respectively.

	As of September 30, 2010			As of December 31, 2009		
(Millions of Dollars)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
Distribution	$ 4,117.3	$ 1,345.6	$ 669.1	$ 3,960.1	$ 1,309.2	$ 654.9
Transmission	2,605.2	459.7	221.5	2,573.2	450.2	195.7
Generation	–	680.0	–	–	660.1	–
Total Property, Plant and Equipment, Gross	6,722.5	2,485.3	890.6	6,533.3	2,419.5	850.6
Less: Accumulated Depreciation	(1,501.1)	(832.7)	(227.5)	(1,426.6)	(805.5)	(218.2)
Property, Plant and Equipment, Net	5,221.4	1,652.6	663.1	5,106.7	1,614.0	632.4
Construction Work in Progress	266.5	334.3	116.6	233.9	200.7	73.4
Total Property, Plant and Equipment, Net	$ 5,487.9	$ 1,986.9	$ 779.7	$ 5,340.6	$ 1,814.7	$ 705.8

F.
Provision for Uncollectible Accounts

NU, including CL&P, PSNH and WMECO, maintains a provision for uncollectible accounts to record receivables at an estimated net realizable value. This provision is determined based upon a variety of factors, including applying an estimated uncollectible account percentage to each receivable aging category, based upon historical collection and write−off experience and management's assessment of collectibility from individual customers. Management reviews at least quarterly the collectibility of the receivables, and if circumstances change, collectibility estimates are adjusted accordingly. Receivable balances are written−off against the provision for uncollectible accounts when the accounts are terminated and these balances are deemed to be uncollectible.

The provision for uncollectible accounts as of September 30, 2010 and December 31, 2009, which are included in Receivables, Net on the accompanying unaudited condensed consolidated balance sheets, were as follows:

(Millions of Dollars)	As of September 30, 2010	As of December 31, 2009
NU	$ 55.2	$ 55.3
CL&P	27.7	26.1
PSNH	6.5	5.1
WMECO	7.7	7.2

G.
Allowance for Funds Used During Construction

AFUDC is included in the cost of the Regulated companies' utility plant and represents the cost of borrowed and equity funds used to finance construction. The portion of AFUDC attributable to borrowed funds is recorded as a reduction of Other Interest Expense, and the AFUDC related to equity funds is recorded as Other Income, Net on the accompanying unaudited condensed consolidated statements of income.

	For the Three Months Ended		For the Nine Months Ended	
(Millions of Dollars, except percentages)	September 30, 2010 NU	September 30, 2009 NU	September 30, 2010 NU	September 30, 2009 NU
AFUDC:				
Borrowed Funds	$ 2.8	$ 1.2	$ 6.9	$ 4.7
Equity Funds	4.6	2.8	11.6	6.2
Totals	$ 7.4	$ 4.0	$ 18.5	$ 10.9
Average AFUDC Rates	7.3%	6.4%	7.1%	6.2%

	For the Three Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars, except percentages)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
AFUDC:						
Borrowed Funds	$ 0.7	$ 1.8	$ 0.1	$ 0.4	$ 0.8	$ –
Equity Funds	1.2	2.9	0.2	1.9	0.9	–
Totals	$ 1.9	$ 4.7	$ 0.3	$ 2.3	$ 1.7	$ –
Average AFUDC Rates	8.1%	6.9%	8.3%	8.2%	6.1%	0.8%

	For the Nine Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars, except percentages)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
AFUDC:						
Borrowed Funds	$ 2.0	$ 4.4	$ 0.2	$ 1.9	$ 2.4	$ 0.2
Equity Funds	3.7	7.1	0.4	3.5	2.5	–
Totals	$ 5.7	$ 11.5	$ 0.6	$ 5.4	$ 4.9	$ 0.2
Average AFUDC Rates	8.4%	6.7%	5.8%	6.8%	6.7%	2.0%

The Regulated companies' average AFUDC rate is based on a FERC−prescribed formula that produces an average rate using the cost of a company's short−term financings as well as a company's capitalization (preferred stock, long−term debt and common equity). The average rate is applied to average eligible CWIP amounts to calculate AFUDC. AFUDC is recorded on 100 percent of CL&P's and WMECO's CWIP for their NEEWS projects, all of which is being reserved as a regulatory liability to reflect current rate base recovery for 100 percent of the CWIP as a result of FERC−approved transmission incentives.

H.
Other Income, Net
The pre−tax components of other income/(loss) items are as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
(Millions of Dollars)	NU	NU	NU	NU
Other Income:				
Investment Income	$ 4.3	$ 5.1	$ 2.3	$ 8.2
Interest Income	1.0	0.4	3.0	4.4
AFUDC − Equity Funds	4.6	2.8	11.6	6.2
Energy Independence Act Incentives	0.9	0.5	3.1	4.9
Other	1.4	0.7	2.9	2.6
Total Other Income	12.2	9.5	22.9	26.3
Other Loss:				
Other	(2.1)	–	(3.2)	(0.2)
Total Other Loss	(2.1)	–	(3.2)	(0.2)
Total Other Income, Net	$ 10.1	$ 9.5	$ 19.7	$ 26.1

	For the Three Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
Other Income:						
Investment Income	$ 2.9	$ 0.7	$ 0.6	$ 3.4	$ 0.8	$ 0.7
Interest Income	0.8	0.1	0.1	0.7	0.4	(0.6)
AFUDC − Equity Funds	1.2	2.9	0.2	1.9	0.9	–
Energy Independence Act Incentives	0.9	–	–	0.6	–	–
Other	1.2	–	–	0.5	0.1	0.1
Total Other Income	7.0	3.7	0.9	7.1	2.2	0.2
Other Loss:						
Other	(0.1)	–	(0.2)	–	–	–
Total Other Loss	(0.1)	–	(0.2)	–	–	–
Total Other Income, Net	$ 6.9	$ 3.7	$ 0.7	$ 7.1	$ 2.2	$ 0.2

	For the Nine Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
Other Income:						
Investment Income	$ 1.5	$ 0.4	$ 0.3	$ 5.5	$ 1.4	$ 1.2
Interest Income	2.8	0.8	0.5	2.6	2.2	(0.4)
AFUDC − Equity Funds	3.7	7.1	0.4	3.5	2.5	−
Energy Independence Act Incentives	3.1	−	−	4.9	−	−
Other	1.6	0.1	0.3	1.5	0.4	0.4
Total Other Income	12.7	8.4	1.5	18.0	6.5	1.2
Other Loss:						
Other	(0.1)	(2.5)	−	(0.1)	−	(0.1)
Total Other Loss	(0.1)	(2.5)	−	(0.1)	−	(0.1)
Total Other Income, Net	$ 12.6	$ 5.9	$ 1.5	$ 17.9	$ 6.5	$ 1.1

Other Income − Other includes equity in earnings, which relates to the Company's investments, including investments of CL&P, PSNH and WMECO, in the Yankee Companies and NU's investment in two regional transmission companies. Equity in earnings was de minimis for NU, CL&P, PSNH and WMECO for both the three months ended September 30, 2010 and 2009, and $0.8 million and $1.4 million for NU (de minimis amounts for CL&P and PSNH in both periods and a de minimis amount and $0.1 million for WMECO) for the nine months ended September 30, 2010 and 2009, respectively. Income tax expense associated with the equity in earnings was de minimis for NU, CL&P, PSNH and WMECO for the three months ended September 30, 2010 and 2009 and a de minimis amount and $0.6 million for NU (de minimis amounts for CL&P, PSNH and WMECO) for the nine months ended September 30, 2010 and 2009, respectively.

Dividends received from the Yankee Companies and the regional transmission companies investments were recorded as a reduction to NU's, including CL&P, PSNH and WMECO, investment. Dividends received were de minimis for NU (zero for CL&P, PSNH, and WMECO) for both the three months ended September 30, 2010 and 2009. Dividends received were $0.7 million and $3.4 million for NU (zero and $1.5 million for CL&P, zero and $0.2 million for PSNH and zero and $0.4 million for WMECO) for the nine months ended September 30, 2010 and September 30, 2009, respectively.

Included in Other Loss − Other for NU and PSNH for the nine months ended September 30, 2010 is a $2.5 million write−off of carrying charges related to storm costs incurred during the December 2008 ice storm. This write−off was part of the multi−year rate case settlement agreement that was effective July 1, 2010.

For both the three and nine months ended September 30, 2009, NU and WMECO's interest income included a $0.7 million tax refund adjustment.

I.
Special Deposits and Counterparty Deposits

NU, including CL&P, PSNH, and WMECO, records special deposits and counterparty deposits posted under master netting agreements as an offset to a derivative asset or liability if the related derivatives are recorded in a net position. As of September 30, 2010, Select Energy had $4.3 million of collateral posted under master netting agreements and netted against the fair value of the derivatives. As of December 31, 2009, CL&P and Select Energy had $0.5 million and $2.1 million, respectively, of collateral posted under master netting agreements and netted against the fair value of the derivatives.

Special deposits paid by Select Energy to unaffiliated counterparties and brokerage firms not subject to master netting agreements totaled $27.8 million and $28.1 million as of September 30, 2010 and December 31, 2009, respectively. These amounts are included in Prepayments and Other Current Assets on the accompanying unaudited condensed consolidated balance sheets. There were no counterparty deposits for Select Energy as of September 30, 2010 and December 31, 2009.

NU, CL&P, PSNH and WMECO have established credit policies regarding counterparties to minimize overall credit risk. These policies require an evaluation of potential counterparties, financial condition, collateral requirements and the use of standardized agreements that allow for the netting of positive and negative exposures associated with a single counterparty. These evaluations result in established credit limits prior to entering into a contract. As of September 30, 2010 and December 31, 2009, there were no counterparty deposits for these companies.

J.
Income Taxes

2010 Federal Legislation: On March 23, 2010, President Obama signed into law the 2010 Healthcare Act. The 2010 Healthcare Act was amended by a Reconciliation Bill signed into law on March 30, 2010. The 2010 Healthcare Act includes a provision that eliminated the tax deductibility of certain PBOP contributions equal to the amount of the federal subsidy received by companies like NU, which sponsor retiree health care benefit plans with a prescription drug benefit that is actuarially equivalent to Medicare Part D. The tax deduction eliminated by this legislation represented a loss of previously recognized deferred income tax assets established through 2009 and as a result, these assets were written down by approximately $18 million in the first quarter of 2010. Since the electric and natural gas distribution companies are cost−of−service and rate−regulated, a portion of the $18 million is able to be deferred and recovered through future rates. For the nine months ended September 30, 2010, NU deferred approximately $15 million of recoverable write−downs related to these businesses and reduced 2010 earnings on a net basis by approximately $3 million of non−recoverable costs. In addition, as a result of the elimination of the tax deduction in 2010, NU was not able to recognize approximately $2 million of net annual benefits.

On September 27, 2010, President Obama signed into law the Small Business Jobs and Credit Act of 2010, which extends the bonus depreciation provisions of the American Recovery and Reinvestment Act of 2009 to small and large businesses through 2010. This extended stimulus will provide NU with cash flow benefits of approximately $100 million in 2010.

K.
Other Taxes

Certain excise taxes levied by state or local governments are collected by CL&P and Yankee Gas from their respective customers. These excise taxes are shown on a gross basis with collections in revenues and payments in expenses. Gross receipts taxes, franchise taxes and other excise taxes were included in Operating Revenues and Taxes Other Than Income Taxes on the accompanying unaudited condensed consolidated statements of income as follows:

	For the Three Months Ended		For the Nine Months Ended	
(Millions of Dollars)	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
NU	$ 37.0	$ 33.6	$ 109.0	$ 103.4
CL&P	35.1	31.7	97.3	90.4

Certain sales taxes are also collected by CL&P, WMECO, and Yankee Gas from their respective customers as agents for state and local governments and are recorded on a net basis with no impact on the accompanying unaudited condensed consolidated statements of income.

L.
Common Shares

The following table sets forth the NU common shares and the shares of CL&P, PSNH and WMECO common stock authorized and issued and the respective par values as of September 30, 2010 and December 31, 2009:

		Shares		
		Authorized	Issued	
	Per Share Par Value	As of September 30, 2010 and December 31, 2009	As of September 30, 2010	As of December 31, 2009
NU	$ 5	225,000,000	195,735,427	195,455,214
CL&P	$ 10	24,500,000	6,035,205	6,035,205
PSNH	$ 1	100,000,000	301	301
WMECO	$ 25	1,072,471	434,653	434,653

As of September 30, 2010 and December 31, 2009, 19,454,509 and 19,708,136 NU common shares were held as treasury shares, respectively.

M.
Restricted Cash

As of December 31, 2009, PSNH had $10 million of restricted cash held with a trustee related to insurance proceeds received on bondable property, which was included in Prepayments and Other Current Assets on the accompanying unaudited condensed consolidated balance sheet. These funds were released from the trustee during the second quarter of 2010 and there was no restricted cash held as of September 30, 2010.

N.
Supplemental Cash Flow Information

Non−cash investing activities include capital expenditures incurred but not paid as follows:

(Millions of Dollars)	As of September 30, 2010	As of December 31, 2009
NU	$ 104.0	$ 125.5
CL&P	27.5	48.2
PSNH	34.7	46.5
WMECO	19.0	10.3

The majority of the short−term borrowings of NU, including CL&P, PSNH, and WMECO, have original maturities of three months or less. Accordingly, borrowings and repayments are shown net on the statement of cash flows. In December 2008, NU parent borrowed $127 million under its revolving credit agreement that had original maturities in excess of 90 days. These amounts were repaid in March 2009 and are included in the net activity for the nine months ended September 30, 2009 in the unaudited condensed consolidated statement of cash flows. For the nine months ended September 30, 2010, NU, CL&P, PSNH, and WMECO had no such borrowings.

2.
DERIVATIVE INSTRUMENTS

The costs and benefits of derivative contracts that meet the definition of and are designated as "normal purchases or normal sales" (normal) are recognized in Operating Expenses or Operating Revenues on the accompanying unaudited condensed consolidated statements of income, as applicable, as electricity or natural gas is delivered.

Derivative contracts that are not recorded as normal under the applicable accounting guidance, are recorded at fair value as current or long−term derivative assets or liabilities. Changes in fair values of NU Enterprises' derivatives are included in Net Income. For the Regulated companies, regulatory assets or liabilities are recorded for the changes in fair values of derivatives, as these contracts are part of current regulated operating costs, or have an allowed recovery mechanism, and management believes that these costs will

continue to be recovered from or refunded to customers in cost−of−service, regulated rates. See below for discussion of "Derivatives not designated as hedges."

The Regulated companies are exposed to the volatility of the prices of energy and energy−related products in procuring energy supply for their customers. The costs associated with supplying energy to customers are recoverable through customer rates. The Company manages the risks associated with the price volatility of energy and energy−related products through the use of derivative contracts, many of which are accounted for as normal (for WMECO all derivative contracts are accounted for as normal) and the use of nonderivative contracts.

CL&P mitigates the risks associated with the price volatility of energy and energy−related products through the use of SS or LRS contracts, which fix the price of electricity purchased for customers for periods of time ranging from three months to three years and are accounted for as normal. CL&P has entered into derivatives, including FTR contracts and bilateral basis swaps, to manage the risk of congestion costs associated with its SS and LRS contracts. As required by regulation, CL&P has also entered into derivative and nonderivative contracts for the purchase of energy and energy−related products and contracts related to capacity. While the risks managed by these contracts are regional congestion costs and capacity price risks that are not specific to CL&P, Connecticut's electric distribution companies, including CL&P, are required to enter into these contracts. Management believes any costs or benefits from these contracts are recoverable from or will be refunded to CL&P's customers, and, therefore any changes in fair value are recorded as Regulatory Assets and Regulatory Liabilities on the accompanying unaudited condensed consolidated balance sheets.

WMECO mitigates the risks associated with the volatility of the prices of energy and energy−related products in procuring energy supply for its customers through the use of default service contracts, which fix the price of electricity purchased for customers for periods of time ranging from three months to three years and are accounted for as normal.

PSNH mitigates the risks associated with the volatility of energy prices in procuring energy supply for its customers through its generation facilities and the use of derivative contracts, including energy forward contracts, options and FTRs. PSNH enters into these contracts in order to stabilize electricity prices for customers. Management believes any costs or benefits from these contracts are recoverable from or will be refunded to PSNH's customers, and, therefore any changes in fair value are recorded as Regulatory Assets and Regulatory Liabilities on the accompanying unaudited condensed consolidated balance sheets.

NU mitigates the risks associated with supply availability and volatility of natural gas prices through the use of storage facilities and long−term agreements to purchase natural gas supply for customers. Yankee Gas enters into contracts to meet required demand levels throughout the heating season and manages supply risk through the use of options contracts.

NU Enterprises, through Select Energy, has one remaining fixed price forward sales contract to serve electrical load that is part of its wholesale energy marketing portfolio. NU Enterprises mitigates the price risk associated with this contract through the use of forward purchase and sales contracts. NU Enterprises' derivative contracts are accounted for at fair value, and changes in their fair values are recorded in Operating Expenses on the accompanying unaudited condensed consolidated statements of income.

NU is also exposed to interest rate risk associated with its long−term debt. From time to time, various subsidiaries of the Company enter into forward starting interest rate swaps, accounted for as cash flow hedges, to mitigate the risk of changes in interest rates when they expect to issue long−term debt. NU parent has also entered into an interest rate swap on fixed rate long−term debt in order to manage the balance of fixed and floating rate debt. This interest rate swap mitigates the interest rate risk associated with the fixed rate long−term debt and is accounted for as a fair value hedge.

The gross fair values of derivative assets and liabilities with the same counterparty are offset and reported as net Derivative Assets or Derivative Liabilities, with appropriate current and long−term portions, in the accompanying unaudited condensed consolidated balance sheets. The following tables present the gross fair values of contracts and the net amounts recorded as current or long−term derivative assets or liabilities, by primary underlying risk exposures or purpose:

	As of September 30, 2010					
	Derivatives Not Designed as Hedges					
(Millions of Dollars)	Commodity and Capacity Contracts Required by Regulation	Commodity Sales Contract and Related Price and Supply Risk Management	Other Commodity Price and Supply Risk Management	Hedging Instruments−Interest Rate Risk Management	Collateral and Netting	Net Amount Recorded as Derivative Asset/(Liability)
Current Derivative Assets:						
Level 2:						
NU Parent	$ −	$ −	$ −	$ 5.5	$ −	$ 5.5
Level 3:						
NU Enterprises	−	3.3	−	−	−	3.3
CL&P	0.9	−	1.0	−	−	1.9
Total Current Derivative Assets	$ 0.9	$ 3.3	$ 1.0	$ 5.5	$ −	$ 10.7
Long−Term Derivative Assets:						
Level 2:						
NU Parent	$ −	$ −	$ −	$ 9.7	$ −	$ 9.7
Level 3:						
NU Enterprises	−	6.2	−	−	−	6.2
CL&P [1]	202.5	−	−	−	(83.7)	118.8
Total Long−Term Derivative Assets	$ 202.5	$ 6.2	$ −	$ 9.7	$ (83.7)	$ 134.7
Current Derivative Liabilities:						
Level 2:						
PSNH	$ −	$ −	$ (18.2)	$ −	$ −	$ (18.2)
Level 3:						
NU Enterprises [2]	−	(13.4)	−	−	4.3	(9.1)
CL&P [1]	(37.8)	−	(0.2)	−	4.5	(33.5)
Yankee Gas	−	−	(0.5)	−	−	(0.5)
Total Current Derivative Liabilities	$ (37.8)	$ (13.4)	$ (18.9)	$ −	$ 8.8	$ (61.3)
Long−Term Derivative Liabilities:						
Level 2:						
PSNH	$ −	$ −	$ (3.6)	$ −	$ −	$ (3.6)
Level 3:						
NU Enterprises [1]	−	(32.4)	−	−	0.4	(32.0)
CL&P	(960.2)	−	−	−	−	(960.2)
Yankee Gas	−	−	(0.4)	−	−	(0.4)
Total Long−Term Derivative Liabilities	$ (960.2)	$ (32.4)	$ (4.0)	$ −	$ 0.4	$ (996.2)

	As of December 31, 2009					
	Derivatives Not Designated as Hedges					
(Millions of Dollars)	Commodity and Capacity Contracts Required by Regulation	Commodity Sales Contract and Related Price and Supply Risk Management	Other Commodity Price and Supply Risk Management	Hedging Instruments−Interest Rate Risk Management	Collateral and Netting	Net Amount Recorded as Derivative Asset/(Liability)
Current Derivative Assets:						
Level 2:						
NU Parent	$ −	$ −	$ −	$ 6.7	$ −	$ 6.7
Level 3:						
CL&P	20.1	−	4.5	−	−	24.6
PSNH (3)	−	−	0.4	−	−	0.4
Yankee Gas	−	−	0.1	−	−	0.1
Total Current Derivative Assets	$ 20.1	$ −	$ 5.0	$ 6.7	$ −	$ 31.8
Long−Term Derivative Assets:						
Level 2:						
NU Parent	$ −	$ −	$ −	$ 6.5	$ −	$ 6.5
Level 3:						
CL&P (1)	259.0	−	−	−	(75.8)	183.2
Total Long−Term Derivative Assets	$ 259.0	$ −	$ −	$ 6.5	$ (75.8)	$ 189.7
Current Derivative Liabilities:						
Level 2:						
PSNH	$ −	$ −	$ (18.8)	$ −	$ −	$ (18.8)
Level 3:						
NU Enterprises (2)	−	(13.0)	−	−	4.3	(8.7)
CL&P (4)	(10.3)	−	−	−	0.5	(9.8)
Yankee Gas	−	−	(0.4)	−	−	(0.4)
Total Current Derivative Liabilities	$ (10.3)	$ (13.0)	$ (19.2)	$ −	$ 4.8	$ (37.7)
Long−Term Derivative Liabilities:						
Level 2:						
PSNH	$ −	$ −	$ (7.6)	$ −	$ −	$ (7.6)
Level 3:						
NU Enterprises (1)	−	(41.1)	−	−	6.7	(34.4)
CL&P	(913.3)	−	−	−	−	(913.3)
Yankee Gas	−	−	(0.3)	−	−	(0.3)
Total Long−Term Derivative Liabilities	$ (913.3)	$ (41.1)	$ (7.9)	$ −	$ 6.7	$ (955.6)

(1) Amounts in Collateral and Netting represent derivative contracts that are netted against the fair value of the gross derivative asset/liability.

(2) Collateral and Netting amounts as of September 30, 2010 for NU Enterprises current derivative liabilities represent cash collateral posted that is under master netting agreements. As of December 31, 2009, Collateral and Netting included derivative assets of $2.2 million that are netted against the fair value of derivative liabilities and cash collateral of $2.1 million posted under master netting agreements.

(3) On PSNH's accompanying unaudited condensed consolidated balance sheet, the current portion of the net derivative asset is shown in Prepayments and Other Current Assets.

(4) Collateral and Netting amounts represent cash posted under master netting agreements.

For further information on the fair value of derivative contracts, see Note 1C, "Summary of Significant Accounting Policies − Fair Value Measurements," to the unaudited condensed consolidated financial statements.

The following provides additional information about the derivatives included in the tables above, including volumes and cash flow information.

Derivatives not designated as hedges

NU Enterprises' commodity sales contract and related price and supply risk management: As of September 30, 2010 and December 31, 2009, NU Enterprises had approximately 0.4 million MWh of supply volumes remaining in its wholesale portfolio when expected sales to an agency that is comprised of municipalities are compared with contracted supply, both of which extend through 2013.

CL&P commodity and capacity contracts required by regulation: As of September 30, 2010 and December 31, 2009, CL&P had contracts with two IPPs to purchase electricity monthly in amounts aggregating approximately 1.5 million MWh per year through March 2015 under one of these contracts and 0.1 million MWh per year through December 2020 under the second contract. CL&P also has two capacity−related CfDs to increase energy supply in Connecticut relating to one generating project that has been modified and one

generating plant to be built. The total capacity of these CfDs and two additional CfDs entered into by UI is expected to be approximately 787 MW. CL&P has an agreement with UI, which is also accounted for as a derivative, under which they will share the costs and benefits of the four CfDs, with 80 percent allocated to CL&P and 20 percent to UI. The four CfDs obligate the utilities to pay/receive monthly the difference between a set capacity price and the forward capacity market price that the projects receive in the ISO−NE capacity markets for periods of up to 15 years beginning in 2009.

Commodity price and supply risk management: As of September 30, 2010 and December 31, 2009, CL&P had 0.7 million and 2.7 million MWh, respectively, remaining under FTRs that extend through December 2010 and require monthly payments or receipts.

PSNH has electricity procurement contracts with delivery dates through 2011 to purchase an aggregate amount of 0.6 million and 1 million MWh of power as of September 30, 2010 and December 31, 2009, respectively, that is used to serve customer load and manage price risk of its electricity delivery service obligations. These contracts are settled monthly. PSNH also has two energy call options that it received in exchange for assigning its transmission rights in a direct current transmission line. The options give PSNH the right to purchase 0.1 million and 0.6 million MWh of electricity through December 2010 as of September 30, 2010 and December 31, 2009, respectively. In addition, PSNH has entered into FTRs to manage the risk of congestion costs associated with its electricity delivery service. As of September 30, 2010 and December 31, 2009, there were 0.1 million and 0.4 million MWh, respectively, remaining under FTRs that extend through December 2010 and required monthly payments or receipts. The purpose of the PSNH derivative contracts is to provide stable rates for customers by mitigating price uncertainties associated with the New England electricity spot market.

The following table presents the realized and unrealized gains/(losses) associated with derivative contracts not designated as hedges:

		Amount of Gain/(Loss) Recognized on Derivative Instrument			
		For the Three Months Ended		For the Nine Months Ended	
Derivatives Not Designated as Hedges	**Location of Gain or Loss Recognized on Derivative**	**September 30, 2010**	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
(*Millions of Dollars)*					
NU Enterprises:					
Commodity Sales Contract and Related Price and Supply Risk Management	Fuel, Purchased and Net Interchange Power	$ 1.2	$ (1.5)	$ 1.7	$ 6.4
Regulated Companies:					
CL&P Energy and Capacity Contracts Required by Regulation	Regulatory Assets/Liabilities	(49.8)	(31.8)	(141.6)	18.3
Other Commodity Price and Supply Risk Management:					
CL&P	Regulatory Assets/Liabilities	(0.8)	(0.9)	(4.4)	(7.9)
PSNH	Regulatory Assets/Liabilities	(2.1)	(7.2)	(17.8)	(58.0)
Yankee Gas	Regulatory Assets/Liabilities	−	(0.4)	(0.5)	(2.5)

For the Regulated companies, monthly settlement amounts are recorded as receivables or payables and as Operating Revenues or Fuel, Purchased and Net Interchange Power on the accompanying unaudited condensed consolidated financial statements. Regulatory assets/liabilities are established with no impact to Net Income.

Derivatives designated as hedging instruments

Interest Rate Risk Management: To manage the interest rate risk characteristics of NU parent's fixed rate long−term debt, NU parent has a fixed to floating interest rate swap on its $263 million, 7.25 percent fixed rate senior notes maturing on April 1, 2012. This interest rate swap qualifies and was designated as a fair value hedge and requires semi−annual cash settlements. The changes in fair value of the swap and the interest component of the hedged long−term debt instrument are recorded in Interest Expense on the accompanying unaudited condensed consolidated statements of income. There was no ineffectiveness recorded for the three or nine months ended September 30, 2010 and 2009. The cumulative changes in fair values of the swap and the Long−Term Debt are recorded as a Derivative Asset/Liability and an adjustment to Long−Term Debt. Interest receivable is recorded as a reduction of Interest Expense and is included in Prepayments and Other Current Assets.

For the three and nine months ended September 30, 2010 and 2009, the realized and unrealized gains/(losses) related to changes in fair value of the swap and Long−Term Debt as well as pre−tax Interest Expense, recorded in Net Income, were as follows:

	For the Three Months Ended			
	September 30, 2010		September 30, 2009	
(Millions of Dollars)	Swap	Hedged Debt	Swap	Hedged Debt
Changes in Fair Value	$ 2.8	$ (2.8)	$ 4.0	$ (4.0)
Interest Recorded in Net Income	–	2.9	–	2.7

	For the Nine Months Ended			
	September 30, 2010		September 30, 2009	
(Millions of Dollars)	Swap	Hedged Debt	Swap	Hedged Debt
Changes in Fair Value	$ 10.2	$ (10.2)	$ 0.8	$ (0.8)
Interest Recorded in Net Income	–	8.2	–	6.5

There were no cash flow hedges outstanding as of or during the three or nine months ended September 30, 2010 and 2009 and no ineffectiveness was recorded during these periods. From time to time, NU, including CL&P, PSNH and WMECO, enters into forward starting interest rate swap agreements on proposed debt issuances that qualify and are designated as cash flow hedges. Cash flow hedges are recorded at fair value, and the changes in the fair value of the effective portion of those contracts are recognized in Accumulated Other Comprehensive Income. Cash flow hedges impact Net Income when hedge ineffectiveness is measured and recorded, when the forecasted transaction being hedged is improbable of occurring or when the transaction is settled. When a cash flow hedge is terminated, the settlement amount is recorded in Accumulated Other Comprehensive Income and is amortized into Net Income over the term of the underlying debt instrument.

Pre−tax gains/(losses) amortized from Accumulated Other Comprehensive Income into Interest Expense on the accompanying unaudited condensed consolidated statements of income were as follows:

	For the Three Months Ended		For the Nine Months Ended	
(Millions of Dollars)	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
CL&P	$ (0.2)	$ (0.2)	$ (0.6)	$ (0.6)
PSNH	–	–	(0.1)	(0.1)
WMECO	–	–	0.1	0.1
Other	0.1	0.1	0.3	0.3
NU	$ (0.1)	$ (0.1)	$ (0.3)	$ (0.3)

For further information, see Note 5, "Comprehensive Income," to the unaudited condensed consolidated financial statements.

Credit Risk

Certain derivative contracts that are accounted for at fair value, including PSNH's electricity procurement contracts and NU Enterprises' electricity sourcing contracts, contain credit risk contingent features. These features require these companies or, in NU Enterprises' case, NU parent, to maintain investment grade credit ratings from the major rating agencies and to post cash or standby LOCs as collateral for contracts in a net liability position over specified credit limits. NU parent provides standby LOCs under its revolving credit agreement for NU subsidiaries to post with counterparties. The following summarizes the fair value of derivative contracts that are in a liability position and subject to credit risk contingent features and the fair value of cash collateral and standby LOCs posted with counterparties as of September 30, 2010 and December 31, 2009:

	As of September 30, 2010		
(Millions of Dollars)	Fair Value Subject to Credit Risk Contingent Features	Cash Collateral Posted	Standby LOCs Posted
PSNH	$ (21.8)	$ –	$ 29.0
NU Enterprises	(22.0)	4.3	–
NU	$ (43.8)	$ 4.3	$ 29.0

	As of December 31, 2009		
(Millions of Dollars)	Fair Value Subject to Credit Risk Contingent Features	Cash Collateral Posted	Standby LOCs Posted
PSNH	$ (26.4)	$ –	$ 25.0
NU Enterprises	(20.0)	2.1	–
NU	$ (46.4)	$ 2.1	$ 25.0

Additional collateral is required to be posted by NU Enterprises or PSNH, if the respective unsecured debt credit ratings of NU parent or PSNH are downgraded below investment grade. As of September 30, 2010, no additional cash collateral would have been required to be posted if credit ratings had been downgraded below investment grade. However, if the senior unsecured debt of NU parent had been downgraded to below investment grade, additional standby LOCs in the amount of $17.3 million would have been required to be posted on derivative contracts for Select Energy. As of December 31, 2009, no additional cash collateral would have been required to be posted if credit ratings had been downgraded below investment grade. However, if the senior unsecured debt of PSNH or NU

parent had been downgraded to below investment grade, additional standby LOCs in the amount of $1.8 million and $17.8 million would have been required to be posted on derivative contracts for PSNH and Select Energy, respectively.

For further information, see Note 1I, "Summary of Significant Accounting Policies − Special Deposits and Counterparty Deposits," to the unaudited condensed consolidated financial statements.

Fair Value Measurements of Derivative Instruments:
Valuation of Derivative Instruments: Derivative contracts classified as Level 2 in the fair value hierarchy include Other Commodity Price and Supply Risk Management contracts and Interest Rate Risk Management contracts. Other Commodity Price and Supply Risk Management contracts include PSNH forward contracts to purchase energy for periods for which prices are quoted in an active market. Prices are obtained from broker quotes and based on actual market activity. The contracts are valued using the mid−point of the bid−ask spread. Valuations of these contracts also incorporate discount rates using the yield curve approach. Interest Rate Risk Management contracts represent interest rate swap agreements and are valued using a market approach provided by the swap counterparty using a discounted cash flow approach utilizing forward interest rate curves.

The derivative contracts classified as Level 3 in the tables below include NU Enterprises' Sales Contract and Related Price and Supply Risk Management contracts, the Regulated companies' Commodity and Capacity Contracts Required by Regulation (which include CL&P's CfDs and contracts with certain IPPs), and Other Commodity Price and Supply Risk Management contracts (PSNH and Yankee Gas physical options, and CL&P and PSNH FTRs.) For Commodity and Capacity Contracts Required by Regulation and NU Enterprises' Commodity Sales contract, fair value is modeled using income techniques such as discounted cash flow approaches adjusted for assumptions relating to exit price. Significant observable inputs for valuations of these contracts include energy and energy−related product prices for which quoted prices in an active market exist. Significant unobservable inputs used in the valuations of these contracts include energy and energy−related product prices for future years for long−dated derivative contracts and future contract quantities under requirements and supplemental sales contracts. Discounted cash flow valuations incorporate estimates of premiums or discounts that would be required by a market participant to arrive at an exit price, using available historical market transaction information. Valuations of derivative contracts include assumptions regarding the timing and likelihood of scheduled payments and also reflect nonperformance risk, including credit, using the default probability approach based on the counterparty's credit rating for assets and the company's credit rating for liabilities.

Other Commodity Price and Supply Risk Management contracts classified as Level 3 in the tables below are valued using income approaches including a Black−Scholes option pricing model. Observable inputs used in valuing options include prices for energy and energy−related products for years for which quoted prices in an active market exist. Unobservable inputs included in the valuation of options contracts include market volatilities related to future energy prices and the estimated likelihood that the option will be exercised. FTRs are valued using broker quotes based on prices in an inactive market.

Valuations using significant unobservable inputs: The following tables present changes for the three and nine months ended September 30, 2010 and 2009 in the Level 3 category of derivative assets and derivative liabilities measured at fair value on a recurring basis. The derivative assets and liabilities are presented on a net basis. The Company classifies assets and liabilities in Level 3 of the fair value hierarchy when there is reliance on at least one significant unobservable input to the valuation model. In addition to these unobservable inputs, the valuation models for Level 3 assets and liabilities typically also rely on a number of inputs that are observable either directly or indirectly. Thus the gains and losses presented below include changes in fair value that are attributable to both observable and unobservable inputs. There were no transfers into or out of Level 3 assets and liabilities for the three or nine months ended September 30, 2010 or 2009:

	For the Three Months Ended September 30, 2010			
	NU			
(Millions of Dollars)	Commodity and Capacity Contracts Required By Regulation	Commodity Sales Contract and Related Price and Supply Risk Management	Other Commodity Price and Supply Risk Management	Total Level 3
Derivatives, Net:				
Fair Value as of Beginning of Period	$ (818.3)	$ (39.5)	$ 1.0	$ (856.8)
Net Realized/Unrealized Gains/(Losses) Included in:				
Net Income [1]	–	1.2	–	1.2
Regulatory Assets/Liabilities	(49.8)	–	(0.9)	(50.7)
Purchases, Issuances and Settlements	(5.7)	2.4	(0.2)	(3.5)
Fair Value as of End of Period	$ (873.8)	$ (35.9)	$ (0.1)	$ (909.8)
Period Change in Unrealized Gains Included in Net Income Relating to Items Held as of End of Period	$ –	$ 1.0	$ –	$ 1.0

(Millions of Dollars)	For the Three Months Ended September 30, 2010 CL&P Commodity and Capacity Contracts Required By Regulation	CL&P Other Commodity Price and Supply Risk Management	CL&P Total Level 3	PSNH Other Commodity Price and Supply Risk Management
Derivatives, Net:				
Fair Value as of Beginning of Period	$ (818.3)	$ 1.8	$ (816.5)	$ –
Net Realized/Unrealized Losses Included in:				
Regulatory Assets/Liabilities	(49.8)	(0.8)	(50.6)	–
Purchases, Issuances and Settlements	(5.7)	(0.2)	(5.9)	–
Fair Value as of End of Period	$ (873.8)	$ 0.8	$ (873.0)	$ –

(Millions of Dollars)	For the Nine Months Ended September 30, 2010 NU Commodity and Capacity Contracts Required By Regulation	NU Commodity Sales Contract and Related Price and Supply Risk Management	NU Other Commodity Price and Supply Risk Management	NU Total Level 3
Derivatives, Net:				
Fair Value as of Beginning of Period	$ (720.3)	$ (45.2)	$ 4.3	$ (761.2)
Net Realized/Unrealized Gains/(Losses) Included in:				
Net Income [1]	–	1.7	–	1.7
Regulatory Assets/Liabilities	(141.6)	–	(5.1)	(146.7)
Purchases, Issuances and Settlements	(11.9)	7.6	0.7	(3.6)
Fair Value as of End of Period	$ (873.8)	$ (35.9)	$ (0.1)	$ (909.8)
Period Change in Unrealized Gains Included in Net Income Relating to Items Held as of End of Period	$ –	$ 0.9	$ –	$ 0.9

(Millions of Dollars)	For the Nine Months Ended September 30, 2010 CL&P Commodity and Capacity Contracts Required By Regulation	CL&P Other Commodity Price and Supply Risk Management	CL&P Total Level 3	PSNH Other Commodity Price and Supply Risk Management
Derivatives, Net:				
Fair Value as of Beginning of Period	$ (720.3)	$ 4.5	$ (715.8)	$ 0.4
Net Realized/Unrealized Losses Included in:				
Regulatory Assets/Liabilities	(141.6)	(4.4)	(146.0)	(0.2)
Purchases, Issuances and Settlements	(11.9)	0.7	(11.2)	(0.2)
Fair Value as of End of Period	$ (873.8)	$ 0.8	$ (873.0)	$ –

(Millions of Dollars)	For the Three Months Ended September 30, 2009 NU	CL&P	PSNH	For the Nine Months Ended September 30, 2009 NU	CL&P	PSNH
Derivatives, Net:						
Fair Value as of Beginning of Period	$ (614.0)	$ (570.5)	$ 1.3	$ (669.2)	$ (611.1)	$ 4.1
Net Realized/Unrealized Gains/(Losses) Included in:						
Net Income [1]	(1.5)	–	–	6.4	–	–
Regulatory Assets/Liabilities	(33.4)	(32.7)	(0.3)	4.9	10.4	(3.0)
Purchases, Issuances and Settlements	4.6	3.8	–	13.6	1.3	(0.1)
Fair Value as of End of Period	$ (644.3)	$ (599.4)	$ 1.0	$ (644.3)	$ (599.4)	$ 1.0
Period Change in Unrealized Gains/(Losses) Included in Net Income Relating to Items Held as of End of Period	$ (1.4)	$ –	$ –	$ 6.1	$ –	$ –

[1] Realized and unrealized gains and losses on derivatives included in Net Income relate to the remaining NU Enterprises' marketing contracts and are reported in Fuel, Purchased and Net Interchange Power on the accompanying unaudited condensed consolidated statements of income.

3.
PENSION BENEFITS AND POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

NUSCO, a subsidiary of NU, sponsors the Pension Plan, a single uniform noncontributory defined benefit retirement plan, which is subject to the provisions of ERISA. The Pension Plan covers nonbargaining unit employees (and bargaining unit employees, as negotiated) of NU, including CL&P, PSNH, and WMECO, hired before 2006 (or as negotiated, for bargaining unit employees). On behalf of NU's retirees, NUSCO also sponsors plans that provide certain retiree health care benefits, primarily medical and dental, and life insurance benefits through a PBOP Plan. In addition, NU maintains a SERP, which provides benefits to eligible participants who are officers of NU. This plan primarily provides benefits that would have been provided to these employees under the Pension Plan if certain Internal Revenue Code limitations were not imposed.

The components of net periodic expense/(income) for the Pension Plan, PBOP Plan and SERP for the three and nine months ended September 30, 2010 and 2009 are as follows:

	For the Three Months Ended September 30,					
(Millions of Dollars)	Pension Benefits		PBOP Benefits		SERP Benefits	
NU	2010	2009	2010	2009	2010	2009
Service Cost	$ 12.6	$ 11.3	$ 2.1	$ 1.8	$ 0.2	$ 0.2
Interest Cost	37.6	38.3	6.7	7.3	0.6	0.6
Expected Return on Plan Assets	(45.7)	(47.3)	(5.4)	(5.3)	–	–
Net Transition Obligation Cost	–	0.1	4.2	2.8	–	–
Prior Service Cost/(Credit)	2.4	2.4	(0.1)	–	–	–
Actuarial Loss	13.2	5.1	2.9	2.6	0.2	0.1
Total – Net Periodic Expense	$ 20.1	$ 9.9	$ 10.4	$ 9.2	$ 1.0	$ 0.9
CL&P – Net Periodic Expense/(Income)	$ 2.1	$ (1.5)	$ 4.2	$ 3.8	$ 0.1	$ –
PSNH – Net Periodic Expense	$ 7.0	$ 5.8	$ 1.9	$ 1.7	$ 0.1	$ 0.1
WMECO – Net Periodic Expense/(Income)	$ *	$ (0.7)	$ 0.8	$ 0.6	$ *	$ *

	For the Nine Months Ended September 30,					
(Millions of Dollars)	Pension Benefits		PBOP Benefits		SERP Benefits	
NU	2010	2009	2010	2009	2010	2009
Service Cost	$ 37.7	$ 33.8	$ 6.3	$ 5.4	$ 0.5	$ 0.6
Interest Cost	112.8	115.1	20.1	21.8	1.7	1.7
Expected Return on Plan Assets	(137.0)	(142.0)	(16.2)	(15.7)	–	–
Net Transition Obligation Cost	–	0.2	12.5	8.5	–	–
Prior Service Cost/(Credit)	7.3	7.3	(0.2)	–	–	0.1
Actuarial Loss	39.5	15.4	8.7	7.9	0.8	0.3
Total – Net Periodic Expense	$ 60.3	$ 29.8	$ 31.2	$ 27.9	$ 3.0	$ 2.7
CL&P – Net Periodic Expense/(Income)	$ 6.4	$ (4.3)	$ 12.7	$ 11.6	$ 0.3	$ 0.2
PSNH – Net Periodic Expense	$ 21.0	$ 17.4	$ 5.8	$ 5.2	$ 0.2	$ 0.2
WMECO – Net Periodic Expense/(Income)	$ (0.1)	$ (2.2)	$ 2.3	$ 2.0	$ *	$ *

*A de minimis amount of net periodic expense was recorded for WMECO.

Not included in the Pension Plan, PBOP Plan and SERP amounts above for CL&P, PSNH and WMECO are related intercompany allocations as follows:

	For the Three Months Ended September 30,					
	CL&P		PSNH		WMECO	
(Millions of Dollars)	2010	2009	2010	2009	2010	2009
Pension Benefits	$ 5.8	$ 3.6	$ 1.3	$ 0.7	$ 1.0	$ 0.6
PBOP Benefits	2.0	1.8	0.5	0.4	0.3	0.3
SERP Benefits	0.5	0.5	0.1	0.1	0.1	0.1

	For the Nine Months Ended September 30,					
	CL&P		PSNH		WMECO	
(Millions of Dollars)	2010	2009	2010	2009	2010	2009
Pension Benefits	$ 17.4	$ 11.0	$ 4.0	$ 2.4	$ 3.1	$ 1.8
PBOP Benefits	6.0	5.5	1.5	1.3	1.0	0.9
SERP Benefits	1.5	1.4	0.4	0.3	0.3	0.2

A portion of the pension amounts is capitalized related to employees who are working on capital projects. Amounts capitalized, including intercompany allocations, for NU, CL&P, PSNH and WMECO were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(Millions of Dollars)	**2010**	**2009**	**2010**	**2009**
NU	$ 4.4	$ 1.5	$ 13.2	$ 4.6
CL&P	1.7	(0.1)	5.2	(0.2)
PSNH	2.0	1.4	6.1	4.3
WMECO	0.2	(0.2)	0.5	(0.5)

The amounts for the three and nine months ended September 30, 2009 for CL&P and WMECO offset capital costs, as pension income was recorded related to these capital projects.

Contributions: Currently NU's policy is to annually fund the Pension Plan with an amount at least equal to what will satisfy the requirements of ERISA and the Internal Revenue Code. NU's Pension Plan has historically been well funded, and a contribution has not been required to be made since 1991. Due to the unfunded balance as of January 1, 2009, PSNH made a contribution to the plan of $45 million in the third quarter of 2010.

4. COMMITMENTS AND CONTINGENCIES

A. Environmental Matters

NU, CL&P, PSNH and WMECO are subject to environmental laws and regulations intended to mitigate or remove the effect of past operations and improve or maintain the quality of the environment. These laws and regulations require the removal or the remedy of the effect on the environment of the disposal or release of certain specified hazardous substances at current and former operating sites. MGPs were operated several decades ago; the process of producing manufactured gas from coal resulted in certain byproducts in the environment that may pose a risk to human health and the environment. MGP sites comprise the largest portion of the Company's environmental liabilities.

As of September 30, 2010, there were 31 environmental sites in the remediation or long−term monitoring phase (5 for CL&P, 11 for PSNH and 8 for WMECO). As of September 30, 2010 and December 31, 2009, the environmental reserve for the sites in the remediation or long−term monitoring phase was $31.1 million and $18.4 million ($0.7 million and $0.5 million for CL&P, $10.2 million and $5.0 million for PSNH and $0.2 million and $0.2 million for WMECO), respectively, which represent management's best estimates of the liabilities for environmental costs. These amounts are the best estimates within estimated ranges of losses from zero to $8.7 million ($0.2 million to $1 million for PSNH and zero to $8.7 million for WMECO).

CERCLA Matters: CERCLA and its amendments or state equivalents impose joint and several strict liabilities, regardless of fault, upon generators of hazardous substances resulting in removal and remediation costs and environmental damages. Liabilities under these laws can be material and in some instances may be imposed without regard to fault or for past acts that may have been lawful at the time they occurred. Of the total sites included in the remediation and long−term monitoring phase, 3 sites (2 for PSNH and one involving both CL&P and WMECO) are superfund sites under CERCLA for which the Company has been notified that it is a potentially responsible party but for which the site assessment and remediation are not being managed by the Company. As of September 30, 2010, a liability of $0.6 million ($0.3 million for CL&P, $0.3 million for PSNH, and a de minimis amount for WMECO) accrued on these sites represents management's best estimate of its potential remediation costs with respect to these superfund sites.

Environmental Matter Impacting Net Income:
HWP is a subsidiary of NU that continues to investigate the extent of impacts and the potential need for additional remediation at a river site in Massachusetts containing tar deposits associated with a MGP site. The MGP was sold to HG&E in 1902. HWP shares responsibility for site remediation with HG&E and has already conducted substantial investigative and remediation activities. As of September 30, 2010, the reserve for this environmental matter was $3.2 million and the cumulative charges to the reserve since it was first established were approximately $19.5 million. HWP's share of the costs related to this site is not recoverable from customers.

In 2008, the MA DEP issued a letter to HWP and HG&E providing conditional authorization for additional investigatory and risk characterization activities and providing comments on HWP's previous reports and proposals for further investigations. In that letter, the MA DEP also indicated that further removal of tar in certain areas was necessary. This letter represented guidance rather than a mandate from the MA DEP. HWP implemented several supplemental characterization studies to further delineate and assess tar deposits in conformity with the MA DEP's guidance letter.

In April 2010, HWP delivered a report to the MA DEP describing the results of its site investigation studies and testing. Subsequent discussions with the MA DEP focused on the course of action to achieve a resolution for the tar deposits. From this meeting, MA DEP sent a letter of approval on HWP's proposed timeline for additional assessment activities. These matters are subject to ongoing discussions with the MA DEP and are subject to change in the future.

For the three and nine months ended September 30, 2010, pre−tax charges of $1.6 million and $2.6 million, respectively, were recorded to reflect estimated costs associated with the site. Based upon discussions with and the letter received from the MA DEP, a pre−tax charge of $1.6 million was recorded in the third quarter of 2010 to reflect estimated remaining costs associated with the site, primarily to

complete additional studies. For the three and nine months ended September 30, 2009, pre−tax charges associated with this site were zero and $1.1 million, respectively.

The $3.2 million reserve balance as of September 30, 2010 represents estimated costs that HWP considers probable over the remaining life of the project, including testing and related costs in the near term and field activities to be agreed upon with the MA DEP, further studies and long term monitoring that are expected to be required by the MA DEP, and certain soft tar remediation activities. Management believes that the $3.2 million remaining in the reserve is at the low end of a range of probable costs for HWP to resolve this matter.

Various factors could affect management's estimates and require an increase to the reserve, which would be reflected as a charge to Net income. Although a material increase to the reserve is not presently anticipated, management cannot reasonably estimate potential additional investigation or remediation costs because these costs would depend, among other things, on the nature, extent and timing of additional investigation and remediation that may be required by the MA DEP.

B.
Deferred Contractual Obligations

Spent Nuclear Fuel Litigation: In 1998, CYAPC, YAEC and MYAPC filed separate complaints against the DOE in the Court of Federal Claims seeking monetary damages resulting from the DOE's failure to begin accepting spent nuclear fuel for disposal by January 31, 1998 pursuant to the terms of the 1983 spent fuel and high level waste disposal contracts between the Yankee Companies and the DOE. In a ruling released on October 4, 2006, the Court of Federal Claims held that the DOE was liable for damages to CYAPC for $34.2 million through 2001, YAEC for $32.9 million through 2001 and MYAPC for $75.8 million through 2002. In December 2007, the Yankee Companies each filed subsequent lawsuits against the DOE seeking recovery of actual damages incurred in the years following 2001/2002.

In December 2006, the DOE appealed the ruling, and the Yankee Companies filed cross−appeals. The Court of Appeals issued its decision on August 7, 2008, effectively agreeing with the trial court's findings as to the liability of the DOE but disagreeing with the method that the trial court used to calculate damages. The Court of Appeals vacated the decision and remanded the case for new findings consistent with its decision.

On September 7, 2010, the trial court issued its decision following remand and judgment on the decision was entered on September 9, 2010. The judgment awarded CYAPC $39.7 million, YAEC $21.2 million and MYAPC $81.7 million. Parties have 30 days to file motions for reconsideration and 60 days to file any appeals (a filing stops the clock on appeal periods). Interest on the judgments does not start to accrue until all appeals have been decided and/or all appeal periods have expired without appeals being filed. If no motions for reconsideration are filed, the deadline for filing appeals of the decision would be November 8, 2010. The application of any damages, which are ultimately recovered to benefit customers, is established in the Yankee Companies' FERC−approved rate settlement agreements, although implementation will be subject to the final determination of the FERC.

C.
Guarantees and Indemnifications

NU parent provides credit assurances on behalf of its subsidiaries, including CL&P, PSNH and WMECO, in the form of guarantees and LOCs in the normal course of business.

NU has also provided guarantees and various indemnifications on behalf of external parties as a result of the sale of SESI, formerly a subsidiary of NU Enterprises, with an aggregate fair value amount recorded of $0.3 million. Other indemnifications in connection with the sale of SESI include specific indemnifications for estimated costs to complete or modify specific projects, indemnifications to lenders for payment of shortfalls in the event of early termination of government contracts, and surety bonds covering certain projects. The maximum exposure on these items is either not specified or not material, and no amounts are recorded as liabilities. NU parent also provided guarantees and various indemnifications on behalf of external parties as a result of the sales of NU Enterprises' former retail marketing business and competitive generation business. These included indemnifications for compliance with tax and environmental laws, and various claims for which the maximum exposure was not specified in the sale agreements.

Management does not anticipate a material impact to net income to result from these various guarantees and indemnifications. The following table summarizes the NU, including CL&P, PSNH, and WMECO, maximum exposure as of September 30, 2010, in accordance with guidance on guarantor's accounting and disclosure requirements for guarantees and expiration dates:

Subsidiary	Description	Maximum Exposure (in millions)	Expiration Dates
Various	Surety Bonds	$ 11.5	November 2010 − September 2011 (1)
PSNH and Select Energy	Letters Of Credit	$ 39.6	November 2010 − October 2011
RRR and NUSCO	Lease Payments for Real Estate and Vehicles	$ 22.8	2019−2024
NU Enterprises	Surety Bonds, Insurance Bonds and Performance Guarantees	$ 117.1 (2)	(2)

(1) Surety bond expiration dates reflect bond termination dates, the majority of which will be renewed or extended.

(2) The maximum exposure includes $68.7 million related to performance guarantees on Select Energy's wholesale purchase contracts, which expire in 2013, assuming purchase contracts guaranteed have no value; however, actual exposures vary with underlying commodity prices. The maximum exposure also includes $17.5 million related to a performance guarantee of NGS obligations for which no maximum exposure is specified in the agreement. The maximum exposure was calculated as of September 30, 2010 based on limits of NGS's liability contained in the underlying service contract and assumes that NGS will perform under that contract through its expiration in 2020. Also included in the maximum exposure is $1.1 million related to insurance bonds at NGS with no expiration date that are billed annually on their anniversary date. The remaining $29.8 million of maximum exposure relates to surety bonds covering ongoing projects at Boulos, which expire upon project completion.

CL&P, PSNH and WMECO do not guarantee the performance of third parties.

Many of the underlying contracts that NU parent guarantees, as well as certain surety bonds, contain credit ratings triggers that would require NU parent to post collateral in the event that the unsecured debt credit ratings of NU are downgraded below investment grade.

5. COMPREHENSIVE INCOME

Total comprehensive income for the three and nine months ended September 30, 2010 and 2009 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
(Millions of Dollars)	NU	NU	NU	NU
Net Income	$ 101.9	$ 66.2	$ 262.9	$ 249.5
Other Comprehensive Income/(Loss) Items, Net of Tax:				
Qualified Cash Flow Hedging Instruments (1)	0.1	0.1	0.1	0.1
Changes in Unrealized Gains/(Losses) on Other Securities (2)	0.1	0.3	0.8	(0.7)
Change In Pension, SERP and PBOP Benefit Plans	0.6	0.8	1.6	0.1
Other Comprehensive Income/(Loss) Items	0.8	1.2	2.5	(0.5)
Total Comprehensive Income	102.7	67.4	265.4	249.0
Comprehensive Income Attributable to Noncontrolling Interests	(1.4)	(1.4)	(4.2)	(4.2)
Comprehensive Income Attributable to Controlling Interests	$ 101.3	$ 66.0	$ 261.2	$ 244.8

	Three Months Ended September 30, 2010			Three Months Ended September 30, 2009		
(Millions of Dollars)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
Net Income	$ 69.0	$ 28.8	$ 7.3	$ 46.5	$ 16.2	$ 8.5
Other Comprehensive Income Items, Net of Tax:						
Qualified Cash Flow Hedging Instruments (1)	0.1	–	–	0.1	–	–
Other Comprehensive Income Items	0.1	–	–	0.1	–	–
Total Comprehensive Income	$ 69.1	$ 28.8	$ 7.3	$ 46.6	$ 16.2	$ 8.5

	Nine Months Ended September 30, 2010			Nine Months Ended September 30, 2009		
(Millions of Dollars)	CL&P	PSNH	WMECO	CL&P	PSNH	WMECO
Net Income	$ 161.5	$ 66.2	$ 18.2	$ 158.1	$ 50.3	$ 20.5
Other Comprehensive Income/(Loss) Items, Net of Tax:						
Qualified Cash Flow Hedging Instruments (1)	0.4	0.1	(0.1)	0.3	0.1	(0.1)
Change in Unrealized Losses on Other Securities (2)	–	–	–	–	(0.1)	(0.1)
Other Comprehensive Income/(Loss) Items	0.4	0.1	(0.1)	0.3	–	(0.2)
Total Comprehensive Income	$ 161.9	$ 66.3	$ 18.1	$ 158.4	$ 50.3	$ 20.3

(1) Hedged transactions impacting Net Income in the tables above represent amounts that were reclassified from Accumulated Other Comprehensive Income/(Loss) into Net Income in connection with the settlement of interest rate swap agreements and the amortization of the effects of interest rate hedges. As of September 30, 2010, the balance included in Accumulated Other Comprehensive Income/(Loss) related to hedging activities was $4.3 million, $2.8 million, $0.6 million, and $0.1 million for NU, CL&P, PSNH and WMECO, respectively. These amounts were $4.4 million, $3.2 million, $0.7 million and a de minimis amount as of December 31, 2009 for NU, CL&P, PSNH and WMECO, respectively.

(2) Represents changes in unrealized gains/(losses) on securities held in the NU supplemental benefit trust. For further information, see Note 10, "Marketable Securities," to the unaudited condensed consolidated financial statements.

There were no forward starting interest rate swaps entered into for the three and nine months ended September 30, 2010 or September 30, 2009. For NU, it is estimated that a charge of $0.2 million will be reclassified from Accumulated Other Comprehensive Income/(Loss) as a decrease to Net Income over the next 12 months as a result of amortization of interest rate swap agreements, which have been settled. Included in this amount are estimated charges of $0.4 million and $0.1 million for CL&P and PSNH, respectively, and a benefit of $0.1 million for WMECO. As of September 30, 2010, it is estimated that a pre−tax amount of $0.7 million included in the Accumulated Other Comprehensive Income/(Loss) balance will be reclassified as a decrease to Net Income over the next 12 months related to Pension Plan, SERP and PBOP Plan benefits adjustments for NU.

6.
EARNINGS PER SHARE (NU)

EPS is computed based upon the monthly weighted average number of common shares outstanding, excluding unallocated ESOP shares, during each period. Diluted EPS is computed on the basis of the monthly weighted average number of common shares outstanding plus the potential dilutive effect if certain securities are converted into common shares. The computation of diluted EPS excludes the effect of the potential exercise of share awards when the average market price of the common shares is lower than the exercise price of the related awards during the period. These outstanding share awards are not included in the computation of diluted EPS because the effect would have been antidilutive. For the nine month periods ended September 30, 2010 and 2009, there were 2,104 and 18,012 share awards excluded from the computation, respectively, as these awards were antidilutive. There were no antidilutive share awards outstanding for the three month periods ended September 30, 2010 and 2009.

The following table sets forth the components of basic and fully diluted EPS:

(Millions of Dollars, except for share information)	For the Three Months Ended September 30, 2010	For the Three Months Ended September 30, 2009	For the Nine Months Ended September 30, 2010	For the Nine Months Ended September 30, 2009
Net Income Attributable to Controlling Interests	$ 100.5	$ 64.8	$ 258.7	$ 245.3
Basic Weighted Average Common Shares Outstanding	176,752,714	175,358,776	176,557,889	170,958,396
Dilutive Effect	259,564	636,730	204,199	574,517
Fully Diluted Weighted Average Common Shares Outstanding	177,012,278	175,995,506	176,762,088	171,532,913
Basic EPS	$ 0.57	$ 0.37	$ 1.47	$ 1.43
Fully Diluted EPS	$ 0.57	$ 0.37	$ 1.46	$ 1.43

RSUs and performance shares are included in basic common shares outstanding as of the date that all necessary vesting conditions have been satisfied. The dilutive effect of outstanding RSUs and performance shares for which common shares have not been issued is calculated using the treasury stock method. Assumed proceeds of the units under the treasury stock method consist of the remaining compensation cost to be recognized and a theoretical tax benefit. The theoretical tax benefit is calculated as the tax impact of the intrinsic value of the units (the difference between the market value of the units, using the average market price during the period, and the grant date market value).

The dilutive effect of stock options is also calculated using the treasury stock method. Assumed proceeds for stock options consist of remaining compensation cost to be recognized, cash proceeds that would be received upon exercise, and a theoretical tax benefit. The theoretical tax benefit is calculated as the tax impact of the intrinsic value of the stock options (the difference between the market value of the average stock options outstanding for the period, using the average market price during the period, and the grant price).

Allocated ESOP shares are included in basic common shares outstanding in the above table.

7.
SHORT−TERM DEBT

CL&P, PSNH, WMECO and Yankee Gas Credit Agreement: On September 24, 2010, CL&P, PSNH, WMECO and Yankee Gas jointly entered into a three−year unsecured revolving credit facility in the amount of $400 million, which expires on September 24, 2013. This facility replaced a five−year $400 million credit facility that was scheduled to expire on November 6, 2010. CL&P and PSNH may draw up to $300 million each under this facility, with WMECO and Yankee Gas able to draw up to $200 million each, subject to the $400 million maximum aggregate borrowing limit. This total commitment may be increased to $500 million at the request of the borrowers, subject to lender approval. Under this facility, each company can borrow either on a short−term or a long−term basis subject to regulatory approval. There were no borrowings outstanding under this facility as of September 30, 2010.

NU Parent Credit Agreement: On September 24, 2010, NU parent entered into a three−year unsecured revolving credit facility in the amount of $500 million, which expires on September 24, 2013. This facility replaced a five−year $500 million credit facility that was scheduled to expire on November 6, 2010. Subject to the amount of advances outstanding, LOCs can be issued for periods up to 364 days in the name of NU parent or any of its subsidiaries up to the total amount of the facility. This total commitment may be increased to $600 million at the request of NU parent, subject to lender approval.

Under this facility, NU parent can borrow either on a short−term or a long−term basis. As of September 30, 2010, NU parent had $156 million in short−term borrowings outstanding under this facility. The weighted−average interest rate on such borrowings outstanding under this credit facility as of September 30, 2010 was 2.16 percent. There were $39.6 million ($37.6 million for PSNH) in LOCs outstanding as of September 30, 2010.

Under these credit facilities, NU parent and CL&P, PSNH, WMECO and Yankee Gas may borrow at prime rates or variable rates, plus an applicable margin based upon the higher of S&P's or Moody's credit ratings assigned to the borrower.

In addition, NU parent and CL&P, PSNH, WMECO and Yankee Gas must comply with certain financial and non−financial covenants, including a consolidated debt to total capitalization ratio. NU parent and CL&P, PSNH, WMECO and Yankee Gas were in compliance with these covenants as of September 30, 2010. If NU parent or CL&P, PSNH, WMECO or Yankee Gas were not in compliance with these covenants, an event of default would occur requiring all outstanding borrowings by such borrower to be repaid and additional borrowings by such borrower would not be permitted under the respective credit facility.

8.
LONG−TERM DEBT (NU, WMECO, CL&P)

On March 8, 2010, WMECO issued $95 million of Series E senior unsecured notes with a coupon rate of 5.1 percent and a maturity date of March 1, 2020. The proceeds of these notes were used to repay short−term borrowings incurred in the ordinary course of business and to fund WMECO's ongoing capital investment programs. The indenture under which the notes were issued requires WMECO to comply with certain covenants as are customarily included in such indentures.

On April 1, 2010, CL&P remarketed $62 million of PCRBs. The PCRBs, which mature on May 1, 2031, carry a coupon rate of 1.4 percent during the current one−year fixed−rate period and are subject to a mandatory tender for purchase on April 1, 2011, after which CL&P can remarket the bonds.

On April 22, 2010, Yankee Gas issued $50 million of Series K first mortgage bonds with a coupon rate of 4.87 percent and a maturity date of April 1, 2020. The proceeds of these bonds were used to repay short−term borrowings incurred in the ordinary course of business and to fund ongoing capital investment programs. The indenture under which the bonds were issued requires Yankee Gas to comply with certain covenants as are customarily included in such indentures.

NU, including CL&P, PSNH and WMECO, was in compliance with all its debt covenants as of September 30, 2010.

9.
FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each of the following financial instruments:

Preferred Stock, Long−Term Debt and Rate Reduction Bonds: The fair value of CL&P's preferred stock is based upon pricing models that incorporate interest rates and other market factors, valuations or trades of similar securities and cash flow projections. The fair value of fixed−rate long−term debt securities and RRBs is based upon pricing models that incorporate quoted market prices for those issues or similar issues adjusted for market conditions, credit ratings of the respective companies and treasury benchmark yields. Adjustable rate securities are assumed to have a fair value equal to their carrying value. Carrying amounts and estimated fair values are as follows:

	As of September 30, 2010		As of December 31, 2009	
	NU		NU	
(Millions of Dollars)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Preferred Stock Not Subject to Mandatory Redemption	$ 116.2	$ 96.0	$ 116.2	$ 86.8
Long−Term Debt −				
First Mortgage Bonds	2,703.4	3,102.0	2,657.7	2,713.5
Other Long−Term Debt	1,988.9	2,067.5	1,893.6	1,938.0
Rate Reduction Bonds	246.7	271.5	442.4	487.3

	As of September 30, 2010					
	CL&P		PSNH		WMECO	
(Millions of Dollars)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Preferred Stock Not Subject to Mandatory Redemption	$ 116.2	$ 96.0	$ −	$ −	$ −	$ −
Long−Term Debt −						
First Mortgage Bonds	1,919.8	2,222.3	430.0	479.0	−	−
Other Long−Term Debt	667.7	672.1	407.3	415.5	401.0	426.3
Rate Reduction Bonds	48.1	57.3	151.5	163.2	47.2	51.0

	As of December 31, 2009					
	CL&P		PSNH		WMECO	
(Millions of Dollars)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Preferred Stock Not Subject to Mandatory Redemption	$ 116.2	$ 86.8	$ −	$ −	$ −	$ −
Long−Term Debt −						
First Mortgage Bonds	1,919.8	1,960.6	430.0	425.4	−	−
Other Long−Term Debt	667.4	673.4	407.3	408.6	305.9	304.9
Rate Reduction Bonds	195.6	220.1	188.1	203.5	58.7	63.7

The NU Other Long−term Debt includes $300.9 million and $300.6 million of fees and interest due for spent nuclear fuel disposal costs as of September 30, 2010 and December 31, 2009, respectively. CL&P's portion of this obligation is $243.7 million and $243.5 million, and WMECO's portion of this obligation is $57.2 million and $57.1 million as of September 30, 2010 and December 31, 2009, respectively.

Derivative Instruments: NU, including CL&P and PSNH, holds various derivative instruments that are carried at fair value. For further information, see Note 2, "Derivative Instruments," to the unaudited condensed consolidated financial statements.

Other Financial Instruments: Investments in marketable securities are carried at fair value on the accompanying unaudited condensed consolidated balance sheets. For further information, see Note 1C, "Summary of Significant Accounting Policies − Fair Value Measurements," and Note 10, "Marketable Securities," to the unaudited condensed consolidated financial statements.

The carrying value of other financial instruments included in current assets and current liabilities, including cash and cash equivalents and special deposits, approximates their fair value due to the short−term nature of these instruments.

10.
MARKETABLE SECURITIES (NU, WMECO)

The Company elected to record exchange traded funds and mutual funds purchased during 2009 in the NU supplemental benefit trust at fair value in order to reflect the economic effect of changes in fair value of all newly purchased equity securities in Net Income. These equity securities, classified as Level 1 in the fair value hierarchy, totaled $38.5 million and $35.3 million as of September 30, 2010 and December 31, 2009, respectively and are included in current Marketable Securities. Gains on these securities of $5.7 million and $3.2 million for the three and nine months ended September 30, 2010 and gains of $4.7 million and $5.2 million for the three and nine months ended September 30, 2009, were recorded in Other Income, Net on the accompanying unaudited condensed consolidated statements of income. Dividend income is recorded when dividends are declared and are recorded in Other Income, Net on the accompanying unaudited condensed consolidated statements of income. All other marketable securities are accounted for as available−for−sale.

Available−for−Sale Securities: The following is a summary by security type of NU's available−for−sale securities held in the NU supplemental benefit trust and WMECO's spent nuclear fuel trust. These securities are recorded at fair value and included in current and long−term portions of Marketable Securities on the accompanying unaudited condensed consolidated balance sheets.

	As of September 30, 2010			
(*Millions of Dollars*)	Amortized Cost	Pre−Tax Unrealized Gains (1)	Pre−Tax Unrealized Losses (1)	Fair Value
NU supplemental benefit trust				
U.S. Government Issued Debt Securities (Agency and Treasury)	$ 11.3	$ 0.3	$ −	$ 11.6
Corporate Debt Securities	6.0	0.6	−	6.6
Asset Backed Debt Securities	5.9	0.4	−	6.3
Municipal Bonds	0.5	−	−	0.5
Money Market Funds and Other	4.9	0.3	−	5.2
Total NU Supplemental Benefit Trust	$ 28.6	$ 1.6	$ −	$ 30.2
WMECO spent nuclear fuel trust				
U.S. Government Issued Debt Securities (Agency and Treasury)	$ 6.1	$ −	$ −	$ 6.1
Corporate Debt Securities	15.9	−	(0.1)	15.8
Asset Backed Debt Securities	5.0	−	(0.1)	4.9
Municipal Bonds	9.4	−	−	9.4
Money Market Funds and Other	20.8	−	−	20.8
Total WMECO Spent Nuclear Fuel Trust	$ 57.2	$ −	$ (0.2)	$ 57.0
Total NU	$ 85.8	$ 1.6	$ (0.2)	$ 87.2

	As of December 31, 2009			
(*Millions of Dollars*)	Amortized Cost	Pre−Tax Unrealized Gains (1)	Pre−Tax Unrealized Losses (1)	Fair Value
NU supplemental benefit trust				
U.S. Government Issued Debt Securities (Agency and Treasury)	$ 12.8	$ 0.3	$ (0.2)	$ 12.9
Corporate Debt Securities	7.4	0.4	(0.1)	7.7
Asset Backed Debt Securities	5.2	0.1	(0.1)	5.2
Municipal Bonds	0.2	−	−	0.2
Money Market Funds and Other	3.0	−	−	3.0
Total NU Supplemental Benefit Trust	$ 28.6	$ 0.8	$ (0.4)	$ 29.0

(Millions of Dollars)	As of December 31, 2009 Amortized Cost	Pre−Tax Unrealized Gains (1)	Pre−Tax Unrealized Losses (1)	Fair Value
WMECO spent nuclear fuel trust				
U.S. Government Issued Debt Securities (Agency and Treasury)	$ 17.0	$ −	$ −	$ 17.0
Corporate Debt Securities	17.4	0.1	(0.1)	17.4
Asset Backed Debt Securities	1.1	−	(0.2)	0.9
Municipal Bonds	10.6	−	−	10.6
Money Market Funds and Other	10.9	−	−	10.9
Total WMECO Spent Nuclear Fuel Trust	$ 57.0	$ 0.1	$ (0.3)	$ 56.8
Total NU	$ 85.6	$ 0.9	$ (0.7)	$ 85.8

(1) Unrealized gains and losses on debt securities for the NU supplemental benefit trust and WMECO spent nuclear fuel trust are recorded in Accumulated Other Comprehensive Income/(Loss) and Other Long−Term Assets, respectively, on the accompanying unaudited condensed consolidated balance sheets. For information related to the change in unrealized gains and losses for the NU supplemental benefit trust included in Accumulated Other Comprehensive Income/(Loss), see Note 5, "Comprehensive Income," to the unaudited condensed consolidated financial statements.

Unrealized Losses and Other−than−Temporary Impairment: As of September 30, 2010, unrealized losses of $0.2 million held in the WMECO spent nuclear fuel trust relate to securities in a continuous unrealized loss position for greater than 12 months. As of December 31, 2009, there were unrealized losses of $0.1 million in the NU supplemental benefit trust that relate to securities in an unrealized loss position for less than 12 months. There were $0.3 million in both the NU supplemental benefit trust and WMECO spent nuclear fuel trust that relate to securities that have been in an unrealized loss position for greater than 12 months. The fair values of the securities in an unrealized loss position are not significant to the fair value of the NU supplemental benefit trust or the WMECO spent nuclear fuel trust for the periods ended September 30, 2010 or December 31, 2009.

As of September 30, 2010 and December 31, 2009, there were no debt securities that the Company intends to sell or that management believes the Company will more likely than not be required to sell before recovery of amortized cost. There were no credit losses for the NU Supplemental Benefit Trust or WMECO spent nuclear fuel trust for the nine months ended September 30, 2010. Inception to date credit losses were de minimis for the NU supplemental benefit trust and $0.7 million for the WMECO spent nuclear fuel trust, which were recorded in Other Long−Term Assets. Factors considered in determining whether a credit loss exists include the duration and severity of the impairment, adverse conditions specifically affecting the issuer, and the payment history, ratings and rating changes of the security. For asset backed securities, underlying collateral and expected future cash flows are also evaluated. All of the corporate and asset−backed securities held in the NU supplemental benefit trust are rated investment grade. All but two of the securities in the WMECO spent nuclear fuel trust are rated investment grade and credit losses have been recorded for those securities that are below investment grade.

For information related to the change in unrealized gains included in Accumulated Other Comprehensive Income/(Loss), see Note 5, "Comprehensive Income," to the unaudited condensed consolidated financial statements.

Contractual Maturities: As of September 30, 2010, the contractual maturities of available−for−sale debt securities are as follows:

(Millions of Dollars)	NU Amortized Cost	NU Fair Value	WMECO Amortized Cost	WMECO Fair Value
Less than one year	$ 41.5	$ 41.5	$ 38.5	$ 38.4
One to five years	17.8	18.0	10.3	10.3
Six to ten years	4.8	5.3	−	−
Greater than ten years	21.7	22.4	8.4	8.3
Total Debt Securities	$ 85.8	$ 87.2	$ 57.2	$ 57.0

Sales of Securities: For the three and nine months ended September 30, 2010 and 2009, realized gains and losses recognized on the sale of available−for−sale securities are as follows:

(Millions of Dollars)	Three Months Ended September 30, 2010 Realized Gains	Realized Losses	Net Realized Gains	Nine Months Ended September 30, 2010 Realized Gains	Realized Losses	Net Realized Gains/(Losses)
NU	$ 0.3	$ −	$ 0.3	$ 0.5	$ (0.2)	$ 0.3
WMECO	−	−	−	−	(0.1)	(0.1)

(Millions of Dollars)	Three Months Ended September 30, 2009 Realized Gains	Realized Losses	Net Realized Gains/(Losses)	Nine Months Ended September 30, 2009 Realized Gains	Realized Losses	Net Realized Gains/(Losses)
NU	$ 5.0	$ (0.7)	$ 4.3	$ 13.3	$ (5.2)	$ 8.1
WMECO	−	(0.7)	(0.7)	−	(0.7)	(0.7)

Realized gains and losses on available−for−sale−securities are recorded in Other Income, Net for the NU supplemental benefit trust and in Other Long−Term Assets for the WMECO spent nuclear fuel trust. NU utilizes the specific identification basis method for the NU supplemental benefit trust securities and the average cost basis method for the WMECO spent nuclear fuel trust to compute the realized gains and losses on the sale of available−for−sale securities. Proceeds from the sale of these securities, including proceeds from short−term investments, totaled $50.8 million and $146.3 million for the three and nine months ended September 30, 2010, respectively, and $34.4 million and $182.1 million for the three and nine months ended September 30, 2009, respectively. WMECO's portion of these proceeds totaled $25.4 million and $94.6 million for the three and nine months ended September 30, 2010, respectively, and $21.6 million and $99.9 million for the three and nine months ended September 30, 2009, respectively. Proceeds from the sales of securities are used to purchase new securities.

Fair Value Measurements: The following table presents the marketable securities recorded at fair value on a recurring basis by the level in which they are classified within the fair value hierarchy:

	NU		WMECO	
(Millions of Dollars)	As of September 30, 2010	As of December 31, 2009	As of September 30, 2010	As of December 31, 2009
Level 1:				
Exchange Traded Funds	$ 35.1	$ 32.0	$ −	$ −
High Yield Bond Fund	3.4	3.3	−	−
Money Market Funds	3.5	8.9	0.9	6.6
Total Level 1	42.0	44.2	0.9	6.6
Level 2:				
U.S. Government Issued Debt Securities (Agency and Treasury)	17.7	29.9	6.1	17.0
Corporate Debt Securities	22.4	25.1	15.8	17.4
Asset Backed Debt Securities	11.2	6.1	4.9	0.9
Municipal Bonds	9.9	10.8	9.4	10.6
Other Fixed Income Securities	22.5	5.0	19.9	4.3
Total Level 2	83.7	76.9	56.1	50.2
Total Marketable Securities	$ 125.7	$ 121.1	$ 57.0	$ 56.8

U.S. Government issued debt securities are valued using market approaches that incorporate transactions for the same or similar bonds and adjustments for yields and maturity dates. Corporate debt securities are valued using a market approach, utilizing recent trades of the same or similar instrument and also incorporating yield curves, credit spreads and specific bond terms and conditions. Municipal bonds are valued using a market approach that incorporates reported trades and benchmark yields. Asset−backed debt securities include collateralized mortgage obligations, commercial mortgage−backed securities, and securities collateralized by auto loans, credit card loans or receivables. Asset−backed debt securities are valued using recent trades of similar instruments, prepayment assumptions, yield curves, issuance and maturity dates and tranche information. Other fixed income securities are valued using pricing models, quoted prices of securities with similar characteristics, and discounted cash flows.

Not included in the tables above are $25.6 million and $11.6 million of cash equivalents as of September 30, 2010 and December 31, 2009, respectively, held by NU parent in an unrestricted money market account and included in Cash and Cash Equivalents on the accompanying unaudited condensed consolidated balance sheets of NU, which are classified as Level 1 in the fair value hierarchy.

11. SEGMENT INFORMATION

Presentation: NU is organized between the Regulated companies' segments and NU Enterprises based on a combination of factors, including the characteristics of each business' products and services, the sources of operating revenues and expenses and the regulatory environment in which each segment operates. Cash flows for total investments in plant included in the segment information below are cash capital expenditures that do not include amounts incurred but not paid, cost of removal, AFUDC related to equity funds, and the capitalized portions of pension and PBOP expense or income.

The Regulated companies' segments include the distribution and transmission segments. The distribution segment includes the natural gas distribution business (Yankee Gas) and the generation activities of PSNH and WMECO. The Regulated companies' segments represented substantially all of NU's total consolidated revenues for the three and nine month periods ended September 30, 2010 and 2009. CL&P's, PSNH's and WMECO's complete unaudited condensed consolidated financial statements are included in this combined Quarterly Report on Form 10−Q. Also included in this combined Quarterly Report on Form 10−Q is detailed information regarding CL&P's, PSNH's, and WMECO's transmission segments.

NU Enterprises is comprised of the following: 1) Select Energy (wholesale contracts), 2) Boulos, 3) NGS, 4) NGS Mechanical, 5) SECI, and 6) NU Enterprises parent. As a result of the sale of NU Enterprises' retail marketing and competitive generation businesses, the financial information used by management was reduced to the remaining wholesale contracts, the operations of the remaining electrical contracting business and NU Enterprises parent. The remaining operations of NU Enterprises have been aggregated and presented as one business for the three and nine months ended September 30, 2010 and 2009.

Other in the tables below primarily consists of 1) the results of NU parent, which includes other income related to the equity in earnings of NU parent's subsidiaries and interest income from the NU Money Pool, which are both eliminated in consolidation, and interest

income and expense related to the cash and debt of NU parent, respectively, 2) the revenues and expenses of NU's service companies, most of which are eliminated in consolidation, and 3) the results of other subsidiaries, which are comprised of RRR (a real estate subsidiary), the non−energy−related subsidiaries of Yankee (Yankee Energy Services Company and Yankee Energy Financial Services Company) and the remaining operations of HWP that were not exited as part of the sale of the competitive generation business in 2006 and the sale of its transmission business to WMECO in December 2008.

Regulated companies' revenues from the sale of electricity and natural gas primarily are derived from residential, commercial and industrial customers and are not dependent on any single customer.

NU's segment information for the three and nine months ended September 30, 2010 and 2009 is as follows (some amounts may not agree between the financial statements and the segment schedules due to rounding):

	For the Three Months Ended September 30, 2010						
	Regulated Companies						
	Distribution						
(Millions of Dollars)	Electric	Natural Gas	Transmission	NU Enterprises	Other	Eliminations	Total
Operating Revenues	$ 1,010.5	$ 59.6	$ 159.4	$ 20.9	$ 110.8	$ (117.9)	$ 1,243.3
Depreciation and Amortization	(150.0)	(6.6)	(22.0)	(0.1)	(4.2)	1.2	(181.7)
Other Operating Expenses	(751.3)	(52.5)	(50.5)	(18.1)	(110.3)	120.7	(862.0)
Operating Income	109.2	0.5	86.9	2.7	(3.7)	4.0	199.6
Interest Expense	(34.8)	(5.5)	(18.9)	(0.5)	(7.3)	1.1	(65.9)
Interest Income	0.6	−	0.4	−	1.3	(1.3)	1.0
Other Income/(Loss), Net	5.3	0.3	5.0	(1.3)	103.5	(103.7)	9.1
Income Tax (Expense)/Benefit	(20.9)	1.7	(27.6)	(0.8)	6.0	(0.3)	(41.9)
Net Income/(Loss)	59.4	(3.0)	45.8	0.1	99.8	(100.2)	101.9
Net Income Attributable to Noncontrolling Interests	(0.8)	−	(0.6)	−	−	−	(1.4)
Net Income/(Loss) Attributable to Controlling Interests	$ 58.6	$ (3.0)	$ 45.2	$ 0.1	$ 99.8	$ (100.2)	$ 100.5

	For the Nine Months Ended September 30, 2010						
	Regulated Companies						
	Distribution						
(Millions of Dollars)	Electric	Natural Gas	Transmission	NU Enterprises	Other	Eliminations	Total
Operating Revenues	$ 2,895.0	$ 304.9	$ 467.2	$ 62.4	$ 327.3	$ (362.6)	$ 3,694.2
Depreciation and Amortization	(364.7)	(17.2)	(63.9)	(0.3)	(11.4)	2.8	(454.7)
Other Operating Expenses	(2,249.0)	(244.3)	(142.8)	(46.5)	(314.8)	362.5	(2,634.9)
Operating Income	281.3	43.4	260.5	15.6	1.1	2.7	604.6
Interest Expense	(107.0)	(15.8)	(57.5)	(1.3)	(22.2)	3.4	(200.4)
Interest Income/(Loss)	(0.2)	−	1.8	−	4.0	(5.1)	0.5
Other Income/(Loss), Net	9.5	0.4	9.0	(0.3)	286.2	(285.5)	19.3
Income Tax (Expense)/Benefit	(66.5)	(11.9)	(84.8)	(6.3)	9.0	(0.6)	(161.1)
Net Income	117.1	16.1	129.0	7.7	278.1	(285.1)	262.9
Net Income Attributable to Noncontrolling Interests	(2.5)	−	(1.7)	−	−	−	(4.2)
Net Income Attributable to Controlling Interests	$ 114.6	$ 16.1	$ 127.3	$ 7.7	$ 278.1	$ (285.1)	$ 258.7
Total Assets (as of)	$ 8,850.0	$ 1,404.7	$ 3,376.3	$ 97.7	$ 6,017.8	$ (5,448.9)	$ 14,297.6
Cash Flows for Total Investments in Plant	$ 403.9	$ 52.8	$ 170.6	$ −	$ 50.3	$ −	$ 677.6

	For the Three Months Ended September 30, 2009						
	Regulated Companies						
	Distribution						
(Millions of Dollars)	Electric	Natural Gas	Transmission	NU Enterprises	Other	Eliminations	Total
Operating Revenues	$ 1,082.0	$ 60.5	$ 149.0	$ 19.6	$ 95.7	$ (100.6)	$ 1,306.2
Depreciation and Amortization	(117.2)	(6.6)	(17.8)	(0.1)	(3.1)	0.5	(144.3)
Other Operating Expenses	(890.1)	(55.7)	(44.5)	(19.0)	(93.9)	103.9	(999.3)
Operating Income/(Loss)	74.7	(1.8)	86.7	0.5	(1.3)	3.8	162.6
Interest Expense	(38.1)	(5.5)	(19.2)	(0.5)	(7.7)	1.4	(69.6)
Interest Income	0.3	−	0.1	−	1.7	(1.7)	0.4
Other Income, Net	5.9	0.1	3.1	−	65.5	(65.6)	9.0
Income Tax (Expense)/Benefit	(15.0)	2.7	(27.3)	0.3	4.2	(1.1)	(36.2)
Net Income/(Loss)	27.8	(4.5)	43.4	0.3	62.4	(63.2)	66.2
Net Income Attributable to Noncontrolling Interests	(0.8)	−	(0.6)	−	−	−	(1.4)
Net Income/(Loss) Attributable to Controlling Interests	$ 27.0	$ (4.5)	$ 42.8	$ 0.3	$ 62.4	$ (63.2)	$ 64.8

	For the Nine Months Ended September 30, 2009						
	Regulated Companies						
	Distribution						
(Millions of Dollars)	Electric	Natural Gas	Transmission	NU Enterprises	Other	Eliminations	Total
Operating Revenues	$ 3,335.2	$ 332.5	$ 418.9	$ 61.3	$ 295.9	$ (319.7)	$ 4,124.1
Depreciation and Amortization	(332.8)	(20.0)	(53.1)	(0.3)	(10.5)	1.8	(414.9)
Other Operating Expenses	(2,756.8)	(271.3)	(120.8)	(40.6)	(283.4)	322.7	(3,150.2)
Operating Income	245.6	41.2	245.0	20.4	2.0	4.8	559.0
Interest Expense	(112.1)	(16.8)	(53.4)	(2.4)	(25.9)	5.0	(205.6)
Interest Income	3.5	–	0.8	–	6.1	(6.0)	4.4
Other Income, Net	15.7	0.2	5.6	–	274.7	(274.5)	21.7
Income Tax (Expense)/Benefit	(45.5)	(9.3)	(76.3)	(6.4)	9.5	(2.0)	(130.0)
Net Income	107.2	15.3	121.7	11.6	266.4	(272.7)	249.5
Net Income Attributable to Noncontrolling Interests	(2.5)	–	(1.7)	–	–	–	(4.2)
Net Income Attributable to Controlling Interests	$ 104.7	$ 15.3	$ 120.0	$ 11.6	$ 266.4	$ (272.7)	$ 245.3
Cash Flows for Total Investment in Plant	$ 374.1	$ 39.1	$ 190.5	$ –	$ 30.7	$ –	$ 634.4

The information related to the distribution and transmission segments for CL&P, PSNH and WMECO for the three and nine months ended September 30, 2010 and 2009 is as follows:

	CL&P – For the Three Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	Distribution	Transmission	Total	Distribution	Transmission	Total
Operating Revenues	$ 662.5	$ 126.7	$ 789.2	$ 741.2	$ 118.1	$ 859.3
Depreciation and Amortization	(98.0)	(16.9)	(114.9)	(80.9)	(14.5)	(95.4)
Other Operating Expenses	(504.6)	(38.3)	(542.9)	(619.8)	(34.0)	(653.8)
Operating Income	59.9	71.5	131.4	40.5	69.6	110.1
Interest Expense	(21.0)	(15.7)	(36.7)	(24.3)	(16.5)	(40.8)
Interest Income	0.5	0.3	0.8	0.6	0.1	0.7
Other Income, Net	3.0	3.1	6.1	3.8	2.5	6.3
Income Tax Expense	(10.1)	(22.5)	(32.6)	(8.4)	(21.4)	(29.8)
Net Income	$ 32.3	$ 36.7	$ 69.0	$ 12.2	$ 34.3	$ 46.5

	CL&P – For the Nine Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	Distribution	Transmission	Total	Distribution	Transmission	Total
Operating Revenues	$ 1,917.8	$ 374.3	$ 2,292.1	$ 2,258.5	$ 340.2	$ 2,598.7
Depreciation and Amortization	(264.4)	(50.4)	(314.8)	(238.5)	(43.8)	(282.3)
Other Operating Expenses	(1,505.9)	(108.3)	(1,614.2)	(1,881.7)	(91.1)	(1,972.8)
Operating Income	147.5	215.6	363.1	138.3	205.3	343.6
Interest Expense	(64.9)	(47.5)	(112.4)	(69.9)	(46.3)	(116.2)
Interest Income	1.4	1.4	2.8	1.9	0.7	2.6
Other Income, Net	4.1	5.6	9.7	11.1	4.2	15.3
Income Tax Expense	(31.4)	(70.3)	(101.7)	(23.9)	(63.3)	(87.2)
Net Income	$ 56.7	$ 104.8	$ 161.5	$ 57.5	$ 100.6	$ 158.1
Total Assets (as of)	$ 5,664.7	$ 2,588.8	$ 8,253.5	$ 5,782.7	$ 2,487.8	$ 8,270.5
Cash Flows for Total Investments in Plant	$ 192.4	$ 81.8	$ 274.2	$ 209.9	$ 121.7	$ 331.6

	PSNH – For the Three Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	Distribution	Transmission	Total	Distribution	Transmission	Total
Operating Revenues	$ 256.1	$ 20.9	$ 277.0	$ 254.7	$ 20.4	$ 275.1
Depreciation and Amortization	(42.3)	(2.5)	(44.8)	(28.4)	(2.4)	(30.8)
Other Operating Expenses	(173.7)	(8.7)	(182.4)	(202.6)	(7.6)	(210.2)
Operating Income	40.1	9.7	49.8	23.7	10.4	34.1
Interest Expense	(9.4)	(2.1)	(11.5)	(9.9)	(1.8)	(11.7)
Interest Income	0.1	–	0.1	0.4	–	0.4
Other Income, Net	3.1	0.5	3.6	1.5	0.4	1.9
Income Tax Expense	(10.4)	(2.8)	(13.2)	(5.0)	(3.5)	(8.5)
Net Income	$ 23.5	$ 5.3	$ 28.8	$ 10.7	$ 5.5	$ 16.2

	PSNH − For the Nine Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	Distribution	Transmission	Total	Distribution	Transmission	Total
Operating Revenues	$ 713.3	$ 60.6	$ 773.9	$ 792.2	$ 53.5	$ 845.7
Depreciation and Amortization	(76.3)	(7.8)	(84.1)	(73.0)	(6.8)	(79.8)
Other Operating Expenses	(532.2)	(24.5)	(556.7)	(644.0)	(20.5)	(664.5)
Operating Income	104.8	28.3	133.1	75.2	26.2	101.4
Interest Expense	(29.5)	(6.3)	(35.8)	(30.0)	(4.8)	(34.8)
Interest Income/(Loss)	(1.9)	0.2	(1.7)	2.1	0.1	2.2
Other Income, Net	6.5	1.1	7.6	3.2	1.1	4.3
Income Tax Expense	(28.4)	(8.6)	(37.0)	(14.3)	(8.5)	(22.8)
Net Income	$ 51.5	$ 14.7	$ 66.2	$ 36.2	$ 14.1	$ 50.3
Total Assets (as of)	$ 2,319.5	$ 477.5	$ 2,797.0	$ 2,179.5	$ 429.8	$ 2,609.3
Cash Flows for Total Investments in Plant	$ 185.6	$ 32.4	$ 218.0	$ 134.7	$ 34.7	$ 169.4

	WMECO − For the Three Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	Distribution	Transmission	Total	Distribution	Transmission	Total
Operating Revenues	$ 91.9	$ 11.8	$ 103.7	$ 86.2	$ 10.4	$ 96.6
Depreciation and Amortization	(9.8)	(2.6)	(12.4)	(7.9)	(0.8)	(8.7)
Other Operating Expenses	(72.9)	(3.5)	(76.4)	(67.8)	(3.0)	(70.8)
Operating Income	9.2	5.7	14.9	10.5	6.6	17.1
Interest Expense	(4.5)	(1.1)	(5.6)	(4.0)	(0.8)	(4.8)
Interest Income/(Loss)	0.1	−	0.1	(0.6)	−	(0.6)
Other Income/(Loss), Net	(0.8)	1.4	0.6	0.7	0.1	0.8
Income Tax Expense	(0.3)	(2.4)	(2.7)	(1.7)	(2.3)	(4.0)
Net Income	$ 3.7	$ 3.6	$ 7.3	$ 4.9	$ 3.6	$ 8.5

	WMECO − For the Nine Months Ended					
	September 30, 2010			September 30, 2009		
(Millions of Dollars)	Distribution	Transmission	Total	Distribution	Transmission	Total
Operating Revenues	$ 264.1	$ 32.3	$ 296.4	$ 284.6	$ 25.2	$ 309.8
Depreciation and Amortization	(23.9)	(5.7)	(29.6)	(21.4)	(2.4)	(23.8)
Other Operating Expenses	(211.1)	(10.1)	(221.2)	(231.2)	(9.2)	(240.4)
Operating Income	29.1	16.5	45.6	32.0	13.6	45.6
Interest Expense	(12.6)	(3.6)	(16.2)	(12.2)	(2.3)	(14.5)
Interest Income/(Loss)	0.3	0.2	0.5	(0.4)	−	(0.4)
Other Income/(Loss), Net	(1.2)	2.1	0.9	1.3	0.3	1.6
Income Tax Expense	(6.7)	(5.9)	(12.6)	(7.2)	(4.6)	(11.8)
Net Income	$ 8.9	$ 9.3	$ 18.2	$ 13.5	$ 7.0	$ 20.5
Total Assets (as of)	$ 868.7	$ 300.0	$ 1,168.7	$ 859.8	$ 212.9	$ 1,072.7
Cash Flows for Total Investments in Plant	$ 26.0	$ 51.7	$ 77.7	$ 29.6	$ 34.1	$ 63.7

12.
COMMON SHAREHOLDERS' EQUITY AND NONCONTROLLING INTERESTS (NU)

A summary of the changes in Common Shareholders' Equity and Noncontrolling Interests of NU for the three and nine months ended September 30, 2010 and 2009 is as follows:

	For the Three Months Ended September 30,					
	2010				2009	
(Millions of Dollars)	Common Shareholders' Equity	Noncontrolling Interest	Total Equity	Preferred Stock Not Subject to Mandatory Redemption	Total Equity	Preferred Stock Not Subject to Mandatory Redemption
Balance, Beginning of Period	$ 3,658.9	$ 1.1	$ 3,660.0	$ 116.2	$ 3,501.8	$ 116.2
Net Income	101.9	–	101.9	–	66.2	–
Dividends on Common Shares	(45.4)	–	(45.4)	–	(41.9)	–
Dividends on Preferred Shares of CL&P	(1.4)	–	(1.4)	(1.4)	(1.4)	(1.4)
Issuance of Common Shares	1.1	–	1.1	–	–	–
Contributions to NPT	–	0.3	0.3	–	–	–
Other Transactions, Net	6.8	–	6.8	–	7.5	–
Net Income Attributable to Noncontrolling Interests	–	–	–	1.4	–	1.4
Other Comprehensive Income (Note 5)	0.8	–	0.8	–	1.2	–
Balance, End of Period	$ 3,722.7	$ 1.4	$ 3,724.1	$ 116.2	$ 3,533.4	$ 116.2

	For the Nine Months Ended September 30,					
	2010				2009	
(Millions of Dollars)	Common Shareholders' Equity	Noncontrolling Interest	Total Equity	Preferred Stock Not Subject to Mandatory Redemption	Total Equity	Preferred Stock Not Subject to Mandatory Redemption
Balance, Beginning of Period	$ 3,577.9	$ –	$ 3,577.9	$ 116.2	$ 3,020.3	$ 116.2
Net Income	262.9	–	262.9	–	249.5	–
Dividends on Common Shares	(136.3)	–	(136.3)	–	(121.0)	–
Dividends on Preferred Shares of CL&P	(4.2)	–	(4.2)	(4.2)	(4.2)	(4.2)
Issuance of Common Shares	6.5	–	6.5	–	388.5	–
Capital Stock Expenses, Net	–	–	–	–	(12.5)	–
Contributions to NPT	–	1.4	1.4	–	–	–
Other Transactions, Net	13.4	–	13.4	–	13.3	–
Net Income Attributable to Noncontrolling Interests	–	–	–	4.2	–	4.2
Other Comprehensive Income/(Loss) (Note 5)	2.5	–	2.5	–	(0.5)	–
Balance, End of Period	$ 3,722.7	$ 1.4	$ 3,724.1	$ 116.2	$ 3,533.4	$ 116.2

For the three and nine months ended September 30, 2010 and 2009, there was no change in NU parent's 100 percent ownership of the common equity of CL&P.

13.
SUBSEQUENT EVENTS

On October 4, 2010, NPT and HQ Hydro Renewable Energy entered into a TSA in connection with the Northern Pass transmission project. The Northern Pass is comprised of a planned HVDC transmission line from the Canadian border to Franklin, New Hampshire and an associated alternating current radial transmission line between Franklin and Deerfield, New Hampshire that will be constructed by NPT. NU's current 75 percent share of the Northern Pass transmission project is expected to be approximately $830 million out of total expected costs of approximately $1.1 billion (including capitalized AFUDC and property taxes). Northern Pass will interconnect at the U.S.−Canadian border with a planned HVDC transmission line that HQ TransÉnergie, the transmission division of HQ, will construct in Québec. Consistent with the FERC's 2009 declaratory order, NPT will sell to HQ Hydro Renewable Energy 1,200 MW of firm electric transmission rights over the Northern Pass for a 40−year term pursuant to the TSA.

During October 2010, NU settled various tax matters, which resulted in closing out various uncertain tax positions and will result in a fourth quarter after−tax gain of approximately $33 million (approximately $15 million for CL&P). This gain will be recorded as a benefit to both interest and income tax expense.

In October 2010, NSTAR and the members of the NSTAR board of trustees (collectively "NSTAR defendants") and NU, along with NU Holding Energy 1 LLC and NU Holding Energy 2 LLC, two wholly−owned subsidiaries of NU (collectively "NU defendants") were named defendants in nine separate purported class action lawsuits filed in the Suffolk Superior Court (eight of the cases) and the United States District Court for the District of Massachusetts (one case). The cases were brought on behalf of proposed classes consisting of holders of NSTAR common shares, excluding the defendants and their affiliates. The complaints allege, among other things, that the individual NSTAR defendants breached their fiduciary duties by failing to maximize the value to be received by NSTAR's public shareholders, and that the NU defendants aided and abetted the individual NSTAR defendants' breaches of fiduciary duties. The complaints seek, among other things, (a) to enjoin defendants from consummating the merger; (b) rescission of the merger, if completed and/or (c) granting the

class members any profits or benefits allegedly improperly received by defendants in connection with the merger. NU believes the cases have no merit and will respond to these actions in due course and intends to defend the actions vigorously.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of Northeast Utilities:

We have reviewed the accompanying condensed consolidated balance sheet of Northeast Utilities and subsidiaries (the "Company") as of September 30, 2010, and the related condensed consolidated statements of income for the three−month and nine−month periods ended September 30, 2010 and 2009, and of cash flows for the nine−month periods ended September 30, 2010 and 2009. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet and consolidated statement of capitalization of Northeast Utilities and subsidiaries as of December 31, 2009, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 26, 2010, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2009 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP

Hartford, Connecticut
November 5, 2010

NORTHEAST UTILITIES AND SUBSIDIARIES

**Management's Discussion and Analysis of
Financial Condition and Results of Operations**

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and related combined notes included in this Quarterly Report on Form 10−Q, the First and Second Quarter 2010 Forms 10−Q, and the 2009 Form 10−K. References in this Form 10−Q to "NU," the "Company," "we," "us" and "our" refer to Northeast Utilities and its consolidated subsidiaries. All per share amounts are reported on a fully diluted basis.

Refer to the Glossary of Terms included in this combined Quarterly Report on Form 10−Q for abbreviations and acronyms used throughout this *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

The only common equity securities that are publicly traded are common shares of NU. The earnings and EPS of each business discussed below do not represent a direct legal interest in the assets and liabilities allocated to such business but rather represent a direct interest in our assets and liabilities as a whole. EPS by business is a financial measure not recognized under GAAP that is calculated by dividing the net income or loss attributable to controlling interests of each business by the weighted average fully diluted NU common shares outstanding for the period. We use this non−GAAP financial measure to evaluate earnings results and to provide details of earnings results and guidance by business. We believe that this measurement is useful to investors to evaluate the actual and projected financial performance and contribution of our businesses. This non−GAAP financial measure should not be considered as an alternative to our consolidated fully diluted EPS determined in accordance with GAAP as an indicator of operating performance.

Reconciliations of the above non−GAAP financial measures to the most directly comparable GAAP measures of consolidated fully diluted EPS and Net Income Attributable to Controlling Interests are included under "Financial Condition and Business Analysis−Overview−Consolidated" and "Financial Condition and Business Analysis−Future Outlook" in *Management's Discussion and Analysis*, herein.

Forward−Looking Statements: From time to time we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, assumptions of future events, financial performance or growth and other statements that are not historical facts. These statements are "forward−looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You can generally identify our forward−looking statements through the use of words or phrases such as "estimate," "expect," "anticipate," "intend," "plan," "project," "believe," "forecast," "should," "could," and other similar expressions. Forward−looking statements are based on the current expectations, estimates, assumptions or projections of management and are not guarantees of future performance. These expectations, estimates, assumptions or projections may vary materially from actual results. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause our actual results to differ materially from those contained in our forward−looking statements, including, but not limited to:

- actions or inaction by local, state and federal regulatory bodies
- changes in business and economic conditions, including their impact on interest rates, bad debt expense, and demand for our products and services
- changes in weather patterns
- changes in laws, regulations or regulatory policy
- changes in levels and timing of capital expenditures
- disruptions in the capital markets or other events that make our access to necessary capital more difficult or costly
- developments in legal or public policy doctrines
- technological developments
- changes in accounting standards and financial reporting regulations
- fluctuations in the value of our remaining competitive contracts
- actions of rating agencies
- the effects and outcome of our pending merger with NSTAR, and
- other presently unknown or unforeseen factors.

Other risk factors are detailed in our reports filed with the SEC and updated from time to time, and we encourage you to consult such disclosures.

All such factors are difficult to predict, contain uncertainties that may materially affect our actual results and are beyond our control. You should not place undue reliance on the forward−looking statements, each speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward−looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can management assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward−looking statements. For more information, see Item 1A, *Risk Factors,* included in this Quarterly Report on Form 10−Q and in our 2009 Form 10−K. This Quarterly Report on Form 10−Q and our 2009 Form 10−K also describe material contingencies and critical accounting policies and estimates in the respective *Management's Discussion and Analysis* and *Combined Notes to Consolidated Financial Statements*. We encourage you to review these items.

Financial Condition and Business Analysis

Proposed Merger with NSTAR:

On October 18, 2010, we and NSTAR announced that each company's Board of Trustees unanimously approved a Definitive Merger Agreement (the "agreement") to create a combined company that will be called Northeast Utilities. The transaction will be a merger of equals in a tax−free share for share transfer. The combined company will provide electric and natural gas energy delivery service to nearly 3.5 million electric and natural gas customers through six regulated electric and natural gas utilities in Connecticut, Massachusetts and New Hampshire, representing over half of all the customers in New England.

Under the terms of the agreement, NSTAR shareholders would receive 1.312 NU common shares for each common share of NSTAR that they own (the "exchange ratio"). The exchange ratio is structured to result in a no premium merger based on the average closing share price of each company's common shares for the 20 trading days preceding the announcement. Following completion of the merger, the market capitalization of the combined company would be comprised of approximately 56 percent of NU shareholders and approximately 44 percent of former NSTAR shareholders. It is anticipated that we would issue approximately 137 million shares to the NSTAR shareholders as a result of the merger. Following the closing of the merger, our first dividend per common share declared after the closing would be increased to a rate that is equivalent to NSTAR's last dividend per common share paid prior to the closing divided by the exchange ratio.

Completion of the merger is subject to various conditions, including, among others, approval by holders of two−thirds of the outstanding common shares of both companies, the expiration or termination of any applicable waiting period under the Hart−Scott−Rodino Antitrust Improvements Act of 1976, the effectiveness of the registration statement for the NU common shares to be issued to NSTAR shareholders in the merger, and receipt of all required regulatory approvals. The companies anticipate that the regulatory approvals can be obtained in nine to twelve months. The companies intend to seek shareholder approval of the merger in early 2011 and expect that the merger will close in the third quarter of 2011.

Executive Summary

The following items in this executive summary are explained in more detail in this Quarterly Report:

Revised Outlook:

- We now project consolidated 2010 earnings of between $2.10 per share and $2.20 per share, which includes a $0.09 per share non−recurring benefit associated with a settlement of tax issues in the fourth quarter and an approximate $0.07 per share charge related to expected merger costs we will expense in the fourth quarter. Our non−GAAP projected 2010 consolidated earnings is also between $2.10 per share and $2.20 per share, including distribution segment earnings of between $1.10 per share and $1.20 per share, transmission segment earnings of approximately $1.00 per share, competitive businesses' earnings of approximately $0.05 per share, and net expenses at NU parent and other companies of approximately $0.05 per share, which excludes the previously mentioned $0.09 per share non−recurring tax benefit and the approximate $0.07 per share charge related to merger costs. NU had previously projected consolidated earnings of between $1.95 per share and $2.05 per share. We have raised our 2010 earnings guidance as a result of stronger third quarter sales due to warmer than normal summer weather, our continued control of operation and maintenance costs and significant progress in reducing our uncollectibles expense, as well as the settlement of various routine tax issues during the fourth quarter of 2010.

- We project capital expenditures for 2011 through 2015 of approximately $6.6 billion. During that time period, we expect Regulated company rate base to rise from approximately $7.4 billion at the end of 2010 to approximately $11.9 billion at the end of 2015.

Results:

- We earned $100.5 million, or $0.57 per share, in the third quarter of 2010, and $258.7 million, or $1.46 per share, in the first nine months of 2010, compared with $64.8 million, or $0.37 per share, in the third quarter of 2009 and $245.3 million, or $1.43 per share, in the first nine months of 2009. Improved results in the third quarter of 2010 were due primarily to higher retail electric sales due to warmer than normal summer weather, our continued success in managing operation and maintenance costs, the impact of the 2010 distribution rate case decisions that were effective July 1, 2010, and increased earnings in the transmission segment. Higher 2010 results were due primarily to the 2010 distribution rate case decisions, partially offset by the absence of the net benefit impact of approximately $16 million, or approximately $0.09 per share, from the resolution of various routine tax issues in the first nine months of 2009 and a net after−tax charge of approximately $3 million, or approximately $0.02 per share, associated with the enactment of the 2010 Healthcare Act. Retail electric sales were up 2.3 percent and firm natural gas sales were down 1.2 percent in the first nine months of 2010 compared with the first nine months of 2009.

- Our Regulated companies earned $100.9 million, or $0.57 per share, in the third quarter of 2010 and $258 million, or $1.46 per share, in the first nine months of 2010, compared with earnings of $65.3 million, or $0.37 per share, in the third quarter of 2009 and $240 million, or $1.40 per share, in the first nine months of 2009.

- Earnings from the distribution segment of our Regulated companies (which also includes the generation businesses of PSNH and WMECO and the natural gas distribution business) totaled $55.7 million, or $0.31 per share, in the third quarter of 2010, and $130.7 million, or $0.74 per share, in the first nine months of 2010, compared with $22.5 million, or $0.13 per share, in the third

quarter of 2009 and $120 million, or $0.70 per share, in the first nine months of 2009. Earnings from the transmission segment of our Regulated companies totaled $45.2 million, or $0.26 per share, in the third quarter of 2010 and $127.3 million, or $0.72 per share, in the first nine months of 2010, compared with $42.8 million, or $0.24 per share, in the third quarter of 2009 and $120 million, or $0.70 per share, in the first nine months of 2009.

- Our competitive businesses, which are held by NU Enterprises, earned $0.1 million in the third quarter of 2010 and $7.7 million, or $0.04 per share, in the first nine months of 2010, compared with $0.3 million in the third quarter of 2009 and $11.6 million, or $0.07 per share, in the first nine months of 2009. NU Enterprises recorded $0.5 million of after−tax mark−to−market gains in the first nine months of 2010, compared with $3.7 million of after−tax mark−to−market gains in the first nine months of 2009.

- NU parent and other companies recorded net expenses of $0.5 million in the third quarter of 2010 and $7 million, or $0.04 per share, in the first nine months of 2010, compared with net expenses of $0.8 million in the third quarter of 2009 and $6.3 million, or $0.04 per share, in the first nine months of 2009. The improved third quarter results were due to lower income tax expense and lower interest expense at NU parent, partially offset by a $1 million after−tax increase in the HWP environmental reserve. The increase in expenses for the first nine months of 2010 was due primarily to a $0.9 million after−tax increase in the HWP environmental reserve and a $0.6 million net after−tax charge associated with the 2010 Healthcare Act, partially offset by lower interest expense at NU parent.

Strategy, Regulatory and Other Items:

- On October 4, 2010, NPT and HQ Hydro Renewable Energy, entered into a TSA in connection with the Northern Pass transmission project. The Northern Pass is comprised of a planned HVDC transmission line from the Canadian border to Franklin, New Hampshire and an associated alternating current radial transmission line between Franklin and Deerfield, New Hampshire that will be constructed by NPT, and is expected to cost approximately $1.1 billion. Northern Pass will interconnect at the U.S.−Canadian border with a planned HVDC transmission line that HQ TransÉnergie, the transmission division of HQ, will construct in Québec. Consistent with the FERC's 2009 declaratory order, NPT will sell to HQ Hydro Renewable Energy 1,200 MW of firm electric transmission rights over the Northern Pass for a 40−year term pursuant to the TSA. NPT intends to file the TSA with the FERC during the fourth quarter of 2010, requesting that the FERC approve the TSA as a rate schedule. Assuming permits are timely secured, the project is expected to enter into service in late 2015.

Liquidity:

- Cash capital expenditures totaled $677.6 million in the first nine months of 2010, compared with $634.4 million in the first nine months of 2009.

- Cash flows provided by operating activities totaled $647.9 million in the first nine months of 2010, compared with $577.9 million in the first nine months of 2009 (all amounts are net of RRB payments, which are included in financing activities). The improved cash flows were due primarily to the absence in 2010 of costs incurred at PSNH and WMECO related to the major storm in December 2008 that were paid in the first quarter of 2009, offset by an increase in income tax payments of approximately $60 million largely attributable to the absence of bonus depreciation tax deductions and a $45 million contribution made in September 2010 into our Pension Plan. We now project 2010 consolidated cash flows provided by operating activities, net of RRB payments, of $800 million to $850 million, which is approximately $100 million higher than our second quarter 2010 projection due primarily to the Small Business Jobs and Credit Act of 2010, which extended bonus depreciation tax deductions through 2010.

- Cash and cash equivalents totaled $41.2 million as of September 30, 2010, compared with $27 million as of December 31, 2009.

- On September 24, 2010, CL&P, PSNH, WMECO, and Yankee Gas jointly entered into a three−year $400 million unsecured revolving credit facility, replacing a similar five−year $400 million credit facility that was scheduled to terminate on November 6, 2010. On September 24, 2010, NU parent entered into a three−year $500 million unsecured revolving credit facility, replacing a similar five−year $500 million credit facility that was scheduled to terminate on November 6, 2010. Both new revolving credit facilities expire on September 24, 2013. As of September 30, 2010, we had $704.4 million of aggregate borrowing availability on our revolving credit lines, compared with $702.8 million as of December 31, 2009.

Overview

Consolidated: We earned $100.5 million, or $0.57 per share, in the third quarter of 2010, and $258.7 million, or $1.46 per share, in the first nine months of 2010, compared with $64.8 million, or $0.37 per share, in the third quarter of 2009 and $245.3 million, or $1.43 per share, in the first nine months of 2009. Improved results in the third quarter of 2010 were due primarily to higher retail electric sales due to warmer than normal summer weather, our continued success in managing operation and maintenance costs, the impact of the 2010 distribution rate case decisions that were effective July 1, 2010, and increased earnings in the transmission segment. Higher 2010 results were due primarily to the 2010 distribution rate case decisions, partially offset by the absence of the net benefit impact of approximately $16 million, or approximately $0.09 per share, from the resolution of various routine tax issues in the first nine months of 2009 and a net after−tax charge of approximately $3 million, or approximately $0.02 per share, associated with the enactment of the 2010 Healthcare Act. Retail electric sales were up 2.3 percent and firm natural gas sales were down 1.2 percent in the first nine months of 2010 compared to the same period in 2009.

A summary of our earnings by business, which also reconciles the non−GAAP financial measures of consolidated non−GAAP earnings and EPS, as well as EPS by business, to the most directly comparable GAAP measures of consolidated Net Income Attributable to Controlling Interests and fully diluted EPS, for the third quarter and first nine months of 2010 and 2009 is as follows:

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
(Millions of Dollars, except	2010		2009		2010		2009	
Per share amounts)	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net Income Attributable to Controlling Interests (GAAP)	$ 100.5	$ 0.57	$ 64.8	$ 0.37	$ 258.7	$ 1.46	$ 245.3	$ 1.43
Regulated Companies	$ 100.9	$ 0.57	$ 65.3	$ 0.37	$ 258.0	$ 1.46	$ 240.0	$ 1.40
Competitive Businesses	0.1	−	0.3	−	7.7	0.04	11.6	0.07
NU Parent and Other Companies	(0.5)	−	(0.8)	−	(7.0)	(0.04)	(6.3)	(0.04)
Net Income Attributable to Controlling Interests (GAAP)	$ 100.5	$ 0.57	$ 64.8	$ 0.37	$ 258.7	$ 1.46	$ 245.3	$ 1.43

Regulated Companies: Our Regulated companies operate in two segments: electric transmission and distribution, with natural gas distribution and PSNH and WMECO generation included in the distribution segment. A summary of our Regulated companies' earnings by segment for the third quarter and first nine months of 2010 and 2009 is as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(Millions of Dollars)	2010	2009	2010	2009
CL&P Transmission	$ 36.1	$ 33.7	$ 103.1	$ 98.9
PSNH Transmission	5.3	5.5	14.7	14.1
WMECO Transmission	3.7	3.6	9.4	7.0
NUTV	0.1	−	0.1	−
Total Transmission	45.2	42.8	127.3	120.0
CL&P Distribution	31.5	11.4	54.2	55.0
PSNH Distribution	23.4	10.7	51.5	36.2
WMECO Distribution	3.7	4.9	8.9	13.5
Yankee Gas	(2.9)	(4.5)	16.1	15.3
Total Distribution	55.7	22.5	130.7	120.0
Net Income − Regulated Companies	$ 100.9	$ 65.3	$ 258.0	$ 240.0

In both the third quarter and first nine months of 2010, greater transmission segment earnings reflected increased investment as we continued to build out our transmission infrastructure to meet the reliability needs of our customers and the region. The 2010 results were also impacted by the absence of the benefit from the resolution of various routine tax issues in the first nine months of 2009, a charge associated with the 2010 Healthcare Act in the first quarter of 2010, and lower net gains realized in 2010 on the sale of securities in the NU supplemental benefit trust as compared to 2009.

CL&P's third quarter 2010 distribution segment earnings were $20.1 million higher than the same period in 2009 due primarily to the conclusion of the distribution rate case on June 30, 2010, which allows CL&P to defer operations and maintenance expenses for the last six months of 2010 in lieu of cash rate relief and provides new rates to begin on January 1, 2011. CL&P's third quarter earnings also benefitted from lower depreciation expense as authorized in the distribution rate case, higher revenues due primarily to a 6.6 percent increase in retail electric sales, lower uncollectibles expense, and lower income taxes. Partially offsetting these favorable impacts were higher employee benefit costs, property taxes, and interest expense.

For the first nine months of 2010, CL&P's distribution segment earnings were slightly lower than the same period in 2009. The favorable factors mentioned above that affected earnings in the third quarter of 2010 were offset by unfavorable factors including higher employee benefit costs, property taxes, and interest expense, lower Energy Independence Act incentives, lower net gains realized in 2010 on the sale of securities in the NU supplemental benefit trust as compared to 2009, and the absence of the $7.9 million benefit from the resolution of routine tax issues in the first nine months of 2009. For the 12 months ended September 30, 2010, CL&P's distribution segment regulatory ROE was 6.7 percent and for the full year 2010 we expect it to be approximately 7.5 percent.

PSNH's third quarter 2010 distribution segment earnings were $12.7 million higher than the same period in 2009 due primarily to higher revenues resulting from the permanent distribution rate increase effective July 1, 2010 and a 6.9 percent increase in retail electric sales. PSNH's expenses in the third quarter of 2010 were essentially the same as the third quarter of 2009.

For the first nine months of 2010, PSNH's distribution segment earnings were $15.3 million higher than the same period in 2009 due primarily to higher revenues as a result of distribution rate increases effective August 1, 2009 and July 1, 2010 and a 1.9 percent increase in retail electric sales, and the impact of the permanent distribution rate case settlement approved on June 28, 2010 allowing certain expenses to be recovered through non−distribution rate components retroactive to August 1, 2009. These favorable impacts were partially offset by higher expenses, including employee benefit costs, depreciation, property taxes, and interest expense, higher income taxes in the first quarter associated with the 2010 Healthcare Act, lower net gains realized in 2010 on the sale of securities in the NU supplemental benefit trust as compared to 2009, and the absence of the benefit from the resolution of routine tax issues in the first nine months of 2009. For the 12 months ended September 30, 2010, PSNH's distribution segment regulatory ROE was 9.2 percent (including generation) and for the full year 2010 we expect it to be close to the authorized levels.

WMECO's third quarter 2010 distribution segment earnings were $1.2 million lower than the same period in 2009 due primarily to higher expenses including operating costs, uncollectibles expense, administrative and general costs, employee benefit costs, and depreciation, partially offset by higher revenues attributable to a 5.5 percent increase in retail electric sales.

For the first nine months of 2010, WMECO's distribution segment earnings were $4.6 million lower than the same period in 2009 due primarily to higher expenses including storm restoration costs, administrative and general costs, employee benefit costs, depreciation, and property taxes, the absence of the benefit from the resolution of various routine tax issues in the first nine months of 2009, and lower net gains realized in 2010 on the sale of securities in the NU supplemental benefit trust as compared to 2009. For the 12 months ended September 30, 2010, WMECO's distribution segment regulatory ROE was 5.3 percent and for the full year 2010 we expect it to be approximately 5 percent.

Yankee Gas recorded a net loss of $2.9 million in the third quarter of 2010 compared to a net loss of $4.5 million for the same period in 2009. The $1.6 million improvement is due primarily to lower uncollectibles expense and depreciation, partially offset by higher employee benefit costs and property taxes, and lower revenues.

For the first nine months of 2010, Yankee Gas' earnings were $0.8 million higher than the same period in 2009 due primarily to lower uncollectibles expense partially offset by lower revenues resulting from a 1.2 percent decline in firm natural gas sales attributable to warmer than normal temperatures during the heating season, higher employee benefit costs, higher property taxes, and the absence of the benefit from the resolution of various routine tax issues in the first nine months of 2009. For the 12 months ended September 30, 2010, Yankee Gas' regulatory ROE was 6.6 percent and for the full year 2010 we expect it to be approximately 7.5 percent.

For the distribution segment of our Regulated companies, a summary of changes in CL&P, PSNH and WMECO retail electric GWh sales and Yankee Gas firm natural gas sales for the third quarter and first nine months of 2010 as compared to the same periods in 2009 on an actual and weather normalized basis (using a 30−year average) is as follows:

	For the Three Months Ended September 30, 2010 Compared to 2009									
	Electric								Firm Natural Gas	
	CL&P		PSNH		WMECO		Total		Yankee Gas	
	Percentage Increase/ (Decrease)	Weather Normalized Percentage Decrease	Percentage Increase	Weather Normalized Percentage Increase/ (Decrease)	Percentage Increase/ (Decrease)	Weather Normalized Percentage Decrease	Percentage Increase/ (Decrease)	Weather Normalized Percentage Decrease	Percentage Increase/ (Decrease)	Weather Normalized Percentage Increase/ (Decrease)
Residential	12.2 %	(3.3)%	10.7 %	(2.1)%	11.6 %	(1.8)%	11.8 %	(2.9)%	(14.9)%	(13.8)%
Commercial	2.4 %	(6.1)%	4.2 %	(5.1)%	2.3 %	(5.4)%	2.8 %	(5.8)%	52.1 %	53.0 %
Industrial	1.7 %	(4.7)%	4.8 %	(5.0)%	0.1 %	(4.6)%	2.4 %	(4.8)%	0.4 %	0.4 %
Other	(0.1)%	(0.1)%	0.3 %	0.3 %	(12.4)%	(12.4)%	(0.9)%	(0.9)%	–	–
Total	6.6 %	(4.6)%	6.9 %	(3.9)%	5.5 %	(3.9)%	6.5 %	(4.4)%	9.9 %	10.4 %

	For the Nine Months Ended September 30, 2010 Compared to 2009									
	Electric								Firm Natural Gas	
	CL&P		PSNH		WMECO		Total		Yankee Gas	
	Percentage Increase/ (Decrease)	Weather Normalized Percentage Decrease	Percentage Increase	Weather Normalized Percentage Increase/ (Decrease)	Percentage Increase/ (Decrease)	Weather Normalized Percentage Increase/ (Decrease)	Percentage Increase/ (Decrease)	Weather Normalized Percentage Decrease	Percentage Increase/ (Decrease)	Weather Normalized Percentage Increase
Residential	4.3 %	(1.4)%	3.0 %	(1.1)%	5.4 %	0.9 %	4.1 %	(1.1)%	(6.0)%	4.9 %
Commercial	0.6 %	(3.4)%	1.0 %	(2.9)%	1.3 %	(2.5)%	0.7 %	(3.2)%	2.2 %	11.9 %
Industrial	2.6 %	(0.9)%	1.8 %	(2.9)%	(0.2)%	(2.6)%	1.9 %	(1.8)%	(0.1)%	2.0 %
Other	(0.1)%	(0.1)%	1.9 %	1.9 %	(26.3)%	(26.3)%	(1.8)%	(1.8)%	–	–
Total	2.4 %	(2.2)%	1.9 %	(2.2)%	2.5 %	(1.3)%	2.3 %	(2.1)%	(1.2)%	6.1 %

A summary of our retail electric sales in GWh for CL&P, PSNH and WMECO and firm natural gas sales in million cubic feet for Yankee Gas for the third quarter and first nine months of 2010 and 2009 is as follows:

	For the Three Months Ended September 30,					
	Electric			Firm Natural Gas		
	2010	2009	Percentage Increase/ (Decrease)	2010	2009	Percentage Increase/ (Decrease)
Residential	4,213	3,768	11.8 %	942	1,107	(14.9)%
Commercial	3,934	3,827	2.8 %	2,040	1,341	52.1 %
Industrial	1,218	1,190	2.4 %	3,049	3,038	0.4 %
Other	79	80	(0.9)%	–	–	–
Total	9,444	8,865	6.5 %	6,031	5,486	9.9 %

	For the Nine Months Ended September 30,					
	Electric			Firm Natural Gas		
	2010	2009	Percentage Increase/ (Decrease)	2010	2009	Percentage Increase/ (Decrease)
Residential	11,329	10,883	4.1 %	8,705	9,263	(6.0)%
Commercial	11,010	10,929	0.7 %	9,926	9,708	2.2 %
Industrial	3,382	3,318	1.9 %	10,775	10,791	(0.1)%
Other	240	244	(1.8)%	–	–	–
Total	25,961	25,374	2.3 %	29,406	29,762	(1.2)%

Actual retail electric sales for all three electric companies were higher in the third quarter and for the first nine months of 2010 as compared to the same periods in 2009 due primarily to warmer than normal summer weather. Third quarter 2010 cooling degree days in Connecticut and Western Massachusetts were 65 percent higher than last year and 36 percent above normal. For the first nine months of 2010, cooling degree days in Connecticut and Western Massachusetts were 76 percent higher than last year and 42 percent above normal. In New Hampshire, cooling degree days in the third quarter of 2010 were 91 percent higher than last year and 45 percent above normal, and for the first nine months of 2010, cooling degree days were 106 percent higher than last year and 42 percent above normal.

On a weather normalized basis, retail electric sales for all three electric companies were lower in the third quarter and for the first nine months of 2010 as compared to the same periods in 2009. We believe the decrease in weather normalized residential sales is due in part to increased conservation efforts by our customers and ongoing economic conditions impacting our customers. Our commercial and industrial sales continue to be impacted by additional installation of gas−fired distributed generation and utilization of C&LM programs. Relatively weak employment growth and uncertainty in consumer confidence have also contributed to the lower commercial and industrial sales.

Our firm natural gas sales are subject to many of the same influences as our retail electric sales, but our firm natural gas sales have benefitted from a favorable price for natural gas and from the addition of gas−fired distributed generation in Yankee Gas' service territory. Our firm natural gas sales in the third quarter of 2010 were higher than the same period in 2009 due to commercial and industrial customers switching from interruptible service to firm service, additional gas−fired distributed generation, and a large commercial customer who began to take service from Yankee Gas mid−way through the third quarter of 2009 and continues to take service throughout all of 2010. On a year to date basis, firm natural gas sales in 2010 were lower than the same period in 2009 due to milder weather during the heating season. Heating degree days in Connecticut were 18 percent lower than last year and 17 percent below normal.

Our expense related to uncollectible receivable balances (our uncollectibles expense) is influenced by the economic conditions of our region. Fluctuations in our uncollectibles expense are mitigated from an earnings perspective because a portion of the total uncollectibles expense for each of the electric distribution companies is allocated for recovery to the respective company's energy supply rate and recovered through its tariffs. Additionally, for CL&P and Yankee Gas, write−offs of uncollectible receivable balances attributable to qualified customers under financial or medical duress (hardship customers) are fully recovered through their respective tariffs. For the third quarter of 2010, our total uncollectibles expense was approximately $12.7 million lower than the same period in 2009. Of the total $12.7 million improvement, $3.9 million was allocated for recovery to the energy supply rates as described above and $8.8 million impacted our earnings. For the first nine months of 2010, our total uncollectibles expense was approximately $12.4 million lower than the same period in 2009. Of the total $12.4 million improvement, $1.2 million was allocated for recovery to the energy supply rates and $11.2 million impacted our earnings. In the second quarter of 2010, $1.4 million of PSNH's uncollectibles expense was reclassified to its energy supply rate. This reclassification had no impact on PSNH's total uncollectibles expense, but it did contribute to the $11.2 million improvement impacting our earnings. For the first nine months of 2010, the improvement in our uncollectibles expense as compared to 2009 is better than our expectations and we expect additional improvement in the fourth quarter of 2010.

Competitive Businesses: NU Enterprises, which continues to manage to completion Select Energy's remaining wholesale marketing contracts and to manage its electrical contracting business and other operating and maintenance services contracts, earned $0.1 million in the third quarter of 2010 and $7.7 million, or $0.04 per share, in the first nine months of 2010, compared with $0.3 million in the third quarter of 2009, and $11.6 million, or $0.07 per share, in the first nine months of 2009. In the third quarter of 2010, NU Enterprises recorded $0.6 million of after−tax mark−to−market gains, compared with after−tax mark−to−market losses of $0.9 million in the third quarter of 2009. NU Enterprises recorded $0.5 million of after−tax mark−to−market gains in the first nine months of 2010, compared with after−tax mark−to−market gains of $3.7 million in the first nine months of 2009.

NU Parent and Other Companies: NU parent and other companies recorded net expenses of $0.5 million in the third quarter of 2010 and $7 million, or $0.04 per share, in the first nine months of 2010, compared with net expenses of $0.8 million in the third quarter of 2009 and $6.3 million, or $0.04 per share, in the first nine months of 2009. The improved third quarter results were due to lower income tax expense and lower interest expense at NU parent, partially offset by a $1 million after−tax increase in the HWP environmental reserve. The increase in expenses for the first nine months of 2010 was due primarily to a $0.9 million after−tax increase in the HWP environmental reserve and a $0.6 million net after−tax charge associated with the 2010 Healthcare Act, partially offset by lower interest expense at NU parent.

Future Outlook

EPS Guidance: Following is a summary of our previously reported and revised projected 2010 EPS by business, which also reconciles consolidated fully diluted EPS to the non−GAAP financial measure of EPS by business. Non−GAAP EPS by business also excludes certain non−recurring benefits from the settlement of tax issues ($0.09 per share) and the anticipated merger costs expected in the fourth quarter ($0.07 per share), both of which impact NU parent. Our projected consolidated EPS under GAAP is the same as our non−GAAP EPS by business, which excludes the two items noted above, as follows:

	Previously Reported 2010 EPS Range		Revised 2010 EPS Range	
(Approximate amounts)	Low	High	Low	High
Fully Diluted EPS (GAAP)	$ 1.95	$ 2.05	$ 2.10	$ 2.20
Regulated Companies:				
Distribution Segment	$ 1.00	$ 1.10	$ 1.10	$ 1.20
Transmission Segment	0.95	0.95	1.00	1.00
Total Regulated Companies	1.95	2.05	2.10	2.20
Competitive Businesses	0.05	0.05	0.05	0.05
NU Parent and Other Companies	(0.05)	(0.05)	(0.05)	(0.05)
Fully Diluted EPS (Non−GAAP)	$ 1.95	$ 2.05	$ 2.10	$ 2.20

We have raised our 2010 earnings guidance as a result of stronger third quarter sales due to warmer than normal summer weather, our continued control of operation and maintenance costs and significant progress in reducing our uncollectibles expense, as well as the settlement of various routine tax issues during the fourth quarter of 2010. The projected non−GAAP results exclude a $0.09 per share non−recurring benefit associated with the settlement of tax issues and an approximate $0.07 per share charge related to expected merger costs we will expense, both of which will affect NU Parent and Other Companies' results in the fourth quarter of 2010.

Long−Term Growth Rate: We project that we will achieve a compound average annual EPS growth rate for the five−year period from 2011 to 2015 of between 6 percent and 9 percent using 2009 EPS of $1.91 per share as the base level. Assuming completion of the proposed merger with NSTAR in the third quarter of 2011, we expect to achieve an EPS growth rate at the high end of the range between 6 percent and 9 percent.

Liquidity

Consolidated: Cash and cash equivalents totaled $41.2 million as of September 30, 2010, compared with $27 million as of December 31, 2009.

On November 1, 2010, the DPUC approved CL&P's application requesting authority to issue up to $900 million in long−term debt through 2014 to be used to refinance CL&P's short−term debt previously incurred in the ordinary course of business, to finance capital expenditures, to provide working capital and to pay issuance costs.

On September 24, 2010, CL&P, PSNH, WMECO, and Yankee Gas jointly entered into a three−year $400 million unsecured revolving credit facility, which expires on September 24, 2013. This facility replaced a similar five−year $400 million credit facility that was scheduled to expire on November 6, 2010. CL&P and PSNH may draw up to $300 million each under this facility, with WMECO and Yankee Gas able to draw up to $200 million each, subject to the $400 million maximum aggregate borrowing limit. This total commitment may be increased to $500 million at the request of the borrowers, subject to lender approval. Under this facility, each company can borrow either on a short−term or a long−term basis subject to regulatory approval. As of September 30, 2010, there were no borrowings outstanding under this facility.

On September 24, 2010, NU parent entered into a three−year $500 million unsecured revolving credit facility, which expires on September 24, 2013. This facility replaced a similar five−year $500 million credit facility that was scheduled to expire on November 6, 2010. Like the previous facility, the new revolving credit facility allows NU parent to borrow up to $500 million at any one time on a short−term or long−term basis. The facility also allows for the issuance of LOCs up to $500 million in the aggregate (subject to the amount of borrowings outstanding) on behalf of NU or any of its subsidiaries for periods up to 364 days. This total commitment may be increased to $600 million at the request of NU parent, subject to lender approval. As of September 30, 2010, NU parent had $39.6 million of LOCs issued for the benefit of certain subsidiaries (primarily PSNH) and $156 million of short−term borrowings outstanding, leaving $304.4 million of borrowing availability under this facility. The weighted−average interest rate on these short−term borrowings as of September 30, 2010 was 2.16 percent, which is based on a variable rate plus an applicable margin based on NU parent's credit ratings.

We anticipate no additional long−term debt issuances for NU or its subsidiaries for the remainder of 2010. As a result of the proposed merger with NSTAR, we intend to re−examine our financing needs for 2011. We have annual sinking fund requirements of $4.3 million continuing in 2011 through 2012, the mandatory tender of $62 million of tax−exempt PCRBs by CL&P on April 1, 2011, at which time CL&P expects to remarket the bonds in the ordinary course, and no debt maturities until April 1, 2012. As a result of the proposed merger with NSTAR, we no longer expect to undertake the previously planned $300 million NU common equity issuance nor issue any additional equity in the foreseeable future.

Cash flows provided by operating activities in the first nine months of 2010 totaled $647.9 million, compared with operating cash flows of $577.9 million in the first nine months of 2009 (all amounts are net of RRB payments, which are included in financing activities on the accompanying unaudited condensed consolidated statements of cash flows). The improved cash flows were due primarily to the absence in 2010 of costs incurred at PSNH and WMECO related to the major storm in December 2008 that were paid in the first quarter of 2009 and a decrease in Fuel, Materials and Supplies attributable to a $27.2 million reduction in coal inventory levels at the PSNH generation business as ordered by the NHPUC. Offsetting these favorable cash flow impacts was an increase in income tax payments of approximately $60 million largely attributable to the absence of bonus depreciation tax deductions under the American Recovery and Reinvestment Act of 2009 in the first nine months of 2010 and a $45 million contribution made into our Pension Plan in September 2010.

Although bonus depreciation tax deductions expired at the end of 2009, on September 27, 2010, President Obama signed into law the Small Business Jobs and Credit Act of 2010 that included an extension of these tax deductions through 2010. As a result, our 2010 cash flows from operations are projected to increase by approximately $100 million. We now project 2010 cash flows from operations (after RRB payments) of $800 million to $850 million, up from our previous projection of approximately $700 million. During 2011, we expect to make contributions of approximately $200 million into our Pension Plan, which are tax deductible.

A summary of the current credit ratings and outlooks by Moody's, S&P and Fitch for senior unsecured debt of NU parent and WMECO and senior secured debt of CL&P and PSNH is as follows:

	Moody's		S&P		Fitch	
	Current	Outlook	Current	Outlook	Current	Outlook
NU parent	Baa2	Stable	BBB−	Watch−Positive	BBB	Watch−Positive
CL&P	A2	Stable	BBB+	Watch−Positive	A−	Stable
PSNH	A3	Stable	BBB+	Watch−Positive	BBB+	Stable
WMECO	Baa2	Stable	BBB	Watch−Positive	BBB+	Stable

On October 18, 2010, following the announcement of the proposed merger of NU and NSTAR, Moody's announced that it had reaffirmed the ratings and "stable" outlooks of NU parent, CL&P, PSNH and WMECO and S&P announced that it had placed NU parent, CL&P, PSNH and WMECO's ratings outlooks on creditwatch with "positive" implications. On October 19, 2010, also due to the proposed merger announcement, Fitch announced that it had reaffirmed the ratings and "stable" outlooks of CL&P, PSNH and WMECO and placed NU parent's ratings outlook on creditwatch with "positive" implications. Assuming completion of the proposed merger with NSTAR, we expect our credit ratings will improve.

If the senior unsecured debt ratings of NU parent were to be reduced to below investment grade level by either Moody's or S&P, a number of Select Energy's supply contracts would require Select Energy to post additional collateral in the form of cash or LOCs. If such an event had occurred as of September 30, 2010, Select Energy, under its remaining contracts, would have been required to provide additional cash or LOCs in an aggregate amount of $26.5 million to various unaffiliated counterparties and additional cash or LOCs in the aggregate amount of $2.1 million to independent system operators. NU parent would have been and remains able to provide that collateral on behalf of Select Energy.

If the unsecured debt ratings of PSNH were to be reduced by either Moody's or S&P, certain supply contracts could require PSNH to post additional collateral in the form of cash or LOCs with various unaffiliated counterparties. As of September 30, 2010, if the unsecured debt ratings of PSNH had been reduced by one level or to below investment grade, PSNH had an adequate amount of collateral posted and would not have been required to post additional amounts.

We paid common dividends of $135.3 million in the first nine months of 2010, compared with $120.6 million in the first nine months of 2009. The increase reflects a 7.9 percent increase in our common dividend rate that took effect in the first quarter of 2010, as well as a higher number of shares outstanding as a result of the March 2009 issuance of nearly 19 million common shares. On October 12, 2010, our Board of Trustees declared a quarterly common dividend of $0.25625 per share, payable on December 31, 2010 to shareholders of record as of December 1, 2010.

In general, the Regulated companies pay approximately 60 percent of their earnings to NU parent in the form of common dividends. In the first nine months of 2010, CL&P, PSNH, WMECO, and Yankee Gas paid $181.8 million, $37.9 million, $11.2 million, and $18.8 million, respectively, in common dividends to NU parent. In the first nine months of 2010, NU parent made equity contributions to PSNH and WMECO of $123.6 million and $102.6 million, respectively.

Cash capital expenditures included on the accompanying unaudited condensed consolidated statements of cash flows and described in this "Liquidity" section do not include amounts incurred on capital projects but not yet paid, cost of removal, AFUDC related to equity funds, and the capitalized portions of pension and PBOP expense or income. A summary of our cash capital expenditures by company for the first nine months of 2010 and 2009 is as follows:

(Millions of Dollars)	For the Nine Months Ended September 30, 2010	2009
CL&P	$ 274.2	$ 331.6
PSNH	218.0	169.4
WMECO	77.7	63.7
Yankee Gas	52.8	39.1
Other	54.9	30.6
Totals	$ 677.6	$ 634.4

The increase in our cash capital expenditures was the result of higher distribution segment capital expenditures of $43.5 million, particularly at PSNH, and an increase in Other of $24.3 million primarily related to technology and facility projects at NUSCO, one of our corporate service companies. These increases were offset by a $19.9 million decrease in transmission segment capital expenditures primarily related to CL&P.

Business Development and Capital Expenditures

Consolidated: Our consolidated capital expenditures, including amounts incurred but not paid, cost of removal, AFUDC, and the capitalized portions of pension and PBOP expense or income (all of which are non−cash factors), totaled $711 million in the first nine months of 2010, compared with $650.6 million in the first nine months of 2009. These amounts included $46.2 million and $34.4 million in the first nine months of 2010 and 2009, respectively, related to our corporate service companies.

Regulated Companies: Capital expenditures for the Regulated companies are expected to total approximately $1.1 billion ($413 million for CL&P, $325 million for PSNH, and $140 million for WMECO) in 2010, which includes planned spending of approximately $69 million for our corporate service companies.

Transmission Segment: We expect transmission segment capital expenditures to total approximately $251 million ($102 million for CL&P, $45 million for PSNH, and $94 million for WMECO) in 2010. Transmission segment capital expenditures decreased by $18.2 million in the first nine months of 2010, as compared with the same period in 2009, due primarily to reductions in expenditures at CL&P and PSNH, partially offset by increases at WMECO and capital expenditures incurred by NPT for the Northern Pass project. A summary of transmission segment capital expenditures by company in the first nine months of 2010 and 2009 is as follows:

(Millions of Dollars)	For the Nine Months Ended September 30, 2010	2009
CL&P	$ 76.7	$ 112.9
PSNH	33.0	41.8
WMECO	64.7	44.3
NPT	6.4	−
Totals	$ 180.8	$ 199.0

We have updated our cost estimates for our NEEWS projects from $1.49 billion to $1.52 billion (approximately $1.45 billion reflecting the impact of the UI investment of approximately $69 million as discussed below). The new estimates reflect scope refinements and final siting requirements for GSRP as well as increased costs related to new in−service dates for both the Interstate Reliability Project (from 2014 to 2015) and the Central Connecticut Reliability Project (from 2015 to 2016), and disposition of related projects which are either underway (approximately $84 million) or incorporated into the major NEEWS projects. As these projects are completed and put in service, actual costs may differ from these estimates.

In October 2008, CL&P and WMECO made state siting filings in Connecticut and Massachusetts, respectively, for the first and largest component of our NEEWS project, the GSRP. On March 16, 2010, the CSC approved the 12−mile section of GSRP that CL&P plans to build in Connecticut. On October 21, 2010, the CSC approved CL&P's development and management plans for the project that were filed in July 2010. On September 28, 2010, the EFSB approved the 23−mile section of GSRP that WMECO plans to build in Massachusetts. We plan to commence construction later this year and to place the project in service in late 2013. We have increased the expected cost of this project from $714 million to $795 million. In June 2010, residents living near the proposed Connecticut route of the GSRP appealed the CSC approval in New Britain Superior Court, claiming that the CSC acted improperly by approving an overhead route for the line. We do not expect the appeal to have a material impact on the timing of construction.

Our second major NEEWS project is the Interstate Reliability Project, which is being designed and built in coordination with National Grid USA. CL&P's share of this project includes an approximately 40−mile, 345 KV all overhead line from Lebanon, Connecticut to the Connecticut−Rhode Island border where it would connect with enhancements National Grid USA is designing in Rhode Island and Massachusetts. In August 2010, ISO−NE reaffirmed the need for the Interstate Reliability Project, which is now expected to be placed in service in late 2015. This in−service date assumes that siting applications are filed in all three states in mid/late 2011, with orders received in mid/late 2013 and construction commencing in late 2013 or early 2014. We have increased CL&P's expected share of the costs of this project from $251 million to $301 million.

The third major part of NEEWS is the Central Connecticut Reliability Project, which involves construction of a new line from Bloomfield, Connecticut to Watertown, Connecticut. This line would provide another 345 KV all overhead connection to move power across the state of Connecticut. The timing of this project is expected to be twelve months behind the Interstate Reliability Project. We have

increased the expected cost of this project from $313 million to $338 million. ISO−NE continues to reassess the need for the Central Connecticut Reliability Project and we expect that ISO−NE will conclude its evaluation by mid−2011.

Included as part of NEEWS are $84 million (which changed from our previous estimate of $212 million as a result of incorporating these costs into the three major projects), of associated reliability related expenditures for projects, all of which have received siting approval and most have construction underway. The in−service dates for these projects range from later this year through 2013.

Since inception of NEEWS through September 30, 2010, CL&P and WMECO have capitalized approximately $94.9 million and $112.6 million, respectively, in costs associated with NEEWS, of which $27.4 million and $38.3 million, respectively, were capitalized in the first nine months of 2010.

On October 4, 2010, NPT and HQ Hydro Renewable Energy entered into a TSA in connection with the Northern Pass transmission project. Northern Pass is comprised of a planned HVDC transmission line from the Canadian border to Franklin, New Hampshire and an associated alternating current radial transmission line between Franklin and Deerfield, New Hampshire that will be constructed by NPT. Northern Pass will interconnect at the U.S.−Canadian border with a planned HVDC transmission line that HQ TransÉnergie, the transmission division of HQ, will construct in Québec. Consistent with the FERC's 2009 declaratory order, NPT will sell to HQ Hydro Renewable Energy 1,200 MW of firm electric transmission rights over the Northern Pass for a 40−year term pursuant to the TSA.

NPT intends to file the TSA with the FERC during the fourth quarter of 2010, requesting that the FERC approve the TSA as a rate schedule. On October 13, 2010, NPT filed the Northern Pass project design with ISO−NE for technical approval. On October 14, 2010, NPT filed a presidential permit application with the DOE, which seeks permission to construct and maintain facilities that cross the U.S. border and connect to facilities in Canada. NPT anticipates filing additional state and federal permit and siting applications in 2011. Assuming timely regulatory review and siting approvals, NPT expects to commence construction of the Northern Pass in 2013, with power flowing across the line in late 2015.

NPT will charge HQ Hydro Renewable Energy cost−based rates under the TSA using a FERC−approved formula rate. The projected cost−of−service calculation includes an ROE of 12.56 percent through the construction phase of the project, and upon commercial operation, the ROE will be tied to the ISO−NE regional rate base ROE (currently 11.14 percent) plus 1.42 percent. The TSA rates will be based on a deemed capital structure for NPT of 50 percent debt and 50 percent equity. NPT and HQ are obligated under the TSA to use commercially reasonable efforts to enter into arrangements for construction financing. During the development phase and the construction phase under the TSA, NPT will be recording non−cash AFUDC earnings.

We currently estimate that NU's current 75 percent share of the Northern Pass transmission project is expected to be approximately $830 million out of total expected costs of approximately $1.1 billion (including capitalized AFUDC and property taxes).

On October 13, 2010, the DPUC approved a joint application filed by CL&P and UI in July 2010 seeking approval for UI's investment in and ownership of certain transmission assets associated with CL&P's portion of the NEEWS projects. Under the terms of an agreement between UI and CL&P, UI has the option to make quarterly payments to CL&P in exchange for ownership of specific Connecticut based NEEWS transmission assets as they come into commercial operation. Following FERC approval, UI will have the right to invest up to $69 million or an amount equal to 8.4 percent of CL&P's costs for the Connecticut portion of these projects, which are expected to cost approximately $828 million in the aggregate. The impact of the UI transaction is reflected in our five−year capital expenditures and rate base forecasts.

Distribution Segment: Distribution segment capital expenditures increased by $66.8 million in the first nine months of 2010, as compared with the same period in 2009. A summary of distribution segment capital expenditures by company for the first nine months of 2010 and 2009 is as follows:

(Millions of Dollars)	For the Nine Months Ended September 30, 2010	2009
CL&P:		
Basic business	$ 80.0	$ 81.5
Aging infrastructure	66.8	67.5
Load growth	59.7	54.8
Total CL&P	206.5	203.8
PSNH:		
Basic business	27.8	34.0
Aging infrastructure	12.6	12.6
Load growth	16.1	18.8
Total PSNH	56.5	65.4
WMECO:		
Basic business	12.9	12.2
Aging infrastructure	7.3	9.3
Load growth	4.4	3.1
Total WMECO	24.6	24.6
Totals − Electric Distribution (excluding Generation)	287.6	293.8
Yankee Gas	58.3	39.2
Other	0.3	0.3
Total Distribution	346.2	333.3
PSNH Generation:		
Clean air project	115.5	70.7
Other	16.5	13.2
Total PSNH Generation	132.0	83.9
WMECO Generation	5.8	−
Total Distribution Segment	$ 484.0	$ 417.2

For the electric distribution business, basic business includes the relocation of plant, the purchase of meters, tools, vehicles, and information technology. Aging infrastructure relates to the planned replacement of overhead lines, plant substations, transformer replacements, and underground cable replacement. Load growth includes requests for new business and capacity additions on distribution lines and substation overloads. For the natural gas business, basic business includes the relocation of conflicting natural gas facilities due to municipal and state road work and the purchase of meters, tools, and information technology. Aging infrastructure relates to the planned replacement of natural gas facilities. Load growth includes requests for new natural gas service, new service mains and new distributed generation service.

PSNH's Clean Air Project is a wet scrubber project at its Merrimack coal station, the cost of which will be recovered through PSNH's ES rates under New Hampshire law. Construction costs are below their original budget of $457 million and the project is expected to be completed in mid−2012. We currently expect the project to cost approximately $430 million, including capitalized interest and equity returns. Since inception of the project, PSNH has capitalized $262.4 million associated with this project, of which $115.6 million was capitalized in the first nine months of 2010. Construction of the project was approximately 73 percent complete as of September 30, 2010.

On August 12, 2009, the DPU approved a stipulation agreement between WMECO and the Massachusetts Attorney General concerning WMECO's proposal, under the Massachusetts Green Communities Act, to install 6 MW of solar energy generation in its service territory at an estimated cost of $41 million by the end of 2012. In October 2010, WMECO completed construction of a 1.8 MW project at a site in Pittsfield, Massachusetts and is expected to receive final acceptance of the project later this year. Since inception of the program, WMECO has capitalized approximately $6.4 million of the total estimated cost of $9.4 million on this first project as of September 30, 2010. WMECO has identified a second site in Massachusetts where it plans to construct an additional solar generation facility, subject to final approvals.

In April 2010, Yankee Gas commenced construction of its WWL Project, a 16−mile gas pipeline between Waterbury and Wallingford, Connecticut and the increase of vaporization output of its LNG plant, of which the expected cost has decreased from $67 million to $63 million. Construction in 2010, which included construction of a segment of pipeline connecting the Cheshire and Wallingford distribution systems, cost approximately $18 million and was completed in the fourth quarter of 2010. The remainder of the pipeline construction and the expansion of the vaporization capacity of the LNG facility is expected to be completed in the fourth quarter of 2011. Since inception of the project, Yankee Gas has capitalized $19.6 million associated with this project, $18.8 million of which was capitalized in the first nine months of 2010. Construction of the project was approximately 37 percent complete as of September 30, 2010 and is currently on schedule and on budget.

Strategic Initiatives: We continue to evaluate certain development projects that will benefit our customers, some of which are detailed below.

Over the past two years, we have participated in discussions and continue to discuss with other utilities, policymakers, and prospective developers of renewable energy projects in the New England region regarding a framework whereby renewable power projects built in rural areas of northern New England could be connected to the electric load centers of New England. We believe there are significant

opportunities for developers to build wind and biomass projects in northern New England that could help the region meet its renewable portfolio standards. We believe that a collaborative approach among project developers and transmission owners is necessary to be able to construct needed projects and bring their electrical output into the market. We have not yet included any capital expenditures associated with potential projects in our five−year capital program.

We continue to consider various energy related investments that could complement our earnings profile. In 2010, we committed to invest approximately $3 million in an energy investment fund that seeks to invest in clean and renewable energy projects primarily in the United States and Canada. Under certain conditions, we would invest up to an additional $50 million.

On March 31, 2010, CL&P filed with the DPUC an AMI and dynamic pricing plan that included a cost benefit analysis. CL&P concluded that a full deployment of AMI meters accompanied by dynamic pricing options for all CL&P customers would be cost beneficial under a set of reasonable assumptions, identified as the "base case scenario." Under the base case scenario, capital expenditures associated with the installation of the meters are estimated at $296 million. Under CL&P's proposal, installation of meters is proposed to begin in late 2012 and continue through 2016. The DPUC has announced a procedural review schedule that began in late October 2010 and is scheduled to end in February 2011.

Projected Capital Expenditures and Rate Base Estimates: A summary of the projected capital expenditures for the Regulated companies' transmission segment and the distribution and generation segment by company for 2010 and 2011 through 2015, including our corporate service companies' capital expenditures on behalf of the Regulated companies, is as follows:

	Year						
(Millions of Dollars)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2011−2015 Totals**
CL&P transmission	$ 102	$ 139	$ 194	$ 169	$ 229	$ 280	$ 1,011
PSNH transmission	45	54	75	58	45	56	288
WMECO transmission	94	219	260	161	75	7	722
NPT	10	33	84	199	348	158	822
Subtotal transmission	$ 251	$ 445	$ 613	$ 587	$ 697	$ 501	$ 2,843
CL&P distribution:							
Basic business	$ 116	$ 137	$ 139	$ 129	$ 214	$ 266	$ 885
Aging infrastructure	121	124	112	119	122	125	602
Load growth	74	73	67	69	75	77	361
Total CL&P distribution	311	334	318	317	411	468	1,848
PSNH distribution:							
Basic business	48	50	48	49	52	53	252
Aging infrastructure	24	26	28	40	41	35	170
Load growth	25	38	41	39	40	45	203
Total PSNH distribution	97	114	117	128	133	133	625
WMECO distribution:							
Basic business	17	15	15	16	16	17	79
Aging infrastructure	12	30	32	32	33	33	160
Load growth	5	7	10	9	9	9	44
Total WMECO distribution	34	52	57	57	58	59	283
Subtotal electric distribution	$ 442	$ 500	$ 492	$ 502	$ 602	$ 660	$ 2,756
PSNH generation:							
Clean air project	$ 154	$ 77	$ 35	$ 20	$ −	$ −	$ 132
Other	29	32	16	33	29	29	139
Total PSNH generation	183	109	51	53	29	29	271
WMECO generation	12	20	9	5	5	5	44
Subtotal generation	$ 195	$ 129	$ 60	$ 58	$ 34	$ 34	$ 315
Yankee Gas distribution:							
Basic business	$ 32	$ 34	$ 31	$ 30	$ 31	$ 33	$ 159
Aging infrastructure	24	28	49	50	50	52	229
Load growth	17	16	19	46	47	34	162
WWL project	27	35	−	−	−	−	35
Total Yankee Gas distribution	$ 100	$ 113	$ 99	$ 126	$ 128	$ 119	$ 585
Corporate service companies	$ 69	$ 26	$ 19	$ 36	$ 34	$ 26	$ 141
Totals	$ 1,057	$ 1,213	$ 1,283	$ 1,309	$ 1,495	$ 1,340	$ 6,640

Yankee Gas determines the amount of capital spending by category based on business needs and opportunities. Future capital spending will likely be affected by price differences between the cost of natural gas with respect to home heating oil, natural gas supply, new home construction, road reconstruction, regulatory mandates and business requirements.

Actual capital expenditures could vary from the projected amounts for the companies and periods above. Economic conditions in the northeast could impact the timing of our major transmission projects. Most of these capital investment projections, including those for NPT, assume timely regulatory approval, which in some cases requires extensive review. Delays in or denials of those approvals could reduce the levels of expenditures, associated rate base, and anticipated EPS growth.

Based on the 2010 through 2015 projected capital expenditures, the 2010 through 2015 projected transmission, distribution and generation rate base as of December 31 of each year are as follows:

	Year					
(Millions of Dollars)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
CL&P transmission	$ 2,196	$ 2,180	$ 2,253	$ 2,303	$ 2,457	$ 2,609
PSNH transmission	329	365	421	425	522	558
WMECO transmission	220	426	651	730	831	795
NPT	–	–	–	–	–	830
Total transmission	2,745	2,971	3,325	3,458	3,810	4,792
CL&P distribution	2,322	2,490	2,717	2,898	3,154	3,434
PSNH distribution	826	896	996	1,079	1,137	1,207
WMECO distribution	423	457	483	508	531	555
Total electric distribution	3,571	3,843	4,196	4,485	4,822	5,196
PSNH generation	394	400	793	805	797	779
WMECO generation	10	28	33	34	35	36
Total generation	404	428	826	839	832	815
Yankee Gas distribution	714	803	864	926	986	1,094
Totals	$ 7,434	$ 8,045	$ 9,211	$ 9,708	$ 10,450	$ 11,897

Transmission Rate Matters

Transmission − Wholesale Rates: NU's transmission rates recover total transmission revenue requirements, ensuring that we recover all regional and local revenue requirements. These rates provide for annual true−ups to actual costs. The financial impacts of differences between actual and projected costs are deferred for future recovery from, or refund to, customers. As of September 30, 2010, NU was in a total overrecovery position of $33.6 million ($30.3 million for CL&P, $2.1 million for PSNH, and $1.2 million for WMECO), which will be refunded to customers in June 2011.

Legislative Matters

2010 Federal Legislation: On September 27, 2010, President Obama signed into law the Small Business Jobs and Credit Act of 2010, which extends the bonus depreciation provisions of the American Recovery and Reinvestment Act of 2009 to small and large businesses through 2010. This extended stimulus will provide NU with cash flow benefits of approximately $100 million in 2010.

2010 Connecticut Legislation: In May 2010, the Connecticut Legislature approved a state budget for the 2010−2011 fiscal year, which now calls for the issuance by the state of Connecticut of $646.6 million of economic recovery revenue bonds that would be amortized over eight years. These bonds would be repaid through a charge on customer bills of CL&P and other Connecticut electric distribution companies. For CL&P, the revenue to pay interest and principal on the bonds would come from a continuation of a portion of its CTA, which would otherwise end at the end of this year, and the diversion of about one−third of the annual funding for C&LM programs beginning in April 2012. On September 29, 2010, the DPUC approved a financing order for the bonds. We expect those bonds to be issued in mid−2011. Unlike the RRBs issued in 2001, the revenues, interest expense and amortization expense associated with these bonds will not be reflected on CL&P's financial statements.

Regulatory Developments and Rate Matters

Connecticut − CL&P:

Standard Service and Last Resort Service Rates: CL&P's residential and small commercial customers who do not choose competitive suppliers are served under SS rates, and large commercial and industrial customers who do not choose competitive suppliers are served under LRS rates. CL&P is fully recovering from customers the costs of its SS and LRS services. CL&P estimates that on January 1, 2011, SS rates (for customers with a peak demand less than 500 KW) are expected to decrease from 11.3 cents per KWh to approximately 9.6 cents per KWh and LRS rates (for customers with a peak demand of 500 KW or greater) are expected to increase from 7.1 cents per KWh to approximately 7.3 cents per KWh.

CTA and SBC Reconciliation: On March 31, 2010, CL&P filed with the DPUC its 2009 CTA and SBC reconciliation, which compared CTA and SBC revenues charged to customers to revenue requirements and allows for full recovery of revenue requirements. For the 12 months ended December 31, 2009, total CTA revenue requirements exceeded CTA revenues by $46.9 million. For the 12 months ended December 31, 2009, the SBC revenues exceeded SBC revenue requirements by $23.7 million.

On October 28, 2010, a draft decision in the 2009 CTA and SBC docket was issued approving the 2009 CTA and SBC reconciliations as filed. The draft decision stated that the CTA and SBC rates will need to be reset effective January 1, 2011 based on current projections. However, the draft decision also stated that the DPUC will review the CTA and SBC balances later in 2010 to determine if further rate changes may be warranted, once CL&P provides additional information in its request for rate adjustments effective January 1, 2011.

FMCC Filing: On February 5, 2010, CL&P filed with the DPUC its semi−annual filing, which reconciled actual FMCC revenues and charges and GSC revenues and expenses, for the period July 1, 2009 through December 31, 2009, and also included the previously filed revenues and expenses for the January 1, 2009 through June 30, 2009 period. The filing identified a total net underrecovery of $6.5 million, which includes the remaining uncollected portions from previous filings. On October 25, 2010, the DPUC issued a draft decision accepting CL&P's calculations of GSC, bypassable FMCC and nonbypassable FMCC revenues and expenses for the period July 1, 2009 through December 31, 2009. A final decision is expected on November 10, 2010. On August 5, 2010, CL&P filed with the DPUC its semi−annual FMCC filing for the period January 1, 2010 through June 30, 2010. The filing identified a total net underrecovery of $7 million for the period, which includes the remaining uncollected portions from previous filings. A hearing schedule has been established and a decision is expected in the fourth quarter of 2010. We do not expect the outcome of the DPUC's review of either of the above filings to have a material adverse impact on CL&P's earnings, financial position or cash flows.

New Hampshire:

ES and SCRC Filings: On September 21, 2010, PSNH filed petitions with the NHPUC requesting changes in both its ES and SCRC annual rates for the period January 1, 2011 through December 31, 2011. Consistent with previous annual rate filings, PSNH is requesting that the NHPUC review and approve the underlying data in these filings, not a specific ES or SCRC rate at this time. PSNH expects to petition the NHPUC using updated information in early December 2010 for specific 2011 ES and SCRC rates.

Merrimack Clean Air Project: On July 7, 2009, the New Hampshire Site Evaluation Committee determined that PSNH's Clean Air Project to install wet scrubber technology at its Merrimack Station was not subject to the Committee's review as a "sizeable" addition to a power plant under state law. That Committee upheld its decision in an order dated January 15, 2010, denying requests for rehearing. This order was appealed on February 23, 2010. On April 15, 2010, the New Hampshire Supreme Court determined that it would accept the appeal. The Court has set a briefing schedule, but has not determined when it will hear oral argument. We do not believe that the appeal will have a material impact on the timing or costs of the project. PSNH is continuing with construction of this project and has capitalized $262.4 million since inception of the project through September 30, 2010 as of which date construction was approximately 73 percent complete.

Massachusetts:

Distribution Rates: On July 16, 2010, WMECO filed an application with the DPU, requesting approval of a $28.4 million increase in distribution rates and a decoupling plan to be effective February 1, 2011. Among other items, WMECO is seeking a distribution segment regulatory ROE of 10.5 percent, recovery over five years of its remaining deferred December 2008 major storm costs of approximately $13 million, recovery of its hardship receivable costs, and a capital investment recovery mechanism. WMECO also proposed raising the annual capital spending plan from approximately $35 million annually to approximately $50 million annually. Evidentiary hearings in the case commenced on September 27, 2010 and are scheduled through October 29, 2010. The briefing schedule will be set at the conclusion of hearings. A decision is expected by January 31, 2011.

Basic Service Rates: Effective July 1, 2010, the rates for all basic service customers decreased to reflect the basic service solicitations conducted by WMECO in May 2010. Basic service rates for residential customers decreased to 7.647 cents per KWh, rates for small commercial and industrial customers decreased to 8.44 cents per KWh and rates for large commercial and industrial customers decreased to 7.052 cents per KWh. Effective October 1, 2010, the basic service rate for medium and large commercial and industrial customers increased to 8.051 cents per KWh to reflect the basic service solicitation conducted by WMECO in July 2010.

Transition Cost Reconciliation: On May 12, 2010, WMECO filed its 2009 cost reconciliation for transition, transmission, basic/default service, basic/default service adder, and capital projects scheduling list. A public hearing was held on July 12, 2010. An evidentiary hearing is scheduled for November 12, 2010 and the briefing period is scheduled to end on November 30, 2010. We do not expect the outcome of the DPU's review of this filing to have a material adverse impact on WMECO's earnings, financial position or cash flows.

Pension Factor Reconciliation Filing: On July 2, 2009, WMECO filed the 2008 reconciliation for its pension factor revenues and expenses. An evidentiary hearing was held on March 26, 2010 and the briefing period ended on May 20, 2010. On August 31, 2010, the DPU issued an approval order. The order did not have a material adverse impact on WMECO's earnings, financial position or cash flows.

Off−Balance Sheet Arrangements

There were no off−balance sheet arrangements identified and no material changes with regard to what was previously disclosed in our 2009 Form 10−K.

Critical Accounting Policies and Estimates Update

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and at times difficult, subjective or complex judgments. Changes in these estimates, assumptions and judgments, in and of themselves, could materially impact our financial position, results of operations or cash flows. Our management communicates to and discusses with our Audit Committee of the Board of Trustees all critical accounting policies and estimates. The accounting policies and estimates that we believed were the most critical in nature were reported in our 2009 Form 10−K. There have been no material changes with regard to these critical accounting policies and estimates.

Other Matters

Contractual Obligations and Commercial Commitments: Refer to Note 4B, "Commitments and Contingencies – Deferred Contractual Obligations," to the unaudited condensed consolidated financial statements and also Part II, Item 1, "Legal Proceedings," for discussion of recent changes with regard to the CYAPC, YAEC, and MYAPC litigation against the DOE.

Other than as set forth above, there have been no additional contractual obligations identified and no material changes with regard to the contractual obligations and commercial commitments previously disclosed in our 2009 Form 10−K.

Web Site: Additional financial information is available through our web site at www.nu.com.

RESULTS OF OPERATIONS – NORTHEAST UTILITIES AND SUBSIDIARIES

The following table provides the amounts and variances in operating revenues and expense line items for the unaudited condensed consolidated statements of income for NU included in this Quarterly Report on Form 10−Q for the three and nine months ended September 30, 2010 and 2009:

	Operating Revenues and Expenses Three Months Ended September 30,				Operating Revenues and Expenses Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Operating Revenues	$ 1,243.3	$ 1,306.2	$ (62.9)	(5) %	$ 3,694.2	$ 4,124.1	$ (429.9)	(10) %
Operating Expenses:								
Fuel, Purchased and Net Interchange Power	494.1	611.6	(117.5)	(19)	1,539.7	2,034.2	(494.5)	(24)
Other Operating Expenses	233.5	250.3	(16.8)	(7)	688.4	732.6	(44.2)	(6)
Maintenance	50.0	61.6	(11.6)	(19)	162.4	166.8	(4.4)	(3)
Depreciation	71.0	77.1	(6.1)	(8)	228.7	231.8	(3.1)	(1)
Amortization of Regulatory Assets, Net	50.3	10.5	39.8	(a)	51.0	19.2	31.8	(a)
Amortization of Rate Reduction Bonds	60.4	56.7	3.7	7	175.0	163.9	11.1	7
Taxes Other Than Income Taxes	84.4	75.8	8.6	11	244.4	216.6	27.8	13
Total Operating Expenses	1,043.7	1,143.6	(99.9)	(9)	3,089.6	3,565.1	(475.5)	(13)
Operating Income	$ 199.6	$ 162.6	$ 37.0	23 %	$ 604.6	$ 559.0	$ 45.6	8 %

(a) Percent greater than 100 percent not shown since not meaningful.

Operating Revenues

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Electric Distribution	$ 1,010.5	$ 1,082.0	$ (71.4)	(7) %	$ 2,895.0	$ 3,335.2	$ (440.2)	(13) %
Natural Gas Distribution	59.6	60.5	(0.9)	(1)	304.9	332.5	(27.6)	(8)
Total Distribution	1,070.1	1,142.5	(72.3)	(6)	3,199.9	3,667.7	(467.8)	(13)
Transmission	159.4	149.0	10.4	7	467.2	418.9	48.3	12
Total Regulated Companies	1,229.5	1,291.5	(61.9)	(5)	3,667.1	4,086.6	(419.5)	(10)
Competitive Businesses	20.9	19.6	1.3	7	62.4	61.3	1.1	2
Other and Eliminations	(7.1)	(4.9)	(2.3)	(47)	(35.3)	(23.8)	(11.5)	(49)
NU	$ 1,243.3	$ 1,306.2	$ (62.9)	(5) %	$ 3,694.2	$ 4,124.1	$ (429.9)	(10) %

A summary of our Regulated companies retail electric sales and firm natural gas sales for the third quarter and first nine months of 2010 were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Retail Electric Sales in GWh	9,444	8,865	579	6.5 %	25,961	25,374	587	2.3 %
Firm Natural Gas Sales in Million Cubic Feet	6,031	5,486	545	9.9	29,406	29,762	(356)	(1.2)

Our Operating Revenues decreased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- Lower electric distribution revenues related to the portions that are included in regulatory commission approved tracking mechanisms that recover certain incurred costs and do not impact earnings. The tracked electric distribution revenues decreased due primarily to lower recovery of generation service and related congestion charges ($116 million) and lower CL&P delivery−related FMCC ($4 million), partially offset by higher retail transmission revenues ($24 million), higher transition cost recoveries ($16 million), higher wholesale revenues ($9 million) and higher C&LM collections ($4 million). The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers or undercollections recovered from customers in future periods. In addition, Regulated companies revenues that eliminate in consolidation decreased by $28 million.

- The portion of electric distribution revenues that impacts earnings increased $23 million due primarily to higher retail electric sales and PSNH's rate changes effective in July 2010. Retail electric sales for the regulated companies increased 6.5 percent and firm natural gas sales increased 9.9 percent in the third quarter of 2010 compared with the same period in 2009.

- Improved transmission segment revenues resulting from a higher level of investment in this segment and the return of higher overall expenses, which are tracked and result in a related increase in revenues. The increase in expenses is directly related to the increase in transmission plant, including costs associated with higher property taxes, depreciation and operation and maintenance expenses.

Our Operating Revenues decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- Lower electric distribution revenues related to the portions that are included in regulatory commission approved tracking mechanisms that recover certain incurred costs and do not impact earnings. The tracked electric distribution revenues decreased due primarily to lower recovery of generation service and related congestion charges ($450 million) and lower CL&P delivery−related FMCC ($36 million), partially offset by higher retail transmission revenues ($51 million) and higher transition cost recoveries ($38 million). The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers or undercollections recovered from customers in future periods. In addition, Regulated companies revenues that eliminate in consolidation decreased by $70 million.

- The portion of electric distribution revenues that impacts earnings increased $27 million due primarily to higher retail electric sales and PSNH's rate changes effective in July 2010. Retail electric sales for the Regulated companies increased 2.3 percent. Natural gas distribution revenues decreased $28 million due primarily to decreased recovery of fuel costs and lower sales volumes. Firm natural gas sales decreased 1.2 percent in the first nine months of 2010 compared with the same period in 2009.

- Improved transmission segment revenues resulting from a higher level of investment in this segment and the return of higher overall expenses, which are tracked and result in a related increase in revenues. The increase in expenses are directly related to the increase in transmission plant, including costs associated with higher property taxes, depreciation and operation and maintenance expenses.

Fuel, Purchased and Net Interchange Power
Fuel, Purchased and Net Interchange Power expenses decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to the following:

	September 30, 2010 Increase/(Decrease) as compared to September 30, 2009	
(Millions of Dollars)	Three Months Ended	Nine Months Ended
Lower GSC supply costs, deferred fuel costs and other purchased power costs at CL&P	$ (85.4)	$ (329.6)
An increased level of ES customer migration to third party electric suppliers, partially offset by higher retail sales at PSNH	(26.3)	(114.0)
Lower basic/default service supply costs, partially offset by higher expense at WMECO	(2.5)	(31.6)
Higher gas prices, partially offset by lower sales volumes at Yankee Gas due to mild weather	(0.8)	(25.5)
Increased competitive businesses' expenses due primarily to lower Select Energy mark−to−market gains in the first nine months of 2010	(2.5)	6.2
	$ (117.5)	$ (494.5)

Other Operating Expenses
Other Operating Expenses decreased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower Regulated companies' distribution and transmission segment expenses ($20 million), partially offset by higher competitive businesses' expenses ($2 million) and higher NU parent and other companies expenses ($2 million).

Lower Regulated companies' distribution and transmission segment expenses of $20 million were due primarily to lower costs that are recovered through distribution tracking mechanisms that have no earnings impact ($23 million), such as retail transmission, RMR and customer service expenses, and lower other operating costs ($2 million), partially offset by higher electric distribution segment expenses ($5 million), including higher pension costs and higher transmission segment expenses ($3 million).

Other Operating Expenses decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower Regulated companies' distribution and transmission segment expenses ($47 million) and lower competitive businesses' expenses ($1 million), partially offset by higher NU parent and other companies expenses ($3 million).

Lower Regulated companies' distribution and transmission segment expenses of $47 million were due primarily to lower costs that are recovered through distribution tracking mechanisms that have no earnings impact ($48 million), such as retail transmission, RMR and customer service expenses, and lower other operating costs ($12 million), partially offset by higher electric distribution segment expenses ($13 million), including higher pension costs and storm restoration costs and higher transmission segment expenses ($4 million).

Maintenance
Maintenance expenses decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to lower Regulated companies' distribution expenses ($13 million and $11 million, respectively), partially offset by higher transmission line expenses ($1 million and $7 million, respectively). Distribution expenses were lower due primarily to lower overhead line expenses ($10 million and $9 million, respectively) and vegetation management work ($1 million and $2 million, respectively).

Depreciation
Depreciation expense decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to a lower depreciation rate being used at CL&P as a result of the distribution rate case decision that was effective July 1, 2010.

Amortization of Regulatory Assets, Net
Amortization of Regulatory Assets, Net increased for the three months ended September 30, 2010 due primarily to higher amortization at CL&P ($25 million) resulting from a higher recovery of transition costs, higher amortization at PSNH ($11 million), and higher amortization at WMECO ($3 million).

Amortization of Regulatory Assets, Net increased for the nine months ended September 30, 2010 due primarily to a higher recovery of CTA costs at CL&P ($35 million) and previously deferred unrecovered stranded generation costs at WMECO ($14 million), higher PSNH amortization on the SCRC tracking mechanism ($4 million) and higher CL&P amortization of the SBC balance ($3 million), partially offset by the impact of the 2010 Healthcare Act related to the write−off of previously recorded deferred tax assets that we believe are probable of recovery in future electric and natural gas distribution rates ($24 million).

Taxes Other Than Income Taxes

	September 30, 2010 Increase/(Decrease) as compared to September 30, 2009	
(Millions of Dollars)	Three Months Ended	Nine Months Ended
Connecticut Gross Earnings Tax	$ 3.5	$ 6.4
Property Taxes	4.6	10.6
Employee−related	0.3	1.8
Sales Taxes and Other	0.2	9.0
	$ 8.6	$ 27.8

The increase in Taxes Other Than Income Taxes was due primarily to an increase in property taxes as a result of an increase in Property, Plant and Equipment related to our capital programs. The Connecticut Gross Earnings Tax increased primarily as a result of an increase in the transmission segment revenues in 2010 as compared to 2009. The increase in Sales Taxes and Other was due primarily to the absence in 2010 of a Connecticut state sales and use tax refund.

Interest Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Interest on Long−Term Debt	$ 57.8	$ 55.7	$ 2.1	4 %	$ 173.6	$ 168.2	$ 5.4	3 %
Interest on RRBs	4.7	8.7	(4.0)	(46)	17.0	28.9	(11.9)	(41)
Other Interest	3.4	5.2	(1.8)	(35)	9.8	8.5	1.3	15
	$ 65.9	$ 69.6	$ (3.7)	(5) %	$ 200.4	$ 205.6	$ (5.2)	(3) %

Interest Expense decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to lower Interest on RRBs resulting from lower principal balances outstanding.

Other Income, Net

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Other Income, Net	$ 10.1	$ 9.5	$ 0.6	6 %	$ 19.7	$ 26.1	$ (6.4)	(25) %

Other Income, Net decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower investment and interest income ($7 million), lower Energy Independence Act incentives ($2 million), and higher rental expense ($2 million), offset by higher AFUDC related to equity funds ($5 million).

Income Tax Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Income Tax Expense	$ 41.9	$ 36.2	$ 5.7	16 %	$ 161.1	$ 130.0	$ 31.1	24 %

Income Tax Expense for the three months ended September 30, 2010 as compared to 2009 increased due primarily to higher pre−tax earnings ($15 million), partially offset by lower impacts related to items that directly impact our tax return as a result of a regulatory activity ("flow−through") and other impacts ($7 million) and the reconciliation of actual tax expense filed in the tax return to the estimated tax expense ("return to provision adjustments") ($2 million).

Income Tax Expense for the nine months ended September 30, 2010 as compared to 2009 increased due primarily to the impacts of the 2010 Healthcare Act ($29 million) and higher pre−tax earnings ($14 million), partially offset by lower flow−through items and other impacts ($10 million) and return to provision adjustments ($2 million).

RESULTS OF OPERATIONS – THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES

The following table provides the amounts and variances in operating revenues and expense line items for the unaudited condensed consolidated statements of income for CL&P included in this Quarterly Report on Form 10−Q for the three and nine months ended September 30, 2010 and 2009:

	Operating Revenues and Expenses Three Months Ended September 30,				Operating Revenues and Expenses Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Operating Revenues	$ 789.2	$ 859.3	$ (70.1)	(8) %	$ 2,292.1	$ 2,598.7	$ (306.6)	(12) %
Operating Expenses:								
Fuel, Purchased and Net Interchange Power	334.2	419.6	(85.4)	(20)	987.6	1,317.2	(329.6)	(25)
Other Operating Expenses	127.8	149.3	(21.5)	(14)	382.9	419.9	(37.0)	(9)
Maintenance	21.1	31.2	(10.1)	(32)	75.7	86.1	(10.4)	(12)
Depreciation	38.1	46.5	(8.4)	(18)	133.5	140.0	(6.5)	(5)
Amortization of Regulatory Assets, Net	33.0	7.9	25.1	(a)	55.3	24.5	30.8	(a)
Amortization of Rate Reduction Bonds	43.8	41.0	2.8	7	126.0	117.7	8.3	7
Taxes Other Than Income Taxes	59.8	53.7	6.1	11	168.0	149.7	18.3	12
Total Operating Expenses	657.8	749.2	(91.4)	(12)	1,929.0	2,255.1	(326.1)	(14)
Operating Income	$ 131.4	$ 110.1	$ 21.3	19 %	$ 363.1	$ 343.6	$ 19.5	6 %

(a) Percent greater than 100 percent not shown since not meaningful.

Operating Revenues

CL&P's retail electric sales for the third quarter and first nine months of 2010 were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Retail Electric Sales in GWh	6,293	5,903	390	6.6 %	17,221	16,814	407	2.4 %

CL&P's Operating Revenues decreased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- Lower electric distribution revenues related to the portions that are included in DPUC approved tracking mechanisms that track and recover certain incurred costs and do not impact earnings. The tracked electric distribution revenues decreased due primarily to lower GSC and supply−related FMCC revenues ($96 million) and lower delivery−related FMCC revenues ($4 million). The lower GSC and supply−related FMCC revenues were due primarily to lower customer rates resulting from lower average supply prices and additional customer migration to third party suppliers in 2010 as compared to 2009. The lower delivery−related FMCC revenues was due primarily to changes in projections for certain delivery−related FMCC costs for 2010 that lowered the average rate charged to customers. These lower revenues were partially offset by higher retail transmission revenues ($12 million), higher transition cost recoveries ($9 million) and higher wholesale revenues ($9 million). The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers or undercollections recovered from customers in future periods. In addition, transmission segment intracompany billings to the distribution segment that are eliminated in consolidation decreased by $19 million.

- The portion of electric distribution revenues that impacts earnings increased $4 million due primarily to a 6.6 percent increase in retail electric sales, offset by unfavorable price variance for the three months ended September 30, 2010 compared to the same period in 2009.

- Improved transmission segment revenues ($9 million) resulting from a higher level of investment in this segment and the return of higher overall expenses, which are tracked and result in a related increase in revenues. The increase in expenses is directly related to the increase in transmission plant, including costs associated with higher property taxes, depreciation and operation and maintenance expenses.

CL&P's Operating Revenues decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- Lower electric distribution revenues related to the portions that are included in DPUC approved tracking mechanisms that track and recover certain incurred costs and do not impact earnings. The tracked electric distribution revenues decreased due primarily to lower GSC and supply−related FMCC revenues ($316 million) and lower delivery−related FMCC revenues ($36 million). The lower GSC and supply−related FMCC revenue were due primarily to lower customer rates resulting from lower average supply prices and additional customer migration to third party suppliers in 2010 as compared to 2009. The lower delivery−related FMCC revenue was due primarily to changes in projections for certain delivery−related FMCC costs for 2010 that lowered the average rate charged to customers. These lower revenues were partially offset by higher retail transmission revenues ($29 million), higher transition cost recoveries ($21 million) and higher wholesale revenues ($9 million). The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers or undercollections

recovered from customers in future periods. In addition, transmission segment intracompany billings to the distribution segment that are eliminated in consolidation decreased by $51 million.

- The portion of electric distribution revenues that impacts earnings decreased $3 million due primarily to an unfavorable price variance offset by a 2.4 percent increase in retail electric sales for the nine months ended September 30, 2010 as compared to the same period in 2009.

- Improved transmission segment revenues ($34 million) resulting from a higher level of investment in this segment and the return of higher overall expenses, which are tracked and result in a related increase in revenues. The increase in expenses is directly related to the increase in transmission plant, including costs associated with higher property taxes, depreciation and operation and maintenance expenses.

Fuel, Purchased and Net Interchange Power
Fuel, Purchased and Net Interchange Power decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to the following:

	September 30, 2010 Increase/(Decrease) as compared to September 30, 2009	
(Millions of Dollars)	Three Months Ended	Nine Months Ended
GSC supply costs	$ (68.6)	$ (297.3)
Deferred fuel costs	(10.5)	(10.1)
Other purchased power costs	(6.3)	(22.2)
	$ (85.4)	$ (329.6)

The decrease in GSC supply costs was due primarily to lower average supply prices and additional customer migration to third−party suppliers in 2010 as compared to 2009. These GSC supply costs are the contractual amounts CL&P must pay to various suppliers that have been awarded the right to supply SS and LRS load through a competitive solicitation process. The decrease in deferred fuel costs was due primarily to a smaller net overrecovery in 2010 as compared to 2009. These costs are included in DPUC approved tracking mechanisms and do not impact earnings.

Other Operating Expenses
Other Operating Expenses decreased for the three months ended September 30, 2010 as compared to the same period in 2009 as a result of lower costs that are recovered through distribution tracking mechanisms and have no earnings impact ($27 million) including RMR ($22 million) and retail transmission ($8 million), partially offset by higher distribution segment expenses ($3 million) mainly as a result of higher administrative and general expenses, including higher pension costs, and higher transmission segment expenses ($2 million).

Other Operating Expenses decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 as a result of lower costs that are recovered through distribution tracking mechanisms and have no earnings impact ($54 million) including RMR ($25 million), retail transmission ($24 million), and certain customer services expenses ($9 million), partially offset by higher distribution segment expenses ($15 million) mainly as a result of higher administrative and general expenses, including higher pension costs, and higher transmission segment expenses ($3 million).

Maintenance
Maintenance expenses decreased for the three and nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower distribution overhead line expenses ($12 million and $17 million, respectively). These lower costs were offset by higher transmission segment expenses ($1 million and $5 million, respectively) and an increase in vegetation management work ($1 million and $1 million, respectively).

Depreciation
Depreciation expense decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to a lower depreciation rate being used as a result of the distribution rate case decision that was effective July 1, 2010.

Amortization of Regulatory Assets, Net
Amortization of Regulatory Assets, Net, increased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to higher retail CTA revenue ($8 million and $17 million, respectively) and lower CTA transition costs ($14 million and $18 million, respectively). Partially offsetting these increases was a deferral of previously written−off deferred tax assets related to the 2010 Healthcare Act that we believe are probable of recovery in future electric distribution rates.

Taxes Other Than Income Taxes

	September 30, 2010 Increase/(Decrease) as compared to September 30, 2009	
(Millions of Dollars)	**Three Months Ended**	**Nine Months Ended**
Connecticut Gross Earnings Tax	$ 3.5	$ 7.7
Property Taxes	2.7	4.6
Employee−related	0.1	0.8
Sales Taxes and Other	(0.2)	5.2
	$ 6.1	$ 18.3

The increase in Taxes Other Than Income Taxes was due primarily to an increase in property taxes as a result of an increase in Property, Plant and Equipment related to CL&P's capital programs. The increase in the Connecticut Gross Earnings Tax was due primarily to the increase in the transmission segment revenues in 2010 as compared to 2009. The increase in Sales Tax and Other was due primarily to the absence in 2010 of a Connecticut state sales and use tax refund.

Interest Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	**2010**	**2009**	**Increase/ (Decrease)**	**Percent**	**2010**	**2009**	**Increase/ (Decrease)**	**Percent**
Interest on Long−Term Debt	$ 33.7	$ 33.5	$ 0.2	1 %	$ 100.9	$ 99.5	$ 1.4	1 %
Interest on RRBs	1.5	4.5	(3.0)	(67)	6.8	15.3	(8.5)	(56)
Other Interest	1.5	2.8	(1.3)	(46)	4.7	1.4	3.3	(a)
Total Interest Expense	$ 36.7	$ 40.8	$ (4.1)	(10) %	$ 112.4	$ 116.2	$ (3.8)	(3) %

(a) Percent greater than 100 percent not shown since not meaningful.

Interest Expense decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to lower Interest on RRBs resulting from lower principal balances outstanding.

Other Income, Net

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	**2010**	**2009**	**Increase/ (Decrease)**	**Percent**	**2010**	**2009**	**Increase/ (Decrease)**	**Percent**
Other Income, Net	$ 6.9	$ 7.1	$ (0.2)	(3) %	$ 12.6	$ 17.9	$ (5.3)	(30) %

Other Income, Net decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower investment income ($4 million) and Energy Independence Act incentives ($2 million).

Income Tax Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	**2010**	**2009**	**Increase/ (Decrease)**	**Percent**	**2010**	**2009**	**Increase/ (Decrease)**	**Percent**
Income Tax Expense	$ 32.6	$ 29.8	$ 2.8	9 %	$ 101.7	$ 87.2	$ 14.5	17 %

Income Tax Expense increased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to higher pre−tax earnings ($9 million), partially offset by lower flow−through impacts ($4 million) and return to provision adjustments ($2 million).

Income Tax Expense increased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to the impacts of the 2010 Healthcare Act ($16 million) and higher pre−tax earnings ($5 million); partially offset by lower flow−through impacts ($3 million) and return to provision adjustments ($2 million).

LIQUIDITY

CL&P had cash flows provided by operating activities in the first nine month of 2010 of $343.2 million, compared with operating cash flows of $343.8 million in the first nine months of 2009 (amounts are net of RRB payments, which are included in financing activities). The slight decrease in cash flows was due primarily to an increase in income tax payments of approximately $33 million largely attributable to the absence of bonus depreciation tax deductions under the American Recovery and Reinvestment Act of 2009 in the first nine months of 2010. Offsetting the higher tax payments was a decrease in payments made related to CL&P's accounts payable in support of its operating activities.

Although bonus depreciation tax deductions expired at the end of 2009, on September 27, 2010, President Obama signed into law the Small Business Jobs and Credit Act of 2010 that included an extension of these tax deductions through 2010. As a result, CL&P's 2010 cash flows from operations are projected to increase by approximately $40 million. CL&P now projects 2010 cash flows from operations (after RRB payments) of approximately $460 million, up from its previous projection of approximately $425 million.

On September 24, 2010, CL&P, together with PSNH, WMECO, and Yankee Gas, entered into a three−year $400 million unsecured revolving credit facility, which expires on September 24, 2013. This facility replaced a similar 5−year $400 million credit facility that was scheduled to expire on November 6, 2010. CL&P may draw up to $300 million under this facility, subject to the $400 million maximum aggregate borrowing limit, either on a short−term or a long−term basis subject to regulatory approval. As of September 30, 2010, CL&P had no borrowings under this facility. Other financing activities for the nine months ended September 30, 2010 included $181.8 million in common dividends paid to NU parent.

On November 1, 2010, the DPUC approved CL&P's application requesting authority to issue up to $900 million in long−term debt through 2014 to be used to refinance CL&P's short−term debt previously incurred in the ordinary course of business, to finance capital expenditures, to provide working capital and to pay issuance costs.

CL&P anticipates no additional long−term debt issuances for the remainder of 2010.

Cash capital expenditures included on the accompanying unaudited condensed consolidated statements of cash flows do not include amounts incurred on capital projects but not yet paid, cost of removal, the AFUDC related to equity funds, and the capitalized portions of pension and PBOP expense or income. CL&P's cash capital expenditures totaled $274.2 million for the nine months ended September 30, 2010, compared with $331.6 million for the nine months ended September 30, 2009.

RESULTS OF OPERATIONS – PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE AND SUBSIDIARIES

The following table provides the amounts and variances in operating revenues and expense line items for the unaudited condensed consolidated statements of income for PSNH included in this Quarterly Report on Form 10−Q for the three and nine months ended September 30, 2010 and 2009:

	Operating Revenues and Expenses Three Months Ended September 30,				Operating Revenues and Expenses Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Operating Revenues	$ 277.0	$ 275.1	$ 1.9	1 %	$ 773.9	$ 845.7	$ (71.8)	(8) %
Operating Expenses:								
Fuel, Purchased and Net Interchange Power	94.1	120.4	(26.3)	(22)	281.2	395.2	(114.0)	(29)
Other Operating Expenses	53.1	55.0	(1.9)	(3)	172.3	176.3	(4.0)	(2)
Maintenance	21.0	22.3	(1.3)	(6)	62.6	58.7	3.9	7
Depreciation	17.5	15.6	1.9	12	49.4	46.1	3.3	7
Amortization of Regulatory Assets/ (Liabilities), Net	14.5	3.2	11.3	(a)	(2.8)	(1.7)	(1.1)	(65)
Amortization of Rate Reduction Bonds	12.8	12.1	0.7	6	37.5	35.3	2.2	6
Taxes Other Than Income Taxes	14.2	12.4	1.8	15	40.6	34.4	6.2	18
Total Operating Expenses	227.2	241.0	(13.8)	(6)	640.8	744.3	(103.5)	(14)
Operating Income	$ 49.8	$ 34.1	$ 15.7	46 %	$ 133.1	$ 101.4	$ 31.7	31 %

(a) Percent greater than 100 percent not shown since not meaningful.

Operating Revenues

PSNH's retail electric sales for the third quarter and first nine months of 2010 were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Retail Electric Sales in GWh	2,147	2,009	138	6.9 %	5,934	5,822	112	1.9 %

PSNH's Operating Revenues increased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- An $18 million increase related to the distribution retail rate increase effective in July 2010 that impacted earnings and higher sales volume. Offsetting this increase was a decrease of $17 million of distribution segment revenues that did not impact earnings. Of this decrease, $18 million related to lower recovery of purchased fuel and power costs and $7 million related to lower transmission segment intracompany billings to the distribution segment that are eliminated in consolidation, offset by higher retail transmission revenues ($10 million) and an increase in the SCRC ($4 million). The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers and undercollections to be recovered from customers in future periods.

PSNH's Operating Revenues decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- A $108 million decrease in distribution segment revenues that did not impact earnings. Of this decrease, $106 million related to lower recovery of purchased fuel and power costs and $13 million in lower transmission segment intracompany billings to the distribution segment that are eliminated in consolidation, offset by higher retail transmission revenues ($19 million) and an increase in the SCRC ($11 million). The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers and undercollections to be recovered from customers in future periods.

- A $28 million increase in distribution segment revenues that impacts earnings primarily as a result of the retail rate increase effective in July 2010 and higher sales volume.

- A $7 million improvement in transmission segment revenues resulting from a higher level of investment in this segment and the return of higher overall expenses, which are tracked and result in a related increase in revenues. The increase in expenses are directly related to the increase in transmission plant, including costs associated with higher property taxes, depreciation and operation and maintenance expenses.

Fuel, Purchased and Net Interchange Power
Fuel, Purchased and Net Interchange Power decreased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to an increased level of ES customer migration to third party electric suppliers, partially offset by higher retail sales.

Other Operating Expenses
Other Operating Expenses decreased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower distribution segment expenses ($1 million) and lower costs that are recovered through distribution tracking mechanisms and have no earnings impact ($1 million).

Other Operating Expenses decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower distribution segment expenses ($7 million), mainly as a result of the rate case decision changing the collection of certain expenses to be tracked through the TCAM and lower administrative and general expenses, partially offset by higher costs that are recovered through distribution tracking mechanisms and have no earnings impact ($3 million).

Maintenance
Maintenance expenses decreased for the three months September 30, 2010 as compared to the same period in 2009 due primarily to lower boiler equipment and maintenance costs ($3 million) and a decrease in vegetation management work ($1 million), offset by higher distribution overhead line expenses ($2 million).

Maintenance expenses increased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to higher distribution overhead line expenses ($7 million), offset by a decrease in vegetation management work ($2 million).

Depreciation
Depreciation expense increased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to higher utility plant balances resulting from completed construction projects placed into service related to PSNH's capital programs.

Amortization of Regulatory Assets/(Liabilities), Net
Amortization of Regulatory Assets/(Liabilities), Net increased for the three months ended September 30, 2010 compared to the same period in 2009 due primarily to an increase in net deferrals associated with the ES tracking mechanism, including net NWPP accruals ($5 million), and decreases in the TCAM ($5 million) and SCRC ($2 million) tracking mechanism deferrals.

Amortization of Regulatory Assets/(Liabilities), Net decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to a net decrease in NWPP accruals ($4 million), an increase in the ES deferral ($1 million) and the deferral of income tax write−offs associated with the 2010 Healthcare Act ($5 million), offset by decreases in the TCAM ($6 million) and SCRC ($4 million) tracking mechanism deferrals.

Taxes Other Than Income Taxes

	September 30, 2010 Increase/(Decrease) as compared to September 30, 2009	
(Millions of Dollars)	Three Months Ended	Nine Months Ended
Property Taxes	$ 1.8	$ 4.3
Employee−related	0.1	0.6
Sales Taxes and Other	(0.1)	1.3
	$ 1.8	$ 6.2

The increase in Taxes Other Than Income Taxes was due primarily to an increase in property taxes as a result of an increase in Property, Plant and Equipment related to PSNH's capital programs.

Interest Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Interest on Long−Term Debt	$ 9.0	$ 8.2	$ 0.8	10 %	$ 27.7	$ 24.6	$ 3.1	13 %
Interest on RRBs	2.3	3.1	(0.8)	(26)	7.5	10.2	(2.7)	(26)
Other Interest	0.2	0.4	(0.2)	(50)	0.6	−	0.6	(a)
	$ 11.5	$ 11.7	$ (0.2)	(2) %	$ 35.8	$ 34.8	$ 1.0	3 %

Interest Expense increased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to higher Interest on Long−Term Debt resulting from the $150 million debt issuance in December 2009, offset by lower Interest on RRBs resulting from lower principal balances outstanding.

Other Income, Net

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Other Income, Net	$ 3.7	$ 2.2	$ 1.5	68 %	$ 5.9	$ 6.5	$ (0.6)	(9) %

Other Income, Net increased for the three months ended September 30, 2010 as compared to the same period in 2009 due to an increase in AFUDC related to equity funds.

Income Tax Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Income Tax Expense	$ 13.2	$ 8.5	$ 4.7	55 %	$ 37.0	$ 22.8	$ 14.2	62 %

Income Tax Expense increased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to higher pre−tax earnings.

Income Tax Expense increased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to higher pre−tax earnings ($8 million) and the impacts of the 2010 Healthcare Act ($6 million).

LIQUIDITY

PSNH had cash flows provided by operating activities in the first nine months of 2010 of $139 million, compared with operating cash flows of $66.7 million in the first nine months of 2009 (amounts are net of RRB payments, which are included in financing activities). The improved cash flows were due primarily to the absence in 2010 of costs related to the major storm in December 2008 that were paid in the first quarter of 2009 and a decrease in Fuel, Materials and Supplies attributable to a $27.2 million reduction in coal inventory levels at the generation business as ordered by the NHPUC. Offsetting these favorable cash flow impacts was a $45 million contribution made in the third quarter of 2010 into the NU Pension Plan and payments made relating to the February 2010 severe storm for which the costs were deferred. PSNH expects to develop a recovery plan for these 2010 storm costs, net of any insurance payments PSNH would receive, through a previously agreed upon cooperative effort between PSNH, the NHPUC Staff, and the Office of Consumer Advocate as outlined in the joint settlement of PSNH's distribution rate case that was effective July 1, 2010.

RESULTS OF OPERATIONS – WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY

The following table provides the amounts and variances in operating revenues and expense line items for the unaudited condensed consolidated statements of income for WMECO included in this Quarterly Report on Form 10−Q for the three and nine months ended September 30, 2010 and 2009:

	Operating Revenues and Expenses Three Months Ended September 30,				Operating Revenues and Expenses Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Operating Revenues	$ 103.7	$ 96.6	$ 7.1	7 %	$ 296.4	$ 309.8	$ (13.4)	(4) %
Operating Expenses:								
Fuel, Purchased and Net Interchange Power	39.9	42.4	(2.5)	(6)	120.3	151.9	(31.6)	(21)
Other Operating Expenses	27.3	19.0	8.3	44	73.6	64.5	9.1	14
Maintenance	5.0	5.2	(0.2)	(4)	14.8	13.4	1.4	10
Depreciation	5.8	5.6	0.2	4	17.7	16.8	0.9	5
Amortization of Regulatory Assets/ (Liabilities), Net	2.7	(0.4)	3.1	(a)	0.4	(3.7)	4.1	(a)
Amortization of Rate Reduction Bonds	3.8	3.6	0.2	6	11.5	10.8	0.7	6
Taxes Other Than Income Taxes	4.3	4.1	0.2	5	12.5	10.5	2.0	19
Total Operating Expenses	88.8	79.5	9.3	12	250.8	264.2	(13.4)	(5)
Operating Income	$ 14.9	$ 17.1	$ (2.2)	(13) %	$ 45.6	$ 45.6	$ –	– %

(a) Percent greater than 100 percent not shown since not meaningful.

Operating Revenues

WMECO's retail electric sales for the third quarter and first nine months of 2010 were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Retail Electric Sales in GWh	1,009	957	52	5.5 %	2,818	2,749	69	2.5 %

WMECO's Operating Revenues increased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- A $6 million increase related to distribution segment revenues that did not impact earnings and was included in DPU approved tracking mechanisms that track the recovery of certain incurred costs through WMECO's tariffs. A $3 million increase related to C&LM collections, $2 million of these distribution segment revenues related to higher transition cost recoveries and $1 million related to higher retail transmission revenues. Offsetting these increases was a lower recovery of energy supply costs of $2 million. The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers or undercollections to be recovered from customers in future periods. In addition, transmission segment intracompany billings to the distribution segment that are eliminated in consolidation increased by $2 million.

- A $1 million increase that impacted earnings relating to a 5.5 percent increase in the retail electric sales for the three months ended September 30, 2010 as compared to the same period in 2009.

- A $1 million improvement in transmission segment revenues resulting from a higher level of investment in this segment and the return of higher overall expenses, which are tracked and result in a related increase in revenues. The increase in expenses are directly related to the increase in transmission plant, including costs associated with higher property taxes, depreciation and operation and maintenance expenses.

WMECO's Operating Revenues decreased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to:

- A decrease of $21 million related to distribution segment revenues that did not impact earnings and was included in DPU approved tracking mechanisms that track the recovery of certain incurred costs through WMECO's tariffs. A decrease of $29 million related to a lower recovery of energy supply costs and a decrease of $6 million related to transmission segment intracompany billings to the distribution segment that are eliminated in consolidation. Offsetting these decreases were increases in retail transmission revenues, C&LM collections and transition cost recoveries of $3 million, $3 million and $6 million, respectively. The tracking mechanisms allow for rates to be changed periodically with overcollections refunded to customers or undercollections to be recovered from customers in future periods.

- A $7 million improvement in transmission segment revenues resulting from a higher level of investment in this segment and the return of higher overall expenses, which are tracked and result in a related increase in revenues. The increase in expenses are directly related to the increase in transmission plant, including costs associated with higher property taxes, depreciation and operation and maintenance expenses.

Fuel, Purchased and Net Interchange Power
Fuel, Purchased and Net Interchange Power decreased in 2010 due primarily to lower basic/default service supply costs. The basic/default service supply costs are the contractual amounts we must pay to various suppliers that serve this load after winning a competitive solicitation process. These costs decreased due primarily to lower supplier contract rates, partially offset by increased load volumes.

Other Operating Expenses
Other Operating Expenses increased $8 million for the three months ended September 30, 2010 as compared to the same period in 2009 as a result of higher costs that are recovered through distribution tracking mechanisms and have no earnings impact ($4 million), such as certain customer service expenses, and higher distribution segment expenses ($3 million) resulting from higher administrative and general expenses, including pension costs.

Other Operating Expenses increased $9 million for the nine months ended September 30, 2010 as compared to the same period in 2009 as a result of higher distribution segment expenses ($5 million) resulting from higher administrative and general expenses, including pension costs, higher costs that are recovered through distribution tracking mechanisms and have no earnings impact ($3 million), and higher transmission segment expenses ($1 million).

Maintenance
Maintenance expenses increased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to higher overhead lines expenses including higher storm restoration expenses.

Amortization of Regulatory Assets/(Liabilities), Net
Amortization of Regulatory Assets/(Liabilities), Net, increased for the three and nine months ended September 30, 2010 as compared to the same periods in 2009 due primarily to the recovery of the previously deferred unrecovered stranded generation costs.

Taxes Other Than Income Taxes

	September 30, 2010 Increase/(Decrease) as compared to September 30, 2009	
(Millions of Dollars)	Three Months Ended	Nine Months Ended
Property Taxes	$ (0.2)	$ 1.1
Employee−related	0.1	0.3
Sales Taxes and Other	0.3	0.6
	$ 0.2	$ 2.0

The increase in Taxes Other Than Income Taxes for the nine months ended September 30, 2010 as compared to the same period in 2009 was due primarily to an increase in property taxes as a result of an increase in Property, Plant and Equipment related to WMECO's capital programs.

Interest Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Interest on Long−Term Debt	$ 4.7	$ 3.5	$ 1.2	34 %	$ 13.3	$ 10.5	$ 2.8	27 %
Interest on RRBs	0.8	1.1	(0.3)	(27)	2.6	3.3	(0.7)	(21)
Other Interest	0.1	0.2	(0.1)	(50)	0.3	0.7	(0.4)	(57)
	$ 5.6	$ 4.8	$ 0.8	17 %	$ 16.2	$ 14.5	$ 1.7	12 %

Interest Expense increased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to higher Interest on Long−Term Debt resulting from the $95 million debt issuance in March 2010, offset by lower Interest on RRBs resulting from lower principal balances outstanding.

Other Income, Net

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Other Income, Net	$ 0.7	$ 0.2	$ 0.5	(a) %	$ 1.5	$ 1.1	$ 0.4	36 %

(a) Percent greater than 100 percent not shown since not meaningful.

Income Tax Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Millions of Dollars)	2010	2009	Increase/ (Decrease)	Percent	2010	2009	Increase/ (Decrease)	Percent
Income Tax Expense	$ 2.7	$ 4.0	$ (1.3)	(33) %	$ 12.6	$ 11.8	$ 0.8	7 %

Income Tax Expense decreased for the three months ended September 30, 2010 as compared to the same period in 2009 due primarily to lower pre−tax earnings.

Income Tax Expense increased for the nine months ended September 30, 2010 as compared to the same period in 2009 due primarily to the impacts of the 2010 Healthcare Act ($3 million) partially offset by lower pre−tax earnings and flow−through impacts ($2 million).

LIQUIDITY

WMECO had cash flows provided by operating activities in the first nine months of 2010 of $19.1 million, compared with cash flows provided by operating activities of $27.7 million in the first nine months of 2009 (amounts are net of RRB payments, which are included in financing activities). The decreased cash flows in 2010 were due primarily to an increase in income tax payments of approximately $4.5 million largely attributable to the absence of bonus depreciation tax deductions under the American Recovery and Reinvestment Act of 2009 in the first nine months of 2010. Offsetting the unfavorable cash flow impact is the absence in 2010 of costs related to the major storm in December 2008 that were paid in the first quarter of 2009. These costs were deferred and are expected to be recovered from customers. WMECO filed a distribution rate case on July 16, 2010, which includes a request for more timely recovery of the December 2008 storm costs. In addition, WMECO incurred and paid costs related to two major storms in May 2010. WMECO expects the costs associated with these major storms will be recoverable through a combination of customer−funded reserves that are established for the purpose of recovering major storm costs and current distribution revenues. The deferral of these major storms costs in 2010 created an unfavorable cash flow impact to WMECO's regulatory underrecoveries of approximately $6.1 million.

ITEM 3.
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Information

Commodity Price Risk Management: Our Regulated companies enter into energy contracts to serve our customers and the economic impacts of those contracts are passed on to our customers. Accordingly, the Regulated companies have no exposure to loss of future earnings or fair values due to these market risk−sensitive instruments. The wholesale portfolio held by Select Energy includes contracts that are market−risk sensitive, including a wholesale energy sales contract through 2013 with an agency comprised of municipalities with approximately 0.4 million remaining MWh of supply contract volumes, net of related sales volumes. Select Energy also has a non−derivative energy contract that expires in mid−2012 to purchase output from a generation facility, which is also exposed to market price volatility. As Select Energy's contract volumes are winding down, and as the wholesale energy sales contract is substantially hedged against price risks, we have limited exposure to commodity price risks. We have no energy contracts entered into for trading purposes.

Sensitivity analysis provides a presentation of the potential loss of future pre−tax earnings and fair values from our market risk−sensitive contracts due to one or more hypothetical changes in commodity price components, or other similar price changes. We have provided this analysis in Part II, Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," in our 2009 Form 10−K, which disclosures are incorporated herein by reference. There have been no additional market or commodity price risks identified and no material changes with regard to the sensitivity analysis previously disclosed in our 2009 Form 10−K.

Other Risk Management Activities

Interest Rate Risk Management: We manage our interest rate risk exposure in accordance with our written policies and procedures by maintaining a mix of fixed and variable rate long−term debt.

Credit Risk Management: Credit risk relates to the risk of loss that we would incur as a result of non−performance by counterparties pursuant to the terms of our contractual obligations. We serve a wide variety of customers and suppliers that include IPPs, industrial companies, gas and electric utilities, oil and gas producers, financial institutions, and other energy marketers. Margin accounts exist within this diverse group, and we realize interest receipts and payments related to balances outstanding in these margin accounts. This wide customer and supplier mix generates a need for a variety of contractual structures, products and terms that, in turn, require us to manage the portfolio of market risk inherent in those transactions in a manner consistent with the parameters established by our risk management process.

We have provided additional disclosures regarding interest rate risk management and credit risk management in Part II, Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," in our 2009 Form 10−K, which are incorporated herein by reference. There have been no additional risks identified and no material changes with regard to the items previously disclosed in our 2009 Form 10−K.

For further information on cash collateral deposited and posted with counterparties as well as any cash collateral netted against the fair value of the related derivative contracts, see Note 1I, "Summary of Significant Accounting Policies − Special Deposits and Counterparty Deposits," and Note 2, "Derivative Instruments," to the unaudited condensed consolidated financial statements. Additional quantitative and qualitative disclosures about market risk are set forth in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in this Quarterly Report on Form 10−Q.

ITEM 4.
CONTROLS AND PROCEDURES

Management, on behalf of NU, CL&P, PSNH and WMECO, evaluated the design and operation of the disclosure controls and procedures as of September 30, 2010 to determine whether they are effective in ensuring that the disclosure of required information is made timely and in accordance with the Securities Exchange Act of 1934 and the rules and regulations of the SEC. This evaluation was made under management's supervision and with management's participation, including the principal executive officers and principal financial officer as of the end of the period covered by this Quarterly Report on Form 10−Q. There are inherent limitations of disclosure controls and procedures, including the possibility of human error and the circumventing or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. The principal executive officers and principal financial officer have concluded, based on their review, that the disclosure controls and procedures of NU, CL&P, PSNH and WMECO are effective to ensure that information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized, and reported within the time periods specified in SEC rules and regulations and (ii) is accumulated and communicated to management, including the principal executive officers and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

There have been no changes in internal controls over financial reporting for NU, CL&P, PSNH and WMECO during the quarter ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1.
LEGAL PROCEEDINGS

We are parties to various legal proceedings. We have identified these legal proceedings in Part I, Item 3, "Legal Proceedings," and elsewhere in our 2009 Form 10−K, which disclosures are incorporated herein by reference. Other than as set forth below, there have been no additional legal proceedings identified and no material changes with regard to the legal proceedings previously disclosed in our 2009 Form 10−K.

Litigation Relating To The Merger

In October 2010, NSTAR and the members of the NSTAR board of trustees (collectively "NSTAR defendants") and NU, along with NU Holding Energy 1 LLC and NU Holding Energy 2 LLC, two wholly−owned subsidiaries of NU (collectively "NU defendants") were named defendants in nine separate purported class action lawsuits filed in the Suffolk Superior Court (eight of the cases) and the United States District Court for the District of Massachusetts (one case): *Breene v. NSTAR, et al*.; *Glickman v. NSTAR, et al*.; *Silver v. May, et al.*; *Fitzpatrick v. NSTAR, et al*.; *Ferkauf v. NSTAR, et al*.; *Alten−Mangels v. NSTAR, et al*.; *Himmel v. NSTAR, et al*.; *Orlando v. NSTAR, et al*.; and *Keuriam v. NSTAR*, *et al*. The cases were brought on behalf of proposed classes consisting of holders of NSTAR common shares, excluding the defendants and their affiliates. The complaints allege, among other things, that the individual NSTAR defendants breached their fiduciary duties by failing to maximize the value to be received by NSTAR's public shareholders, and that the NU defendants aided and abetted the individual NSTAR defendants' breaches of fiduciary duties. The complaints seek, among other things, (a) to enjoin defendants from consummating the merger; (b) rescission of the merger, if completed and/or (c) granting the class members any profits or benefits allegedly improperly received by defendants in connection with the merger. NU believes the cases have no merit and will respond to these actions in due course and intends to defend the actions vigorously.

Yankee Companies v. U.S. Department of Energy

YAEC, MYAPC, and CYAPC commenced litigation in 1998 against the DOE charging that the federal government breached contracts it entered into with each company in 1983 under the Nuclear Waste Policy Act of 1982 to begin removing spent nuclear fuel from the respective nuclear plants no later than January 31, 1998 in return for payments by each company into the Nuclear Waste Fund. The funds for those payments were collected from regional electric customers. The Yankee Companies initially claimed damages for incremental spent nuclear fuel storage, security, construction and other costs through 2010.

In 2006, the Court of Federal Claims held that the DOE was liable for damages to CYAPC for $34.2 million through 2001, YAEC for $32.9 million through 2001 and MYAPC for $75.8 million through 2002. In December 2006, the DOE appealed the decision and the Yankee Companies filed cross−appeals. The Court of Appeals disagreed with the trial court's method of calculation of the amount of the DOE's liability, among other things, and vacated the decision of the Court of Federal Claims and remanded the case to make new findings consistent with its decision.

In December 2007, the Yankee Companies filed a second round of lawsuits against the DOE seeking recovery of actual damages incurred in the years following 2001 and 2002.

On September 7, 2010, the trial court issued its decision following remand and on September 9, 2010, judgment on the decision was entered. The judgment awarded CYAPC $39.7 million, YAEC $21.2 million, and MYAPC $81.7 million. Parties have 30 days to file motions for reconsideration and 60 days to file any appeals (a filing stops the clock on appeal periods). Interest on the judgments does not start to accrue until all appeals have been decided and/or all appeal periods have expired without appeals being filed. If no motions for reconsideration are filed, the deadline for filing appeals of the decision would be November 8, 2010. The application of any damages, which are ultimately recovered to benefit customers, is established in the Yankee Companies' FERC−approved rate settlement agreements, although implementation will be subject to the final determination of the FERC.

ITEM 1A.
RISK FACTORS

We are subject to a variety of significant risks in addition to the matters set forth under "Forward Looking Statements," in Part 1, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Quarterly Report on Form 10−Q. We have identified a number of these risk factors in Item 1A, "Risk Factors," in our 2009 Form 10−K, which risk factors are incorporated herein by reference. These risk factors should be considered carefully in evaluating our risk profile. The risk factors discussed below are related to our pending merger with NSTAR (the "Merger"). They should be read in conjunction with and supplement the risk factors disclosed in our 2009 Form 10−K.

We may be unable to satisfy the conditions or obtain the approvals required to complete the Merger or such approvals may contain material restrictions or conditions.

The Merger is subject to numerous conditions, including approval of the shareholders of both NU and NSTAR, the approval of various government agencies and the expiration or termination of the Hart Scott Rodino Act waiting period. Governmental agencies may not approve the Merger or such approvals may impose conditions on the completion, or require changes to the terms of the Merger, including restrictions on the business, operations or financial performance of the combined company, which could be adverse to the company's interests. These conditions or changes could also delay or increase the cost of the Merger or limit the net income or financial prospects of the combined company.

We will be subject to business uncertainties and contractual restrictions while the Merger is pending.

The work required to complete the Merger may place a significant burden on management and internal resources. Management's attention and other company resources may be focused on the Merger instead of on day−to−day management activities, including pursuing other opportunities beneficial to NU. In addition, while the Merger is pending our business operations are restricted by the Agreement and Plan of Merger to ordinary course of business activities consistent with past practice, which may cause us to forgo otherwise beneficial business opportunities.

We may lose management personnel and other key employees and be unable to attract and retain such personnel and employees.

Uncertainties about the effect of the Merger on management personnel and employees may impair our ability to attract, retain and motivate key personnel until the Merger is completed and for a period of time thereafter, which could affect our financial performance.

The Merger may not be completed, which may have an adverse effect on our share price and future business and financial results and we could face litigation concerning the Merger, whether or not the Merger is consummated.

Failure to complete the Merger could negatively affect NU's share price, as well as our future business and financial results. In addition, purported class actions have been brought against us, NSTAR and others on behalf of holders of NSTAR common shares. If these actions or similar actions that may be brought are successful, the costs of completing the Merger could increase, or the Merger could be delayed or prevented. We cannot make any assurances that we will succeed in any litigation brought in connection with the Merger. See Item 1, Part II, *Legal Proceedings*, in this Quarterly Report on Form 10−Q for discussion of pending litigation related to the Merger.
If the Merger is not completed, we may be required to pay NSTAR, under specified circumstances set forth in the Merger Agreement, a termination fee of $135 million plus up to $35 million of certain expenses incurred by NSTAR. In addition, we must pay our own costs related to the Merger including, among others, legal, accounting, advisory, financing fees, filing and printing costs, whether the Merger is completed or not. Further, if the Merger is not completed, we could be subject to litigation related to the failure to complete the Merger or other factors, which may adversely affect our business, financial results and share price.

If completed, the Merger may not achieve its intended results.

We entered into the Merger Agreement with the expectation that the Merger would result in various benefits. If the Merger is completed, achieving the anticipated benefits will be subject to a number of uncertainties, including whether our businesses can be integrated in an efficient and effective manner. Failure to achieve these anticipated benefits could adversely affect our business, financial results and share price.

ITEM 2.
UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no purchases made by or on behalf of NU or any "affiliated purchaser" (as defined in Rule 10b−18(a)(3) under the Securities Exchange Act of 1934) of NU common shares during the quarter ended September 30, 2010.

ITEM 6.
EXHIBITS

Each document described below is incorporated by reference by the registrant(s) listed to the files identified, unless designated with a (*), which exhibits are filed herewith.

Exhibit No.
Description

Listing of Exhibits (NU)

*10
Credit Agreement, dated as of September 24, 2010, among Northeast Utilities, the Banks named therein, Union Bank, N.A., as Administrative Agent, and Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., as Fronting Banks

*12
Ratio of Earnings to Fixed Charges

*15
Deloitte & Touche LLP Letter Regarding Unaudited Financial Information

*31
Certification of Charles W. Shivery, Chairman, President and Chief Executive Officer of Northeast Utilities, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*31.1
Certification of David R. McHale, Executive Vice President and Chief Financial Officer of Northeast Utilities, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*32
Certification of Charles W. Shivery, Chairman, President and Chief Executive Officer of Northeast Utilities and David R. McHale, Executive Vice President and Chief Financial Officer of Northeast Utilities, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*101.INS
XBRL Instance Document

*101.SCH
XBRL Taxonomy Extension Schema

*101.CAL
XBRL Taxonomy Extension Calculation

*101.DEF
XBRL Taxonomy Extension Definition

*101.LAB
XBRL Taxonomy Extension Labels

*101.PRE
XBRL Taxonomy Extension Presentation

Listing of Exhibits (CL&P)

*10
Credit Agreement dated as of September 24, 2010, among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Yankee Gas Services Company and Public Service Company of New Hampshire, the Banks named therein, and Citibank, N.A. as Administrative Agent

*12
Ratio of Earnings to Fixed Charges

*31
Certification of Leon J. Olivier, Chief Executive Officer of The Connecticut Light and Power Company, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*31.1
Certification of David R. McHale, Executive Vice President and Chief Financial Officer of The Connecticut Light and Power Company, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*32 Certification of Leon J. Olivier, Chief Executive Officer of The Connecticut Light and Power Company and David R. McHale, Executive Vice President and Chief Financial Officer of The Connecticut Light and Power Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

Listing of Exhibits (PSNH)

*10
Credit Agreement dated as of September 24, 2010, among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Yankee Gas Services Company and Public Service Company of New Hampshire, the Banks named therein, and Citibank, N.A. as Administrative Agent

*12
Ratio of Earnings to Fixed Charges

*31
Certification of Leon J. Olivier, Chief Executive Officer of Public Service Company of New Hampshire, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*31.1
Certification of David R. McHale, Executive Vice President and Chief Financial Officer of Public Service Company of New Hampshire, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*32
Certification of Leon J. Olivier, Chief Executive Officer of Public Service Company of New Hampshire and David R. McHale, Executive Vice President and Chief Financial Officer of Public Service Company of New Hampshire, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

Listing of Exhibits (WMECO)

*10
Credit Agreement dated as of September 24, 2010, among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Yankee Gas Services Company and Public Service Company of New Hampshire, the Banks named therein, and Citibank, N.A. as Administrative Agent

*12
Ratio of Earnings to Fixed Charges

*31
Certification of Leon J. Olivier, Chief Executive Officer of Western Massachusetts Electric Company, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*31.1
Certification of David R. McHale, Executive Vice President and Chief Financial Officer of Western Massachusetts Electric Company, required by Rule 13a−14(a)/15d−14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

*32
Certification of Leon J. Olivier, Chief Executive Officer of Western Massachusetts Electric Company and David R. McHale, Executive Vice President and Chief Financial Officer of Western Massachusetts Electric Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, dated November 5, 2010

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORTHEAST UTILITIES
(Registrant)

Date: November 5, 2010

By /s/
David R. McHale

David R. McHale
Executive Vice President and Chief Financial Officer
(for the Registrant and as Principal Financial Officer)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE CONNECTICUT LIGHT AND POWER COMPANY
(Registrant)

Date: November 5, 2010

By /s/
David R. McHale

David R. McHale
Executive Vice President and Chief Financial Officer
(for the Registrant and as Principal Financial Officer)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
(Registrant)

Date: November 5, 2010

By /s/ David R. McHale
David R. McHale
Executive Vice President and Chief Financial Officer
(for the Registrant and as Principal Financial Officer)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WESTERN MASSACHUSETTS ELECTRIC COMPANY
(Registrant)

Date: November 5, 2010

By /s/ David R. McHale
David R. McHale
Executive Vice President and Chief Financial Officer
(for the Registrant and as Principal Financial Officer)

EXECUTION COPY

CREDIT AGREEMENT

Dated as of September 24, 2010

among

NORTHEAST UTILITIES,
as Borrower

THE BANKS NAMED HEREIN,

UNION BANK, N.A.,
as Administrative Agent

and

BARCLAYS BANK PLC,
CITIBANK, N.A.,
JPMORGAN CHASE BANK, N.A.
and
UNION BANK, N.A.
as Fronting Banks

BARCLAYS CAPITAL,
CITIGROUP GLOBAL MARKETS INC.,
J.P. MORGAN SECURITIES LLC
and
UNION BANK, N.A.
Joint Lead Arrangers

BARCLAYS CAPITAL,
CITIBANK, N.A.
and
J.P. MORGAN SECURITIES LLC
Syndication Agents

WELLS FARGO BANK, NATIONAL ASSOCIATION
Documentation Agent

1193412

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Exhibit 5.01B – *Form of Opinion of King & Spalding LLP, Special New York Counsel to the Administrative Agent*

Exhibit 10.07 – *Form of Assignment and Assumption*

CREDIT AGREEMENT

Dated as of September 24, 2010

THIS CREDIT AGREEMENT is made by and among:

(i) **NORTHEAST UTILITIES**, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts ("***NU***" or the "***Borrower***");

(ii) The financial institutions (the "***Banks***") listed on the signature pages hereof and the other Lenders (as hereinafter defined) from time to time party hereto;

(iii) **UNION BANK, N.A.** ("***Union Bank***"), as Administrative Agent (as hereinafter defined) for the Lenders and the Fronting Banks (as hereinafter defined); and

(iv) **BARCLAYS BANK PLC ("*Barclays*"), CITIBANK, N.A. ("*Citibank*") JPMORGAN CHASE BANK**, **N.A. ("*JPMorgan Chase*")** and **UNION BANK,** each as a Fronting Bank.

PRELIMINARY STATEMENT

The Borrower has requested that the Banks and the Fronting Banks agree, on the terms and conditions set forth herein, to provide the Borrower a $500,000,000 three−year revolving credit and letter of credit facility to be used for the purposes set forth herein. The Lenders and the Fronting Banks have indicated their willingness to provide such a facility on the terms and conditions of this Agreement.

Based upon the foregoing and subject to the terms and conditions set forth in this Agreement, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01.
Certain Defined Terms.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be applicable to the singular and plural forms of the terms defined):

"***Account Party***" has the meaning assigned to that term in Section 2.02(a).

"***Additional Lender***" has the meaning assigned to that term in Section 2.04(b).

"***Administrative Agent***" means Union Bank, in its capacity as administrative agent hereunder, or any successor thereto as provided herein.

"***Advance***" means an advance by a Lender to the Borrower pursuant to Article III, and refers to a Eurodollar Rate Advance or a Base Rate Advance (each of which shall be a "***Type***" of Advance).

"***Affiliate***" means, with respect to any Person, any other Person directly or indirectly controlling (including, but not limited to, all directors and officers of such Person), controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another entity if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" means this Credit Agreement, as the same may be modified, amended and/or supplemented pursuant to the terms hereof.

"***Applicable Facility Fee Rate***" means, for any day, the percentage *per annum* set forth below in effect on such day, determined on the basis of the Applicable Rating Level of the Borrower:

Applicable Facility Fee Rate

Applicable Rating Level	***Percentage (%)***
Level I	0.175
Level II	0.225
Level III	0.350
Level IV	0.500
Level V	0.600

Any change in the Applicable Facility Fee Rate caused by a change in the Applicable Rating Level shall take effect at the time such change in the Applicable Rating Level shall occur.

"***Applicable Lending Office***" means, with respect to each Lender:

(i) in the case of any Advance, (A) such Lender's "Eurodollar Lending Office" in the case of a Eurodollar Rate Advance or (B) such Lender's "Domestic Lending Office" in the case of a Base Rate Advance, in each case as specified opposite such Lender's name on Schedule I hereto or in the Assignment and Assumption pursuant to which it became a Lender; or

(ii) in each case, such other office of such Lender as such Lender may from time to time specify in writing to the Borrower and the Administrative Agent.

"***Applicable Margin***" means, for any day for any outstanding Advance, the percentage *per annum* set forth below in effect on such day, determined on the basis of the Applicable Rating Level for the Borrower:

Applicable Margin (Percentage %)

Rating Level	***Eurodollar Rate Advances (%)***	***Base Rate Advances (%)***
Level I	1.575	0.575
Level II	1.775	0.775
Level III	1.900	0.900
Level IV	2.000	1.000
Level V	2.400	1.400

Any change in the Applicable Margin caused by a change in the Applicable Rating Level shall take effect at the time such change in the Applicable Rating Level shall occur.

"***Applicable Rate***" means, with respect to any Advance made to the Borrower, either of (i) the Base Rate from time to time applicable to such Advance *plus* the Applicable Margin, or (ii) the Eurodollar Rate from time to time applicable to such Advance *plus* the Applicable Margin.

"***Applicable Rating Level***" shall be determined at any time and from time to time on the basis of the Reference Ratings in accordance with the following:

Applicable Rating Level	***SPRating***		***Moody's Rating***
Level I	A− or higher	or	A3 or higher
Level II	BBB+	or	Baa1
Level III	BBB	or	Baa2
Level IV	BBB−	or	Baa3
Level V	BB+ or lower (or unrated)	or	Ba1 or lower (or unrated)

"Level I" applies on any day on which the SPReference Rating is A− or higher or the Moody's Reference Rating is A3 or higher.

"Level II" applies on any day on which (i) the SPReference Rating is BBB+ or higher or the Moody's Reference Rating is Baa1 or higher and (ii) Level I does not apply.

"Level III" applies on any day on which (i) the SPReference Rating is BBB or higher or the Moody's Reference Rating is Baa2 or higher and (ii) neither Level I or Level II applies.

"Level IV" applies on any day on which (i) the SPReference Rating is BBB− or higher or the Moody's Reference Rating is Baa3 or higher and (ii) none of Levels I, II or III applies.

"Level V" applies on any day on which (i) the SPReference Rating is BB+ or lower or the Moody's Reference Rating is Ba1 or lower and (ii) none of Levels I, II, III or IV applies.

In the event that the Reference Ratings do not correspond to the same Applicable Rating Level and the Reference Ratings differ by (i) only one Applicable Rating Level, the Applicable Rating Level that corresponds to the higher of such Reference Ratings shall apply, and (ii) more than one Applicable Rating Level, the Applicable Rating Level that is immediately below the Applicable Rating Level that corresponds to the higher of such Reference Ratings shall apply;

provided that, in the case of this clause (ii), if the lower of such Reference Ratings corresponds to Level V, Level V shall apply. The Applicable Rating Level shall be redetermined as and when any change in the ratings used in the determination thereof shall be announced by SPor Moody's, as the case may be.

"***Approved Fund***" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Assignment and Assumption***" means an assignment and assumption entered into by a Lender and an assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit 10.07.

"***Available Commitment***" means, for each Lender, the excess of such Lender's Commitment over such Lender's Percentage of the Outstanding Credits. "***Available Commitments***" shall refer to the aggregate of the Lenders' Available Commitments hereunder.

"***Bankruptcy Event***" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a governmental authority or instrumentality thereof if and for so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such governmental authority or instrumentality) to reject, repudiate, disavow or disaffirm obligations such as those under this Agreement.

"***Banks***" has the meaning assigned to such term in the caption to this Agreement.

"***Barclays***" has the meaning assigned to that term in the caption to this Agreement.

"***Base Rate***" means, for any period, a fluctuating interest rate *per annum* as shall be in effect from time to time, which rate *per annum* shall at all times be equal to the highest of:

(i) the rate of interest announced publicly by the Administrative Agent in its principal place of business from time to time as the Administrative Agent's "base rate" or "reference rate";

(ii) 1/2 of one percent *per annum* above the Federal Funds Rate in effect from time to time; and

(iii) the rate of interest *per annum* appearing on a nationally recognized service such as Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 a.m. (London time) on such day for a term of one month (or if no such rates are quoted on such day, the previous day for which quotations are available) (the "***One−Month LIBOR Rate***") plus 1%; *provided, however*, if more than one rate is specified on such service, the applicable rate shall be the sum of (i) the arithmetic mean of all such rates plus (ii) 1%.

If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Base Rate shall be determined without regard to clause (ii) of the first sentence of this definition, until the circumstances giving rise to such inability to determine the Federal Funds Rate no longer exist. Any change in the Base Rate due to a change in the Administrative Agent's base rate or reference rate, the Federal Funds Rate or the One−Month LIBOR Rate, shall be effective on the effective date of such change in the Administrative Agent's base rate or reference rate, the Federal Funds Rate or the One−Month LIBOR Rate, as the case may be.

"***Base Rate Advance***" means an Advance in respect of which the Borrower has selected in accordance with Article III, or this Agreement provides for, interest to be computed on the basis of the Base Rate.

"***Beneficiary***" means any Person designated by an Account Party to which a Fronting Bank is to make payment, or on whose order payment is to be made, under a Letter of Credit.

"***Borrower***" has the meaning assigned to that term in the caption to this Agreement.

"***Borrowing***" means a borrowing consisting of one or more Advances of the same Type and Interest Period, if any, made to the Borrower on the same Business Day by the Lenders, ratably in accordance with their respective Commitments. A Borrowing may be referred to herein as being a "***Type***" of Borrowing, corresponding to the Type of Advances comprising such Borrowing. For purposes of this Agreement, all Advances of the same Type and Interest Period, if any, made or converted on the same day to the Borrower shall be deemed a single Borrowing hereunder until repaid.

"***Business Day***" means a day of the year on which banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"***Cash Collateral Account***" means an account maintained at the principal domestic office of the Administrative Agent for the purposes set forth herein, and subject to the terms and conditions, set forth in Section 2.06.

"***Change of Control***" means (i) any Person or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended), shall either (A) acquire beneficial ownership of more than 50% of any outstanding class of common shares of NU having ordinary voting power in the election of Trustees of NU or (B) obtain the power

(whether or not exercised) to elect a majority of NU's Trustees or (ii) the Board of Trustees of NU shall not consist of a majority of Continuing Trustees. For purposes of this definition, the term "Continuing Trustees" means Trustees of NU on the date hereof and each other Trustee of NU, if such other trustee's nomination for election to the Board of Trustees of NU is recommended by a majority of the then Continuing Trustees.

"***Citibank***" has the meaning assigned to that term in the caption to this Agreement.

"***CLP***" means The Connecticut Light and Power Company, a corporation organized under the laws of the State of Connecticut.

"***Closing Date***" has the meaning assigned to that term in Section 5.01.

"***Commitment***" means, for each Lender, the aggregate amount set forth opposite such Lender's name on Schedule I or, if such Lender has entered into one or more Assignment and Assumptions, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 10.07(c), in each such case as such amount may be reduced or increased from time to time pursuant to Section 2.04. "***Commitments***" shall refer to the aggregate of the Lenders' Commitments hereunder.

"***Commitment Increase***" has the meaning assigned to that term in Section 2.04(b).

"***Commitment Increase Approvals***" means any governmental approval or resolution of the board of directors of the Borrower that has not been obtained by or on behalf of the Borrower and is not in full force and effect on the date hereof, which governmental approval or resolution is required to be obtained in order to authorize a Commitment Increase and the performance by the Borrower of its obligations under this Agreement after giving effect to such Commitment Increase.

"***Common Equity***" means, at any date for the Borrower, an amount equal to the sum of the aggregate of the par value of, or stated capital represented by, the outstanding common shares of the Borrower and its Subsidiaries and the surplus, paid−in, earned and other capital, if any, of the Borrower and its Subsidiaries, in each case as determined on a consolidated basis in accordance with generally accepted accounting principles.

"***Confidential Information***" has the meaning assigned to that term in Section 10.08.

"***Consolidated Debt***" means, at any date for the Borrower, the total Debt of the Borrower and its Subsidiaries as determined on a consolidated basis in accordance with generally accepted accounting principles.

"***Credit Party***" means the Administrative Agent, each Fronting Bank and each Lender.

"***Date of Issuance***" means the date of issuance by any Fronting Bank of a Letter of Credit under this Agreement.

"***Debt***" means, for any Person, without duplication, (i) indebtedness of such Person for borrowed money, including but not limited to obligations of such Person evidenced by bonds,

debentures, notes or other similar instruments (excluding Stranded Cost Recovery Obligations that are non−recourse to such Person), (ii) obligations of such Person to pay the deferred purchase price of property or services (excluding any obligation of such Person to Dominion Resources, Inc. or its successor with respect to disposition of spent nuclear fuel burned prior to April 3, 1983), (iii) obligations of such Person as lessee under leases that shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (iv) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iii), above, including, without duplication, all Parent Support Obligations, (v) letters of credit that have not been fully cash collateralized, guaranties and other forms of credit enhancement issued to support power sales and trading activities, and (vi) liabilities in respect of unfunded vested benefits under ERISA Plans and ERISA Multiemployer Plans.

"***Declining Lender***" has the meaning to that term in Section 2.05(a).

"***Defaulting Lender***" shall mean any Lender, as reasonably determined by the Administrative Agent, that (i) has failed, within three Business Days after the date required to be funded or paid, (A) to fund any portion of its Advances, (B) to fund any portion of its participations in Letters of Credit or (C) to pay over to any Credit Party any other amount required to be paid by it under this Agreement, unless, in the case of clauses (A) and (C) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding an Advance cannot be satisfied) or generally under other agreements in which it commits to extend credit, (iii) has failed, within three Business Days after request by the Administrative Agent or any Fronting Bank, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Advances and participations in Letters of Credit, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to clause (iii) upon such requesting party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (iv) has become the subject of a Bankruptcy Event.

"***Disclosure Documents***" means for the Borrower and each Principal Subsidiary, as applicable: (i) such Person's Annual Report on Form 10−K for the fiscal year ended December 31, 2009; (ii) its Quarterly Reports on Form 10−Q for the fiscal quarters ended March 31 and June 30, 2010; (iii) the Information Memorandum; and (iv) such Person's Current Reports on Form 8−K filed after December 31, 2009 but prior to the date hereof.

"***Drawing***" means a drawing by a Beneficiary under any Letter of Credit.

"***Eligible Assignee***" means (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund and (iv) any other Person (other than a natural person) approved by (A) the Administrative Agent, (B) in the case of any assignment of any Commitment, each Fronting Bank, and (C) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed, and the Borrower shall be deemed to have consented to any assignment unless the Borrower provides notice of its objection to the Administrative Agent within ten business days of receipt of request for consent); *provided* that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower or any of the Borrower's Affiliates or Subsidiaries.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"***ERISA Affiliate***" means, with respect to any Person, any trade or business (whether or not incorporated) that is a "commonly controlled entity" of such Person within the meaning of the regulations under Section 414 of the Internal Revenue Code of 1986, as amended from time to time.

"***ERISA Multiemployer Plan***" means a "multiemployer plan" subject to Title IV of ERISA.

"***ERISA Plan***" means an employee benefit plan (other than a ERISA Multiemployer Plan) maintained for employees of the Borrower or any ERISA Affiliate of the Borrower and covered by Title IV of ERISA.

"***ERISA Plan Termination Event***" means (i) a Reportable Event described in Section 4043 of ERISA and the regulations issued thereunder (other than a Reportable Event not subject to the provision for 30−day notice to the PBGC under such regulations) with respect to an ERISA Plan or an ERISA Multiemployer Plan, or (ii) the withdrawal of the Borrower or any of its ERISA Affiliates from an ERISA Plan or an ERISA Multiemployer Plan during a plan year in which it was a "*substantial employer*" as defined in Section 4001(a)(2) of ERISA, or (iii) the filing of a notice of intent to terminate an ERISA Plan or an ERISA Multiemployer Plan or the treatment of an ERISA Plan amendment as a termination or of an ERISA Multiemployer Plan amendment as a termination under Section 4041 of ERISA, or (iv) the institution of proceedings to terminate an ERISA Plan or an ERISA Multiemployer Plan by the PBGC, or (v) any other event or condition that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any ERISA Plan or ERISA Multiemployer Plan.

"***Eurocurrency Liabilities***" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"***Eurodollar Rate***" means, for each Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, an interest rate *per annum* equal to the rate of interest *per annum* (rounded upward to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 a.m. (London time) two Business Days before the first day of such Interest

Period for a period equal to such Interest Period. If, for any reason, such rate is not available, the term "***Eurodollar Rate***" shall mean an interest rate *per annum* equal to the average rate *per annum* (rounded upward to the nearest 1/100 of 1%) at which deposits in U.S. dollars are offered by the Reference Banks to prime banks in the London interbank market at 11:00 a.m. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to each Reference Bank's pro rata share of such Borrowing to be outstanding during such Interest Period and for a period equal to such Interest Period, *subject, however,* to the provisions of Sections 3.05(d) and 4.03(g).

"***Eurodollar Rate Advance***" means an Advance in respect of which the Borrower has selected in accordance with Article III, or this Agreement provides for, interest to be computed on the basis of the Eurodollar Rate.

"***Eurodollar Reserve Percentage***" of any Lender or its subparticipant, for each Interest Period for each Eurodollar Rate Advance, means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under Regulation D or other regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement, without benefit of or credit for proration, exemptions or offsets) for such Lender or its subparticipant with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"***Event of Default***" has the meaning specified in Section 8.01.

"***Existing Credit Agreement***" means the Amended and Restated Credit Agreement, dated as of December 9, 2005, as amended, supplemented or modified as of the date hereof, among the Borrower, the lenders party thereto, Union Bank (formerly known as Union Bank of California, N.A.), as administrative agent, and the letter of credit fronting banks party thereto.

"***Existing Letter of Credit***" has the meaning set forth in Section 2.02(c).

"***Expiration Date***" means, with respect to a Letter of Credit, its stated expiry date.

"***Extending Lender***" has the meaning assigned to that term in Section 2.05(a).

"***Extension of Credit***" means the making of any Advance or the issuance or amendment (including, without limitation, an extension or renewal or amendment to increase the stated amount) of a Letter of Credit.

"***Extension Date***" means the first and second anniversaries of the date hereof.

"***Facility Fee***" has the meaning assigned to that term in Section 2.03(a).

"***Federal Funds Rate***" means, for any period, a fluctuating interest rate *per annum* equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as

published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"***Fee Letters***" means (i) that certain Fee Letter, dated August 23, 2010, among the Borrower, CL&P, WMECO, Yankee, PSNH, Barclays Capital, the investment banking division of Barclays, Union Bank, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. and (ii) that certain Fee Letter, dated as of August 23, 2010, between the Borrower and Union Bank, each as amended, modified and supplemented from time to time.

"***FERC***" means the Federal Energy Regulatory Commission.

"***Financial Statements***" means, with respect to the Borrower and each Principal Subsidiary, as applicable, (i) the audited consolidated balance sheet of such Person as at December 31, 2009 (ii) the unaudited consolidated balance sheet of such Person as at June 30, 2010, (iii) the audited consolidated statements of income and cash flows of such Person for the Fiscal Year ended December 31, 2009 and (iv) the unaudited consolidated statements of income and cash flows of such Person for the 6−month period ended June 30, 2010, in each case as included in such Person's Annual Report on Form 10−K for the Fiscal Year ended December 31, 2009 or Quarterly Report on Form 10−Q for the Fiscal Quarter ended June 30, 2010.

"***First Mortgage Indentures***" means, (i) in the case of CL&P, the Indenture of Mortgage and Deed of Trust, dated as of May 1, 1921 (the "***CLPIndenture***"), from CLPto Deutsche Bank Trust Company Americas, as successor trustee, as previously and hereafter amended and supplemented from time to time, (ii) in the case of Yankee, the Indenture of Mortgage and Deed of Trust, dated as of July 1, 1989, between Yankee and The Bank of New York Mellon, as successor trustee, as in effect on the date hereof and as amended and supplemented from time to time, (iii) in the case of WMECO, any first mortgage indenture entered into after the date hereof, provided (A) such indenture covers substantially the same collateral as under the Old WMECO Indenture, (B) such indenture is substantially similar in form and substance to the CLPIndenture and (C) such indenture and the lien created thereby are approved by the Massachusetts Department of Public Utilities, and (iv) in the case of PSNH, the First Mortgage Indenture, dated as of August 15, 1978, between PSNH and U.S. Bank, National Association, as successor trustee, as previously and hereafter amended and supplemented from time to time.

"***Fiscal Quarter***" means a period of three calendar months ending on the last day of March, June, September or December, as the case may be.

"***Fiscal Year***" means a period of twelve calendar months ending on the last day of December.

"***Fronting Bank***" means Barclays, Citibank, JPMorgan Chase and Union Bank, each in its capacity as issuer of Letters of Credit, and any other Lender having a long−term credit rating acceptable to the Borrower that delivers an instrument in form and substance satisfactory to the Borrower and the Administrative Agent whereby such other Lender agrees to issue Letters of Credit and otherwise act as "Fronting Bank" hereunder.

"***Fronting Commitment***" means, with respect to (i) Barclays, as Fronting Bank, $125,000,000, (ii) Citibank, as Fronting Bank, $125,000,000, (iii) JPMorgan Chase, as Fronting Bank, $125,000,000, (iv) Union Bank, as Fronting Bank, $125,000,000, and (v) any other Fronting Bank, such amount as may be agreed upon between such Fronting Bank and the Borrower, in each case, as such amount may be modified from time to time pursuant to agreement between the Borrower and the applicable Fronting Bank (with notice thereof to the Administrative Agent).

"***Governmental Approval***" means any authorization, consent, approval, license, permit, certificate, exemption of, or filing or registration with, any governmental authority or other legal or regulatory body (including, without limitation, the Securities and Exchange Commission, the FERC, the Nuclear Regulatory Commission, the Connecticut Department of Public Utility Control, the New Hampshire Public Utilities Commission and the Massachusetts Department of Public Utilities) required in connection with either (i) the execution, delivery or performance of any Loan Document, or (ii) the nature of the Borrower's or any Subsidiary's business as conducted or the nature of the property owned or leased by it.

"***Hazardous Substance***" means any waste, substance or material identified as hazardous, dangerous or toxic by any office, agency, department, commission, board, bureau or instrumentality of the United States of America or of the State or locality in which the same is located having or exercising jurisdiction over such waste, substance or material.

"***Increasing Lender***" has the meaning assigned to that term in Section 2.04(b)

"***Indemnified Person***" has the meaning assigned to that term in Section 10.04(b).

"***Information Memorandum***" means the Confidential Information Memorandum, dated August 2010, regarding the credit facility to be provided to the Borrower hereunder, as distributed to the Administrative Agent and the Lenders, including, without limitation, all schedules and attachments thereto.

"***Interest Period***" has the meaning assigned to that term in Section 3.05(a).

"***JPMorgan Chase***" has the meaning assigned to that term in the caption to this Agreement.

"***L/C Commitment Amount***" equals $500,000,000, as the same may be reduced or increased from time to time pursuant to Section 2.04.

"***LC Commitment***" means, for each Lender, the obligation of such Lender to participate in the LC Outstandings. "***LC Commitments***" shall refer to the aggregate of the Lenders' LC Commitments hereunder.

"***LC Outstandings***" means, on any date of determination, the sum of (i) the undrawn stated amounts of all Letters of Credit that are outstanding on such date plus (ii) the aggregate principal amount of all unpaid Reimbursement Obligations of the Borrower on such date (excluding Reimbursement Obligations that have been repaid with the proceeds of any Advance).

"***Lenders***" means the financial institutions listed on the signature pages hereof, and each assignee that shall become a party hereto pursuant to Section 10.07.

"***Letter of Credit***" has the meaning set forth in Section 2.02(a).

"***Letter of Credit Request***" has the meaning set forth in Section 2.02(c).

"***Lien***" means, with respect to any asset or property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset or property. For the purposes of this Agreement, a Person or any of its Subsidiaries shall be deemed to own subject to a Lien any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"***Loan Documents***" means this Agreement and the Notes.

"***Majority Lenders***" means on any date of determination, Lenders who, collectively, on such date (i) have Percentages in the aggregate in excess of 50% and (ii) if the Commitments have been terminated, hold in excess of 50% of the then aggregate Outstanding Credits of the Lenders. Determination of those Lenders satisfying the criteria specified above for action by the Majority Lenders shall be made by the Administrative Agent and shall be conclusive and binding on all parties absent manifest error.

"***Moody's***" means Moody's Investors Service, Inc., or any successor thereto.

"***non−Defaulting Lender***" means, at the time of determination, a Lender that is not a Defaulting Lender.

"***non−Performing Lender***" has the meaning assigned to that term in Section 3.03(b).

"***Note***" means a promissory note of the Borrower payable to the order of a Lender, in substantially the form of Exhibit 1.01A hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Advances made by such Lender to the Borrower, as such may be amended, supplemented or otherwise modified from time to time.

"***Notice of Borrowing***" has the meaning assigned to that term in Section 3.01.

"***NU***" has the meaning assigned to that term in the caption to this Agreement.

"***NU System Money Pool***" means the money pool of NU and certain of its Subsidiaries, the terms of which are filed with the FERC, as amended from time to time.

"***NUSCO***" means Northeast Utilities Service Company, a Connecticut corporation.

"***Old WMECO Indenture***" means the First Mortgage Indenture and Deed of Trust dated as of August 1, 1954, from WMECO to State Street Bank and Trust Company, as successor trustee, as amended and supplemented.

"***One−Month LIBOR Rate***" has the meaning assigned to that term in the definition of "Base Rate".

"***Other Taxes***" has the meaning assigned to that term in Section 4.05(b).

"***Outstanding Credits***" mean, on any date of determination, an amount equal to (i) the aggregate principal amount of all Advances outstanding on such date *plus* (ii) the aggregate LC Outstandings on such date. The "Outstanding Credits" of a Lender on any date of determination shall be an amount equal to the outstanding Advances made by such Lender *plus* the amount of such Lender's participatory interest in the LC Outstandings.

"***Parent***" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

"***Parent Support Obligation***" means, without duplication, any obligation of the Borrower under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iii) and (v) of the definition of "Debt", including any reimbursement obligation in respect of a letter of credit, any recourse obligation in respect of a surety or similar bond or other, similar obligation of the Borrower other than a construction completion or similar performance guaranty as permitted hereunder issued on behalf of Select Energy Services, Inc. The amount of each Parent Support Obligation shall be computed in good faith in accordance with the Borrower's then applicable mark−to−market and other risk management methods.

"***Participant***" has the meaning assigned to that term in Section 10.07(d).

"***Payment Date***" means the date on which payment of a Drawing is made by a Fronting Bank.

"***PBGC***" means the Pension Benefit Guaranty Corporation (or any successor entity) established under ERISA.

"***Percentage***" means, in respect of any Lender on any date of determination, the percentage obtained by dividing such Lender's Commitment on such day by the total of the Commitments on such day, and multiplying the quotient so obtained by 100%.

"***Person***" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"***Principal Subsidiary***" shall mean, during any fiscal quarter, CL&P, WMECO, PSNH, Yankee and any other Subsidiary, whether owned directly or indirectly by the Borrower, which, with respect to the Borrower and its Subsidiaries taken as a whole, represents at least ten percent (10%) of the Borrower's consolidated assets (calculated as an average of such consolidated assets over the preceding four fiscal quarters) and ten percent (10%) of the Borrower's consolidated net income (or loss) (calculated as a sum of such net income (or loss) over the preceding four fiscal quarters).

"***PSNH***" means Public Service Company of New Hampshire, a corporation duly organized under the laws of the State of New Hampshire.

"***Recipient***" has the meaning assigned to that term in Section 10.08.

"***Reference Banks***" means Union Bank, Barclays, Citibank and JPMorgan Chase and any other bank or financial institution designated by the Borrower and the Administrative Agent with the approval of the Majority Lenders to act as a Reference Bank hereunder.

"***Reference Ratings***" means the ratings assigned by SPand Moody's to the senior, unsecured, non−credit enhanced long−term Debt of the Borrower.

"***Register***" has the meaning assigned to that term in Section 10.07(c).

"***Regulatory Asset***" means, with respect to CL&P, PSNH, WMECO or Yankee, an intangible asset established by statute, regulation or regulatory order or similar action of a utility regulatory agency having jurisdiction over CL&P, PSNH, WMECO or Yankee, as the case may be, and included in the rate base of CL&P, PSNH, WMECO or Yankee, as the case may be, with the intention that such asset be amortized by rates over time.

"***Reimbursement Obligation***" means the absolute and unconditional obligation of the Borrower to reimburse a Fronting Bank for any Drawing pursuant to Section 2.02(f) or (g).

"***Related Parties***" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"***SP***" means Standard and Poor's Ratings Services, a division of The McGraw−Hill Companies, Inc., or any successor thereto.

"***Stated Amount***" means the maximum amount available to be drawn by a Beneficiary under a Letter of Credit.

"***Stated Termination Date***" means (i) September 24, 2013, or (ii) (A) with respect to any Extending Lender, such later date to which the Stated Termination Date shall be extended in accordance with Section 2.05, (B) with respect to any Declining Lender, the date of the termination of such Declining Lender's Commitment pursuant to Section 2.05(b) and (C) with respect to any Fronting Bank, such later date (if any) to which such Fronting Bank shall have consented pursuant to Section 2.05.

"***Stranded Cost Recovery Obligations***" means, with respect to any Person, such Person's obligations to make principal, interest or other payments to the issuer of stranded cost recovery bonds pursuant to a loan agreement or similar arrangement whereby the issuer has loaned the proceeds of such bonds to such Person.

"***Subsidiary***" shall mean, with respect to any Person, any corporation, association or other business entity of which securities or other ownership interests representing 50% or more of the ordinary voting power are, at the time as of which any determination is being made,

owned or controlled by such Person or one or more Subsidiaries of such Person (whether direct or indirect) or by such Person and one or more such Subsidiaries of such Person.

"***Termination Date***" with respect to any Lender or Fronting Bank means the earliest to occur of (i) the Stated Termination Date of such Lender or Fronting Bank, as applicable, (ii) the date of termination or reduction in whole of the Commitments pursuant to Section 2.04 or 8.02 and (iii) the date of acceleration of all amounts payable hereunder pursuant to Section 8.02.

"***Total Capitalization***" means, at any date, the sum of (i) Consolidated Debt of the Borrower and its Subsidiaries, (ii) the aggregate of the par value of, or stated capital represented by, the outstanding shares of all classes of common and preferred shares of the Borrower and its Subsidiaries and (iii) the consolidated sur*plus* of the Borrower and its Subsidiaries, paid−in, earned and other capital, if any, in each case as determined on a consolidated basis in accordance with generally accepted accounting principles consistent with those applied in the preparation of the Borrower's Financial Statements.

"***Total Commitment***" means $500,000,000, or such other amount from time to time as shall equal the sum of the Commitments.

"***Type***" has the meaning assigned to such term (i) in the definition of "Advance" when used in such context and (ii) in the definition of "Borrowing" when used in such context.

"Union Bank" has the meaning assigned to that term in the caption to this Agreement.

"***Unmatured Default***" means the occurrence and continuance of an event that, with the giving of notice or lapse of time or both, would constitute an Event of Default.

"***WMECO***" means Western Massachusetts Electric Company, a corporation organized under the laws of the Commonwealth of Massachusetts.

"***Yankee***" means Yankee Gas Services Company, a corporation duly organized under the laws of the State of Connecticut.

SECTION 1.02.
Computation of Time Periods.

In the computation of periods of time under this Agreement, any period of a specified number of days or months shall be computed by including the first day or month occurring during such period and excluding the last such day or month. In the case of a period of time "from" a specified date "to" or "until" a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03.
Accounting Terms; Financial Statements.

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied on a basis consistent with the application employed in the preparation of the Financial Statements. All references contained herein to the Borrower's or a Principal Subsidiary's Annual Report on Form 10−K in respect of a Fiscal Year or Quarterly Report on Form 10−Q in respect of a Fiscal Quarter shall be deemed to include any exhibits and schedules thereto, including without limitation in the case of any Annual Report on Form 10−K, any "Annual Report" of the Borrower or such Principal Subsidiary referred to therein.

SECTION 1.04.
Computations of Outstandings.

Whenever reference is made in this Agreement to the principal amount of Outstanding Credits under this Agreement on any date, such reference shall refer to the aggregate principal amount of all Outstanding Credits on such date after giving effect to (i) all Extensions of Credit to be made on such date and the application of the proceeds thereof and (ii) any repayment or prepayment of Advances, and any payment of Reimbursement Obligations, on such date by the Borrower.

ARTICLE II
COMMITMENTS

SECTION 2.01.
The Commitments.

(a)
Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Closing Date until the Termination Date, in an aggregate amount not to exceed on any day such Lender's Available Commitment. Within the limits of such Lender's Available Commitment, the Borrower may request Advances hereunder, repay or prepay Advances and utilize the resulting increase in the Available Commitments for further Advances in accordance with the terms hereof.

(b)
In no event shall the Borrower be entitled to request or receive any Advance under subsection (a) that would cause the aggregate principal amount advanced pursuant thereto to exceed the Available Commitments. In no event shall the Borrower be entitled to request or receive any Advance that would cause the total principal amount of all Outstanding Credits to exceed the Total Commitment.

SECTION 2.02.
Letters of Credit.

(a)
Agreement of Fronting Banks. Subject to the terms and conditions of this Agreement, each Fronting Bank agrees to issue and amend (including, without limitation, to extend or renew) for the account of the Borrower or any Subsidiary thereof (each such Person, an ***"Account Party"***) one or more standby letters of credit (individually, a "***Letter of Credit***" and, collectively, the "***Letters of Credit***") from and including the Closing Date to the Termination Date with respect to such Fronting Bank, up to a maximum aggregate Stated Amount at any one time outstanding equal to the L/C Commitment Amount *minus* Reimbursement Obligations outstanding at such time (but in no event to exceed such Fronting Bank's Fronting Commitment), each having an Expiration Date no later than 365 days after the Date of Issuance, date of extension or renewal, as the case may be, of such Letter of Credit; *provided, however,* that no Fronting Bank will issue or amend a Letter of Credit if, immediately following such issuance or amendment, (i) the Stated Amount of such Letter of Credit would (A) exceed the Available Commitments or (B) when aggregated with (1) the Stated Amounts of all other outstanding Letters of Credit and (2) the outstanding Reimbursement Obligations, exceed the L/C Commitment Amount, or (ii) the total principal amount of all Outstanding Credits would exceed the Total Commitment. The Expiration Date of any Letter of Credit may not be specified to be later than the Stated Termination Date with respect to any Lender unless (x) the Stated Amount of such Letter of Credit, by the terms of such Letter of Credit, shall not be reinstated following any Drawing thereunder (whether automatically or upon reimbursement of such Drawing) and

(y) the Borrower shall, no later than the fifth day prior to such Stated Termination Date, deposit and thereafter maintain in the Cash Collateral Account cash collateral in accordance with Section 2.06 in an amount equal to such Lender's Percentage of the LC Outstandings as of such Lender's Stated Termination Date in respect of such Letter of Credit. Upon the payment in full of all amounts due hereunder in respect of the LC Outstandings and related Advances collateralized pursuant to this Section 2.02(a) and the expiration or termination of such collateralized Letters of Credit, and if no Unmatured Default or Event of Default shall have occurred and be continuing, the Administrative Agent shall pay to the Borrower amounts remaining in the Cash Collateral Account with respect to such Letters of Credit.

(b) ***Forms.*** Each Letter of Credit shall be in a form customarily used by the applicable Fronting Bank or in such other form as has been approved by such Fronting Bank. At the time of issuance or amendment, subject to the terms and conditions of this Agreement, the amount and the terms and conditions of each Letter of Credit shall be subject to approval by the applicable Fronting Bank and the Borrower.

(c) ***Notice of Issuance; Application.*** The Borrower shall give the applicable Fronting Bank and the Administrative Agent written notice (or telephonic notice confirmed in writing) at least three Business Days prior to the requested Date of Issuance of a Letter of Credit, such notice to be in substantially the form of Exhibit 2.02 hereto (a "***Letter of Credit Request***"). The Borrower shall also execute and deliver such customary letter of credit application forms as requested from time to time by such Fronting Bank. Such application forms shall indicate the identity of the Account Party and that the Borrower is the "Applicant" or shall otherwise indicate that the Borrower is the obligor in respect of any Letter of Credit to be issued thereunder. If the terms or conditions of the application forms conflict with any provision of this Agreement, the terms of this Agreement shall govern. Without limiting the foregoing and subject to the satisfaction of the conditions precedent in Section 5.02, each letter of credit outstanding under the Existing Credit Agreement immediately prior to the Closing Date (each, an "***Existing Letter of Credit***") shall be deemed to be a Letter of Credit issued hereunder on the Closing Date.

(d) ***Issuance.*** Provided the Borrower has given the notice prescribed by Section 2.02(c) and subject to the other terms and conditions of this Agreement, including the satisfaction of the applicable conditions precedent set forth in Article V, the applicable Fronting Bank shall issue the requested Letter of Credit on the requested Date of Issuance as set forth in the applicable Letter of Credit Request for the benefit of the stipulated Beneficiary and shall deliver the original of such Letter of Credit to the Beneficiary at the address specified in the notice. At the request of the Borrower, such Fronting Bank shall deliver a copy of each Letter of Credit to the Borrower within a reasonable time after the Date of Issuance thereof. Upon the request of the Borrower, such Fronting Bank shall deliver to the Borrower a copy of any Letter of Credit proposed to be issued hereunder prior to the issuance thereof. The Administrative Agent shall promptly notify each Lender of its pro rata share of each issued Letter of Credit and the Expiration Date thereof.

(e) ***Notice of Drawing.*** Each Fronting Bank shall promptly notify the Borrower by telephone, facsimile or other telecommunication of any Drawing under a Letter of Credit issued by such Fronting Bank.

(f) ***Payments.*** The Borrower hereby agrees to pay to each Fronting Bank, in the manner provided in subsection (g) below:

(i) on each Payment Date, an amount equal to the amount paid by such Fronting Bank under any Letter of Credit issued by such Fronting Bank; and

(ii) if any Drawing shall be reimbursed to such Fronting Bank after 12:00 noon (New York time) on any Payment Date, interest on any and all amounts required to be paid pursuant to clause (i) of this subsection (f) from and after the due date thereof until payment in full, payable on demand, at an annual rate of interest equal to 2.00% above the rate of interest applicable to Base Rate Advances as in effect from time to time.

(g) ***Method of Reimbursement.*** The Borrower shall reimburse each Fronting Bank for each Drawing under any Letter of Credit issued by such Fronting Bank pursuant to subsection (f) above in the following manner:

(i) the Borrower shall immediately reimburse such Fronting Bank in the manner described in Section 4.01 to the extent that funds are not available to repay the applicable Reimbursement Obligation pursuant to Section 2.06(e); or

(ii) if (A) the Borrower has not reimbursed such Fronting Bank pursuant to clause (i) above, (B) the applicable conditions to the making of an Advance set forth in Articles II, III and V have been fulfilled, and (C) the Available Commitments in effect at such time exceed the amount of the Drawing to be reimbursed, the Borrower may reimburse such Fronting Bank for such Drawing with the proceeds of a Base Rate Advance or, if the conditions specified in clauses (A), (B) and (C) above have been satisfied and a Notice of Borrowing requesting a Eurodollar Rate Advance has been given in accordance with Section 3.01 three Business Days prior to the relevant Payment Date, with the proceeds of a Eurodollar Rate Advance.

(h) ***Transfer of Letters of Credit***. If, at any time following payment to the Lenders of any amounts owing or to become owing in respect thereof, the Borrower's reimbursement and other obligations under or in respect of any Letter of Credit shall be transferred to another credit facility in a manner satisfactory to each Fronting Bank in its sole and absolute discretion with the result that such Letter of Credit is deemed issued under such other credit facility, such Letter of Credit shall no longer be deemed to be a "Letter of Credit" for purposes of, and shall no longer be deemed to be outstanding under, this Agreement.

(i) ***Nature of Fronting Bank's Duties.*** In determining whether to honor any Drawing under any Letter of Credit, the applicable Fronting Bank shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit. The Borrower otherwise assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued by each Fronting Bank by, the respective Beneficiaries of the Letters of Credit. In furtherance and not in limitation of the foregoing, but consistent with applicable law, no Fronting Bank shall be responsible (i) for the form, validity, sufficiency, accuracy, genuineness or legal effects of any document submitted by any party in connection with the application for and issuance of any drawing honored under a Letter of Credit, even if it should in

fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit, or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, facsimile or otherwise, whether or not they be in cipher; (iv) for errors in interpretation of technical terms; (v) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit, or the proceeds thereof; (vi) for the misapplication by the Beneficiary of any Letter of Credit or of the proceeds of any drawing honored under such Letter of Credit; and (vii) for any consequences arising from causes beyond the control of such Fronting Bank. None of the above shall affect, impair or prevent the vesting of any of the Fronting Banks' rights or powers hereunder. Not in limitation of the foregoing, any action taken or omitted to be taken by any Fronting Bank under or in connection with any Letter of Credit, whether in determining to honor any Drawing under any Letter of Credit or otherwise, shall not create against such Fronting Bank any liability to the Borrower or any Lender, except for actions or omissions resulting from the gross negligence or willful misconduct of such Fronting Bank or any of its agents or representatives.

(j) ***Obligations of Borrower Absolute.*** The obligation of the Borrower to reimburse each Fronting Bank for Drawings honored under the Letters of Credit issued by it shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances including, without limitation, the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit;

(ii) the existence of any claim, set−off, defense or other right that the Borrower, any Account Party or any Affiliate of the Borrower or any Account Party may have at any time against a Beneficiary or any transferee of any Letter of Credit (or any Persons or entities for which any such Beneficiary or transferee may be acting), any Fronting Bank or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction;

(iii) any draft, demand, certificate or any other documents presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents;

(v) any non−application or misapplication by the Beneficiary of the proceeds of any Drawing under a Letter of Credit; or

(vi) the fact that an Unmatured Default or Event of Default shall have occurred and be continuing.

No payment made under this Section shall be deemed to be a waiver of any claim the Borrower may have against any Fronting Bank or any other Person.

(k)
Participations by Lenders.

(i)
By the issuance of a Letter of Credit and without any further action on the part of any Fronting Bank or any Lender in respect thereof, such Fronting Bank shall hereby be deemed to have granted to each Lender, and each Lender shall hereby be deemed to have acquired from such Fronting Bank, an undivided interest and participation in such Letter of Credit (including any letter of credit issued by such Fronting Bank in substitution or exchange for such Letter of Credit pursuant to the terms thereof) equal to such Lender's Percentage of the Stated Amount of such Letter of Credit, effective upon the issuance of such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to each Fronting Bank, in accordance with this subsection (k), such Lender's Percentage of each payment made by such Fronting Bank in respect of an unreimbursed Drawing under a Letter of Credit. Such Fronting Bank shall notify the Administrative Agent of the amount of such unreimbursed Drawing honored by it not later than (x) 12:00 noon (New York time) on the date of payment of a draft under a Letter of Credit, if such payment is made at or prior to 11:00 a.m. (New York time) on such day, and (y) the close of business (New York time) on the date of payment of a draft under a Letter of Credit, if such payment is made after 11:00 a.m. (New York time) on such day, and the Administrative Agent shall notify each Lender of the date and amount of such unreimbursed Drawing under such Letter of Credit honored by such Fronting Bank and the amount of such Lender's Percentage therein no later than (1) 1:00 p.m. (New York time) on such day, if such payment is made at or prior to 11:00 a.m. (New York time) on such day, and (2) 11:00 a.m. (New York time) on the next following Business Day, if such payment is made after 11:00 a.m. (New York time) on such day. Not later than 2:00 p.m. (New York time) on the date of receipt of a notice of an unreimbursed Drawing by a Lender, such Lender agrees to pay to such Fronting Bank an amount equal to the product of (A) such Lender's Percentage and (B) the amount of the payment made by such Fronting Bank in respect of such unreimbursed Drawing.

(ii)
If payment of the amount due pursuant to the preceding sentence from a Lender is received by such Fronting Bank after the close of business on the date it is due, such Lender agrees to pay to such Fronting Bank, in addition to (and along with) its payment of the amount due pursuant to the preceding sentence, interest on such amount at a rate *per annum* equal to (a) for the period from and including the date such payment is due to but excluding the second succeeding Business Day, the Federal Funds Rate, and (b) for the period from and including the second Business Day succeeding the date such payment is due to but excluding the date on which such amount is paid in full, the Federal Funds Rate *plus* 2.00%.

(l)
Obligations of Lenders Absolute. Each Lender acknowledges and agrees that (i) its obligation to acquire a participation in each Fronting Bank's liability in respect of the Letters of Credit and (ii) its obligation to make the payments specified herein, and the right of each Fronting Bank to receive the same, in the manner specified herein, are absolute and unconditional and shall not be affected by any circumstances whatsoever, including, without limitation, (A) the occurrence and continuance of any Event of Default or any Unmatured Default; (B) any other breach or default by the Borrower, the Administrative Agent or any Lender hereunder; (C) any lack of validity or enforceability of any Letter of Credit or this Agreement; (D) the existence of any claim, setoff, defense or other right that the Lender may have at any time against the Borrower, any other Account Party, any Beneficiary, any Fronting Bank or any other Lender; (E) the existence of any claim, setoff, defense or other right that the

Borrower may have at any time against any Beneficiary, any Fronting Bank, the Administrative Agent, any Lender or any other Person, whether in connection with this Agreement or any other documents contemplated hereby or any unrelated transactions; (F) any amendment or waiver of, or consent to any departure from, all or any of the Letters of Credit or this Agreement; (G) any statement or any document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (H) payment by such Fronting Bank under any Letter of Credit against presentation of a draft or certificate that does not comply with the terms of such Letter of Credit, so long as such payment is not the consequence of such Fronting Bank's gross negligence or willful misconduct in determining whether documents presented under a Letter of Credit comply with the terms thereof; (I) the occurrence of the Termination Date; or (J) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing. Nothing herein shall prevent the assertion by any Lender of a claim by separate suit or compulsory counterclaim, nor shall any payment made by a Lender under Section 2.02 be deemed to be a waiver of any claim that a Lender may have against any Fronting Bank or any other Person.

(m) ***Proceeds of Reimbursements***.

(i) Upon receipt by any Fronting Bank of a payment from the Borrower pursuant to subsection (f) above, such Fronting Bank shall promptly transfer to each Lender such Lender's *pro rata* share (determined in accordance with such Lender's Percentage) of such payment based on such Lender's *pro rata* share (determined as aforesaid) of amounts previously paid pursuant to subsection (k) above, and not previously transferred pursuant to this subsection (m) by such Fronting Bank.

(ii) All payments due to the Lenders from any Fronting Bank pursuant to this subsection (m) shall be made to the Lenders if, as, and, to the extent possible, when such Fronting Bank receives payments in respect of Drawings under the Letters of Credit pursuant to subsection (f) above, and in the same funds in which such amounts are received; *provided* that if any Lender to which such Fronting Bank is required to transfer any such payment (or any portion thereof) pursuant to this subsection (m) does not receive such payment (or portion thereof) prior to (A) the close of business on the Business Day on which such Fronting Bank received such payment from the Borrower, if such Fronting Bank received such payment prior to 1:00 p.m. (New York time) on such day, or (B) 1:00 p.m. (New York time) on the Business Day next succeeding the Business Day on which such Fronting Bank received such payment from the Borrower, if such Fronting Bank received such payment after 1:00 p.m. (New York time) on such day, such Fronting Bank agrees to pay to such Lender, along with its payment of the portion of such payment due to such Lender, interest on such amount at a rate *per annum* equal to (1) for the period from and including the Business Day when such payment was required to be made to the Lenders to but excluding the second succeeding Business Day, the Federal Funds Rate and (C) for the period from and including the second Business Day succeeding the Business Day when such payment was required to be made to the Lenders to but excluding the date on which such amount is paid in full, the Federal Funds Rate *plus* 2.00%. The provisions of this subsection (m) shall not affect or impair any of the obligations under this Agreement of any Lender to any Fronting Bank, all of which shall remain unaffected by any default in payment by the Fronting Bank to such Lender.

(iii) If, in connection with any case or other proceeding seeking liquidation, reorganization or other relief with respect to the Borrower or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or if for any other reason whatsoever, any Fronting Bank shall be required to return to the Borrower or to a trustee, receiver, liquidator, custodian or other similar official all or any portion of any payments to the Lenders pursuant to this subsection (m) or interest thereon (a "***Returned Payment***"), each Lender shall, upon demand of such Fronting Bank, forthwith return to such Fronting Bank any amounts transferred to such Lender by such Fronting Bank in respect thereof pursuant to this subsection (m) *plus* such Lender's *pro rata* share (determined in accordance with such Lender's Percentage) of interest (if any) that such Fronting Bank is required to pay to such trustee, receiver, liquidator, custodian or other similar official with respect to any Returned Payment.

(n) ***Concerning the Fronting Banks***.

(i) Each Fronting Bank will exercise and give the same care and attention to the Letters of Credit issued by it as it gives to its other letters of credit and similar obligations, and each Lender agrees that each Fronting Bank's sole liability to each Lender shall be (A) to distribute promptly, as and when received by such Fronting Bank, and in accordance with the provisions of subsection (m) above, such Lender's *pro rata* share (determined in accordance with such Lender's Percentage) of any payments to such Fronting Bank by the Borrower pursuant to subsection (g) above in respect of Drawings under the Letters of Credit issued by such Fronting Bank, (B) to exercise or refrain from exercising any right or to take or to refrain from taking any action under this Agreement or any Letter of Credit as may be directed in writing by the Majority Lenders (or, when expressly required by the terms of this Agreement, all of the Lenders) or the Administrative Agent acting at the direction and on behalf of the Majority Lenders (or, when expressly required by the terms of this Agreement, all of the Lenders), except to the extent required by the terms hereof or thereof or by applicable law, and (C) as otherwise expressly set forth in this Section. No Fronting Bank shall be liable for any action taken or omitted at the request or with approval of the Majority Lenders (or, when expressly required by the terms of this Agreement, all of the Lenders) or of the Administrative Agent acting on behalf of the Majority Lenders (or, when expressly required by the terms of this Agreement, all of the Lenders) or for the nonperformance of the obligations of any other party under this Agreement, any Letter of Credit or any other document contemplated hereby or thereby. Without in any way limiting any of the foregoing, each Fronting Bank may rely upon the advice of counsel concerning legal matters and upon any written communication or any telephone conversation that it believes to be genuine or to have been signed, sent or made by the proper Person and shall not be required to make any inquiry concerning the performance by the Borrower, any Beneficiary or any other Person of any of their respective obligations and liabilities under or in respect of this Agreement, any Letter of Credit or any other documents contemplated hereby or thereby. No Fronting Bank shall have any obligation to make any claim, or assert any Lien, upon any property held by such Fronting Bank or assert any offset thereagainst in satisfaction of all or any part of the obligations of the Borrower hereunder; *provided* that such Fronting Bank shall, if so directed by the Majority Lenders or the Administrative Agent acting on behalf of and with the consent of the Majority Lenders, have an obligation to make a claim, or assert a Lien, upon property held by such Fronting Bank in connection with this Agreement, or assert an offset thereagainst.

(ii)
Each Fronting Bank may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of banking or trust business with the Borrower or any of its Affiliates, or any other Person, and receive payment on such loans or extensions of credit and otherwise act with respect thereto freely and without accountability in the same manner as if this Agreement and the transactions contemplated hereby were not in effect.

(iii)
Each Fronting Bank makes no representation or warranty, and shall have no responsibility, with respect to: (i) the genuineness, legality, validity, binding effect or enforceability of this Agreement or any other documents contemplated hereby; (ii) the truthfulness, accuracy or performance of any of the representations, warranties or agreements contained in this Agreement or any other documents contemplated hereby; (iii) the collectibility of any amounts due under this Agreement; (iv) the financial condition of the Borrower or any other Person; or (v) any act or omission of any Beneficiary with respect to its use of any Letter of Credit or the proceeds of any Drawing under any Letter of Credit.

(o)
Indemnification of Fronting Banks by Lenders. To the extent that any Fronting Bank is not reimbursed and indemnified by the Borrower under Section 10.04, each Lender agrees to reimburse and indemnify such Fronting Bank on demand, *pro rata* in accordance with such Lender's Percentage, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against such Fronting Bank, in any way relating to or arising out of this Agreement, any Letter of Credit or any other document contemplated hereby or thereby, or any action taken or omitted by such Fronting Bank under or in connection with this Agreement, any Letter of Credit or any other document contemplated hereby or thereby; *provided, however,* that such Lender shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Fronting Bank's gross negligence or willful misconduct; and *provided further, however*, that such Lender shall not be liable to such Fronting Bank or any other Lender for the failure of the Borrower to reimburse such Fronting Bank for any drawing made under a Letter of Credit with respect to which such Lender has paid such Fronting Bank such Lender's *pro rata* share (determined in accordance with such Lender's Percentage), or for the Borrower's failure to pay interest thereon. Each Lender's obligations under this subsection (o) shall survive the payment in full of all amounts payable by such Lender under subsection (k) above, and the termination of this Agreement and the Letters of Credit. Nothing in this subsection (o) is intended to limit any Lender's reimbursement obligation contained in subsection (k) above.

(p)
Representations of Lenders. As between each Fronting Bank and the Lenders, by its execution and delivery of this Agreement each Lender hereby represents and warrants solely to such Fronting Bank that (i) it is duly organized and validly existing in good standing under the laws of the jurisdiction of its formation, and has full corporate power, authority and legal right to execute, deliver and perform its obligations to such Fronting Bank under this Agreement; and (ii) this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with the terms hereof, except as such enforceability may be limited by applicable bank organization, moratorium, conservatorship or other laws now or hereafter in effect affecting the enforcement of creditors rights in general and the rights of creditors of banks, and except as

such enforceability may be limited by general principles of equity (whether considered in a proceeding at law or in equity).

(q) ***Multiple Fronting Banks.*** If there shall be more than one Fronting Bank holding Outstanding Credits at any time hereunder, each such Fronting Bank shall, with respect to the Letters of Credit issued by it and the Reimbursement Obligations owing to it, be regarded hereunder as the "Fronting Bank" and shall have all the rights, interests, protections and obligations of the "Fronting Bank" hereunder with respect to such Letters of Credit and Reimbursement Obligations and all matters relating thereto. Whenever any action may be, or is required to be, taken by any Fronting Bank hereunder, such Fronting Bank may, or shall, take such action only in respect of the Letters of Credit issued by it and the Reimbursement Obligations owing to it. Whenever the consent of the Fronting Banks is required hereunder with respect to any proposed action, the consent of each Fronting Bank holding Outstanding Credits shall be required for such proposed action to be taken. Any notice to be provided to the Fronting Banks shall be provided to each Fronting Bank holding Outstanding Credits, and each such Fronting Bank shall have the right to request any information, and take any other action, as any Fronting Bank is permitted to do hereunder. If at any time no Letters of Credit and no Reimbursement Obligations are outstanding, then Barclays, Citibank, JPMorgan Chase and Union Bank, in their respective capacities as Fronting Bank, shall have the sole right and/or obligation to take any action or issue any consent that a Fronting Bank may, or is required to, take or issue hereunder. The protections accorded the Fronting Banks hereunder shall inure to the benefit of each Fronting Bank holding Outstanding Credits from time to time hereunder, regardless of whether the same are outstanding at the time as the benefits of such protections are asserted.

SECTION 2.03.
Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee (the "***Facility Fee***") on the amount of such Lender's Commitment (whether used or unused) at the Applicable Facility Fee Rate, from the date of this Agreement, in the case of each Bank, and from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, until the Termination Date. The Facility Fee payable by the Borrower shall be calculated and accrued daily and shall be payable quarterly in arrears on the last day of each December, March, June and September, commencing the first such date following the date hereof, with final payment payable on the final Termination Date.

(b) The Borrower further agrees to pay the fees specified in the Fee Letters (including the "Fronting Fee" referred to therein) that are for its account to the parties entitled thereto, together with such other fees as may be separately agreed to by the Borrower and the other parties thereto or their respective Affiliates.

(c) The Borrower shall pay to the Administrative Agent, for the account of the Lenders, a fee in an amount equal to the then Applicable Margin for outstanding Eurodollar Rate Advances multiplied by the Stated Amount of each Letter of Credit, in each case for the number of days that such Letter of Credit is issued but undrawn, payable quarterly in arrears on the last

day of each December, March, June and September, commencing the first such date following the Closing Date, with final payment payable on the final Termination Date.

SECTION 2.04.
Reduction and Increase of the Commitments.

(a) ***Reduction***. The Borrower may, at any time, by providing at least three Business Days' prior written notice to the Administrative Agent, terminate in whole or reduce in part the Total Commitment (applied on a *pro rata* basis in accordance with each Lender's Percentage); *provided*, that any such partial reduction shall be in a minimum aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof; *provided, further*, that the Total Commitment may not be reduced to an amount that is less than the aggregate Stated Amount of outstanding Letters of Credit. Each such notice of termination or reduction shall be irrevocable. Subject to the foregoing, any reduction of the Commitments to an amount that is lower than the L/C Commitment Amount shall result in a reduction of the L/C Commitment Amount to the extent of such deficit.

(b) ***Increase***. From time to time prior to the Termination Date, the Borrower may increase the Total Commitment by an aggregate amount of $100,000,000 (any such increase, a "***Commitment Increase***"), up to a maximum Total Commitment of $600,000,000, by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to offer to participate in such Commitment Increase) or one or more other banks or other financial institutions reasonably acceptable to the Administrative Agent that at the time agree, in the case of any such bank or financial institution that is an existing Lender to increase its Commitment (an "***Increasing Lender***") and, in the case of any other such bank or financial institution (an "***Additional Lender***"), to become a party to this Agreement. The sum of the increases in the Commitments of the Increasing Lenders pursuant to this subsection (b) plus the Commitments of the Additional Lenders upon giving effect to the Commitment Increase shall not in the aggregate exceed the amount of the Commitment Increase. The Borrower shall provide prompt notice of any proposed Commitment Increase pursuant to this subsection (b) to the Administrative Agent, which shall promptly provide a copy of such notice to the Lenders.

(i) Any Commitment Increase shall become effective upon (A) the receipt by the Administrative Agent of (1) an agreement in form and substance satisfactory to the Administrative Agent (x) signed by the Borrower, each Increasing Lender, each Additional Lender and, if any portion of the Commitment Increase is to be allocated to increase the L/C Commitment Amount, each applicable Fronting Bank, (y) setting forth the new Commitment of each such Lender and setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, and (z) if any portion of the Commitment Increase is to be allocated to increase the L/C Commitment Amount, setting forth the new L/C Commitment Amount, (2) certified copies of the Commitment Increase Approvals and such opinions of counsel for the Borrower with respect to the Commitment Increase as the Administrative Agent may reasonably request, and (3) a certificate (the statements contained in which shall be true) of a duly authorized officer of the Borrower stating that both before and after giving effect to such Commitment Increase (x) no Unmatured Default or Event of Default has occurred and is continuing, (y) all representations and warranties made by the Borrower in this Agreement are true and correct in all material respects, and (z) all Commitment Increase Approvals have been obtained and are in full force

and effect, and (B) the funding by each Increasing Lender and Additional Lender of the Advance(s) to be made by each such Lender described in paragraph (iii) below.

(ii) Upon the effective date of any Commitment Increase, each Increasing Lender and each Additional Lender shall provide funds to the Administrative Agent in the manner described in Section 3.03 in an amount equal to the product of (x) the aggregate principal amount of Advances outstanding hereunder, expressed as a percentage of the Total Commitment (calculated, in each case, immediately prior to such Commitment Increase) and (y) the amount of such Lender's Commitment Increase. The funds so provided by any Lender shall be deemed to be an Advance or Advances made by such Lender on the date of such Commitment Increase, with such Advance(s) being (A) in an amount equal to the product of (x) the aggregate outstanding principal amount of each Advance expressed as a percentage of the Total Commitment (calculated, in each case, immediately prior to such Commitment Increase) and (y) the amount of such Lender's Commitment Increase and (B) of the same Type(s) and having the same Interest Period(s) as each Advance described in the preceding clause (A), such that after giving effect to such Commitment Increase and the Advances(s) made on the date of such Commitment Increase, each Advance outstanding hereunder shall consist of Advances made by the Lenders ratably in accordance with their pro rata shares of the Total Commitment.

(iii) Notwithstanding any provision contained herein to the contrary, from and after the date of any Commitment Increase and the making of any Advances on such date pursuant to paragraph (iii) above, all calculations and payments of interest on the Advance comprising any Advances shall take into account the actual Commitment of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

SECTION 2.05.
Extension of the Stated Termination Date.

(a) Unless the Termination Date previously shall have occurred in accordance with the terms of this Agreement, at least 30 days but not more than 45 days before any Extension Date, the Borrower may, by notice to the Administrative Agent (any such notice being irrevocable), request that the Administrative Agent, the Fronting Banks and the Lenders extend the Stated Termination Date for a period of one year. If the Borrower shall make such request, the Administrative Agent shall promptly inform the Fronting Banks and the Lenders thereof. Each Fronting Bank and each Lender shall notify the Administrative Agent, in writing, of its agreement so to extend the Stated Termination Date at least 20 days prior to such Extension Date, and, no later than 15 days prior to such Extension Date, the Administrative Agent shall notify the Borrower in writing if the Fronting Banks and Lenders holding sufficient Commitments (determined per the last sentence of this subsection (a)) consent to such request. The granting of any such consent shall be in the sole and absolute discretion of each Fronting Bank and each Lender (each Lender that consents being an "***Extending Lender***" and each Lender that does not consent, or that does not notify the Administrative Agent of its consent to any request for extension, being a "***Declining Lender***"), and if the Administrative Agent shall not so notify the Borrower, such lack of notification shall be deemed to be a determination not to consent to such request. Any extension pursuant to this Section shall be effective only if (i) the sum of the Commitments, immediately following the effectiveness of any proposed extension, of (A) Extending Lenders and (B) third party financial institutions that become Lenders by accepting Commitments from Declining Lenders would exceed 50% of the Total Commitment in

effect immediately prior to the effectiveness of any proposed extension, (ii) no Unmatured Default or Event of Default has occurred and is continuing and (iii) all representations and warranties contained in Section 6.01 are true and correct on the Stated Termination Date as in effect immediately prior to the effectiveness of such proposed extension.

(b) The Commitment of each Declining Lender automatically will terminate on the Stated Termination Date as in effect immediately prior to the effectiveness of such extension. If there shall be any Declining Lenders, (i) Extending Lenders will have the right to increase their Commitments in an aggregate amount not to exceed the Commitments of such Declining Lenders and, (ii) if the aggregate amount of such increase in Commitments is less than the aggregate Commitments of such Declining Lenders, the Borrower will have the right to accept commitments from third party financial institutions acceptable to the Administrative Agent in an amount not greater than the amount of such shortfall. Any such increase in Commitments or accession of third party financial institutions shall be made via an Assignment and Assumption and shall be effective on the Stated Termination Date as in effect immediately prior to the effectiveness of such extension.

(c) The Borrower may extend the Stated Termination Date pursuant to this Section only twice.

SECTION 2.06.
Cash Collateralization of LC Outstandings.

(a) If on any day the Borrower elects or is required to cash collateralize all or any portion of the LC Outstandings (including, without limitation, pursuant to the last sentence of Section 2.02(a), Section 4.02(c), Section 8.02 or Section 10.15), the Borrower shall deposit cash in immediately available funds in the Cash Collateral Account in an amount equal to the LC Outstandings to be so cash collateralized. The Borrower hereby collaterally assigns, and grants to the Administrative Agent, for the benefit of the Fronting Banks and the Lenders, a security interest in all funds held in the Cash Collateral Account from time to time and proceeds thereof, as security for the payment of all amounts due and to become due from the Borrower to the Fronting Banks and the Lenders under this Agreement with respect to the LC Outstandings so collateralized and the principal amount of Advances that were used to satisfy any related Reimbursement Obligation pursuant to Section 2.02(g)(ii). The Cash Collateral Account shall be in the name of the Borrower for the benefit of the Administrative Agent as a cash collateral account, but the Administrative Agent shall have sole dominion and control over, and sole access to, the Cash Collateral Account, all deposits and all investment property held therein. Neither the Borrower nor any Person claiming on behalf of or through the Borrower shall have any right to withdraw any of the funds or investments held in the Cash Collateral Account. The Borrower agrees that it will not (i) sell or otherwise dispose of any interest in the Cash Collateral Account or any funds held therein other than as permitted under subsection (b) below, or (ii) create or permit to exist any Lien upon or with respect to the Cash Collateral Account or any funds held therein. The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords other funds deposited with the Administrative Agent in like accounts, it being understood that the Administrative Agent shall not have any responsibility for

taking any necessary steps to preserve rights against any parties with respect to any funds held in the Cash Collateral Account.

(b) At the direction of the Borrower, if and for so long as no Unmatured Default or Event of Default shall have occurred and be continuing, the Administrative Agent shall invest funds on deposit in the Cash Collateral Account in certificates of deposit, other bank deposits of the Administrative Agent, or other high−quality short−term debt instruments, in each case at such rates and for such periods as the Borrower and the Administrative Agent shall agree. The Borrower shall bear all risks and costs associated with such investments and the liquidation thereof and shall make additional deposits in the Cash Collateral Account to the extent necessary to ensure that the amounts on deposit therein at all times equal or exceed the amounts required to be deposited therein pursuant to this Agreement. Upon the payment in full of all amounts due hereunder in respect of the LC Outstandings and related Advances collateralized pursuant to this Section 2.06 and the expiration or termination of such collateralized Letters of Credit, and if no Unmatured Default or Event of Default shall have occurred and be continuing, the Administrative Agent shall pay to the Borrower the proceeds of any investments remaining in the Cash Collateral Account.

(c) If at any time the Administrative Agent determines that any funds held in the Cash Collateral Account are subject to any right or claim of any Person other than the Administrative Agent, the Lenders and each Fronting Bank or that the total amount of such funds is less than the LC Outstandings required to be cash collateralized on such date, the Borrower will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the Cash Collateral Account, an amount equal to the excess of (i) the LC Outstandings and related Advances required to be cash collateralized on such date over (ii) the total amount of funds, if any, then held in the Cash Collateral Account that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit in the Cash Collateral Account, such funds shall be applied to reimburse the relevant Fronting Bank or Lender holding a participation in the Reimbursement Obligation to such Fronting Bank to the extent permitted by applicable law and in accordance with the terms of this Agreement.

(d) The Borrower will at its own expense promptly execute and deliver, or otherwise authenticate, all further instruments and documents, and take all further action that may be necessary, or that the Administrative Agent may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted by the Borrower hereunder with respect to the Cash Collateral Account or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to the Cash Collateral Account.

(e) Funds maintained in the Cash Collateral Account shall be applied as follows:

(i) amounts maintained in the Cash Collateral Account provided pursuant to Section 10.15 to secure the Borrower's obligations corresponding to any Defaulting Lender's Percentage of the LC Outstandings shall be applied immediately to repay the Reimbursement Obligations in respect of such LC Outstandings;

(ii) amounts maintained in the Cash Collateral Account provided pursuant to Section 2.02(a) with respect to any Letter of Credit with a Expiration Date beyond the Stated Termination Date of any Lender shall be applied immediately to repay Reimbursement Obligations in an amount equal to such Lender's Percentage (determined as of such Lender's Stated Termination Date) of such Reimbursement Obligations in respect of such Letter of Credit; and

(iii) following the application of funds described in clauses (i) and (ii), any other funds maintained in the Cash Collateral Account shall be applied to satisfy all other payment obligations of the Borrower hereunder.

ARTICLE III
ADVANCES

SECTION 3.01.
Advances.

More than one Borrowing may be made on the same Business Day. Each Borrowing shall consist of Advances of the same Type and Interest Period made to the Borrower on the same Business Day by the Lenders ratably according to their respective Commitments. Each Borrowing shall be made on notice in substantially the form of Exhibit 3.01 hereto (a "***Notice of Borrowing***"), delivered by the Borrower to the Administrative Agent, by hand or facsimile, not later than 11:00 a.m. (New York City time) (i) in the case of Eurodollar Rate Advances, on the third Business Day prior to the date of the proposed Borrowing and (ii) in the case of Base Rate Advances, on the day of the proposed Borrowing. Upon receipt of a Notice of Borrowing, the Administrative Agent shall notify the Lenders thereof promptly on the day so received. Each Notice of Borrowing shall specify therein (x) the requested (A) date of such Borrowing, (B) principal amount and Type of Advances comprising such Borrowing and (C) initial Interest Period for such Advances, (y) the aggregate amount of Outstanding Credits on such date after giving effect to such proposed Borrowing and (z) if the Borrower so chooses, a term, expressed as a number of days (which shall in no event end later than the Termination Date), beyond which such Borrowing may not be outstanding. Each proposed Borrowing shall be subject to the satisfaction of the conditions precedent thereto as set forth in Article V.

SECTION 3.02.
Terms Relating to the Making of Advances.

(a) Notwithstanding anything in Section 3.01 above to the contrary:

(i) at no time shall more than twelve different Borrowings be outstanding hereunder;

(ii) each Borrowing hereunder that is to be comprised of Base Rate Advances shall be in an aggregate principal amount of not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof, or such lesser amount as shall be equal to the total amount of the Available Commitments on such date, after giving effect to all other Borrowings to be made to, or repaid or prepaid by, the Borrower on such date; and

(iii) each Borrowing hereunder that is to be comprised of Eurodollar Rate Advances shall be in an aggregate principal amount of not less than $5,000,000 or an increment of $1,000,000 in excess thereof.

(b)
Each Notice of Borrowing shall be irrevocable and binding on the Borrower.

SECTION 3.03.
Making of Advances.

(a)
Each Lender shall, before 1:00 p.m. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's address referred to in Section 10.02, in same day funds, such Lender's portion of such Borrowing. Advances shall be made by the Lenders ratably in accordance with their several Commitments. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article V, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address.

(b)
Unless the Administrative Agent shall have received notice from a Lender prior to the time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) above, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount on such date. If and to the extent that any such Lender (a "***non−performing Lender***") shall not have so made such ratable portion available to the Administrative Agent, the non−performing Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. Nothing herein shall in any way limit, waive or otherwise reduce any claims that any party hereto may have against any non−performing Lender.

(c)
The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 3.04.
Repayment of Advances; Delivery of Notes.

(a)
The Borrower shall repay the principal amount of each Advance made to it hereunder no later than on the earlier of (i) the last day of the term (if any) specified pursuant to clause (iii) of Section 3.01 in the Notice of Borrowing related to such Advance and (ii) the Termination Date (including the Stated Termination Date with respect to each Lender).

(b)
Any Lender may request that the Extensions of Credit to be made by it be evidenced by a Note. Promptly upon receipt of such request, the Borrower shall prepare, execute and deliver to such Lender (or, if requested by such Lender, to such Lender and its assignees) a Note. Thereafter, the Extensions of Credit evidenced by such Note and interest thereon shall at

all times (including after assignment pursuant to Section 10.07) be represented by one or more Notes payable to the order of the payee named therein.

SECTION 3.05. Interest.

(a) ***Interest Periods.***

(i) The period commencing on the date of each Advance and ending on the last day of the period selected by the Borrower with respect to such Advance pursuant to the provisions of this Section is referred to herein as an "***Interest Period***". The duration of each Interest Period shall be (i) in the case of any Eurodollar Rate Advance, one, two, three or six months and (ii) in the case of any Base Rate Advance, the period of time beginning on the date of the making of, or the conversion of an outstanding Advance into, such Advance and ending on the last day of March, June, September or December next following the date on which such Advance was made; *provided, however,* that no Interest Period may be selected by the Borrower if such Interest Period would end after the Termination Date.

(ii) Subject to the terms and conditions of this Agreement, the initial Interest Period for any Advance made to the Borrower shall be determined by the Borrower as set forth in its Notice of Borrowing with respect to such Advance. The Borrower may elect to continue or convert one or more Advances of any Type and having the same Interest Period to one or more Advances of the same or any other Type and having the same or a different Interest Period on the following terms and subject to the following conditions:

(A) Each continuation or conversion shall be made as to all Advances comprising a single Borrowing upon written notice given by the Borrower to the Administrative Agent not later than 11:00 a.m. (New York City time) on the third Business Day prior to the date of the proposed continuation of or conversion, in the case of a continuation or conversion to a Eurodollar Rate Advance, or on the day of the proposed continuation of or conversion to a Base Rate Advance. The Administrative Agent shall notify each Lender of the contents of such notice promptly after receipt thereof. Each such notice shall specify therein the following information: (1) the date of such proposed continuation or conversion (which in the case of Eurodollar Rate Advances shall be the last day of the Interest Period then applicable to such Advances to be continued or converted), (2) the Type of, and Interest Period applicable to, the Advances proposed to be continued or converted, (3) the aggregate principal amount of Advances proposed to be continued or converted, and (4) the Type of Advances to which such Advances are proposed to be continued or converted and the Interest Period to be applicable thereto.

(B) If an Unmatured Default shall have occurred and be continuing, the right of the Borrower to continue or convert Advances to Eurodollar Rate Advances shall be suspended, and all Eurodollar Rate Advances then outstanding shall be converted to Base Rate Advances on the last day of the Interest Period then in effect, if, on such day, an Unmatured Default shall be continuing.

(C) If an Event of Default shall have occurred and be continuing, the right of the Borrower to continue or convert Advances to Eurodollar Rate Advances shall be suspended, and upon the occurrence of an Event of Default, all Eurodollar Rate Advances then outstanding shall immediately, without further act by the Borrower, be converted to Base Rate Advances.

(D) If no notice of continuation or conversion is received by the Administrative Agent as provided in paragraph (A) above with respect to any outstanding Advances on or before the third Business Day prior to the last day of the Interest Period then in effect for such Advances, the Administrative Agent shall treat such absence of notice as a deemed notice of continuation or conversion providing for such Advances to be continued as or converted to Base Rate Advances with an Interest Period of three months commencing on the last day of such Interest Period.

(b) ***Interest Rates***. The Borrower shall pay interest on the unpaid principal amount of each Advance owing by the Borrower from the date of such Advance until such principal amount shall be paid in full, at the Applicable Rate for such Advance (except as otherwise provided in this subsection (b)), payable as follows:

(i) ***Eurodollar Rate Advances***. If such Advance is a Eurodollar Rate Advance, interest thereon shall be payable (A) on the last day of the Interest Period applicable thereto, (B) in the case of a Eurodollar Rate Advance with an Interest Period of more than three months' duration, on each day that is a three−month anniversary of the date of such Advance, (C) on the date on which such Advance is repaid in full and (D) on the Termination Date; *provided* if an Event of Default shall have occurred and be continuing, such Advance shall bear interest at a rate *per annum* equal at all times to 2.0% *per annum* above the Applicable Rate for such Advance for such Interest Period, or, if higher, 2.0% *per annum* above the Applicable Rate in effect from time to time for Base Rate Advances.

(ii) ***Base Rate Advances***. If such Advance is a Base Rate Advance, interest thereon shall be payable (A) quarterly on the last day of each March, June, September and December, (B) on the date such Base Rate Advance shall be paid in full and (C) on the Termination Date; *provided* if an Event of Default shall occur and be continuing, such Advance shall bear interest at a rate *per annum* equal at all times to 2.0% *per annum* above the Applicable Rate for such Advance for such Interest Period.

(c) ***Other Amounts***. Except as otherwise provided in Section 2.02(f)(ii), any other amounts payable hereunder that are not paid when due shall (to the fullest extent permitted by law) bear interest, from the date when due until paid in full, at a rate *per annum* equal at all times to 2% *per annum* above the Applicable Rate in effect from time to time for Base Rate Advances, payable on demand.

(d) ***Interest Rate Determinations***. The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the Applicable Rate determined from time to time by the Administrative Agent for each Advance. Each Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining the Eurodollar Rate for any Interest Period, if applicable. If any one Reference Bank shall not furnish such timely

information, the Administrative Agent shall determine such interest rate on the basis of the timely information furnished by the other Reference Banks.

ARTICLE IV
PAYMENTS

SECTION 4.01.
Payments and Computations.

(a)
The Borrower shall make each payment hereunder not later than 12:00 noon (New York City time) on the day when due in U.S. Dollars to the Administrative Agent or, with respect to payments made in respect of Reimbursement Obligations, the applicable Fronting Bank, at its address referred to in Section 10.02, in same day funds. The Administrative Agent or such Fronting Bank, as the case may be, will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest, fees or other amounts payable to the Lenders, to the respective Lenders to whom the same are payable, for the account of their respective Applicable Lending Offices, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 10.07, from and after the effective date specified in such Assignment and Assumption, the Administrative Agent or such Fronting Bank, as the case may be, shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b)
The Borrower hereby authorizes the Administrative Agent, each Fronting Bank and each Lender, if and to the extent payment owed to the Administrative Agent, such Fronting Bank or such Lender, as the case may be, is not made when due hereunder, to charge from time to time against any or all of the Borrower's accounts with the Administrative Agent, such Fronting Bank or such Lender, as the case may be, any amount so due.

(c)
All computations of interest based on the Base Rate (except when determined on the basis of the Federal Funds Rate or the One−Month LIBOR Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be. All computations of interest and other amounts payable pursuant to Section 4.03 shall be made by the Lender claiming such interest or other amount on the basis of a year of 360 days. All other computations of interest, including computations of interest based on the Eurodollar Rate, the Base Rate (when and if determined on the basis of the Federal Funds Rate or the One−Month LIBOR Rate), and all computations of fees and other amounts payable hereunder, shall be made on the basis of a year of 360 days. In each such case, such computation shall be made for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or other amounts are payable. Each such determination by the Administrative Agent, any Fronting Bank or a Lender shall be conclusive and binding for all purposes, absent manifest error.

(d)
Whenever any payment under any Loan Document shall be stated to be due, or the last day of an Interest Period hereunder shall be stated to occur, on a day other than a Business Day, such payment shall be made, and the last day of such Interest Period shall occur, on the next succeeding Business Day, and such extension of time shall in such case be included

in the computation of payment of interest and fees hereunder; *provided, however*, that if such extension would cause payment of interest on, or principal of, Eurodollar Rate Advances to be made, or the last day of an Interest Period for a Eurodollar Rate Advance to occur, in the next following calendar month, such payment shall be made on the next preceding Business Day and such reduction of time shall in such case be included in the computation of payment of interest hereunder.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, such Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender, together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 4.02.
Prepayments.

(a) The Borrower shall not have any right to prepay any Advances except in accordance with subsections (b) and (c) below.

(b) The Borrower may, (i) in the case of Eurodollar Rate Advances, upon at least three Business Day's written notice to the Administrative Agent (such notice being irrevocable) and (ii) in the case of Base Rate Advances, upon notice not later than 11:00 a.m. on the date of the proposed prepayment to the Administrative Agent (such notice being irrevocable), stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given, the Borrower shall, prepay Advances comprising part of the same Borrowing, in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid and any amounts owing in connection therewith pursuant to Section 4.03(d); *provided, however*, that each partial prepayment shall be in an aggregate principal amount not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(c) If at any time the aggregate principal amount of Outstanding Credits shall exceed the Total Commitment, the Borrower shall forthwith prepay so much of the outstanding Advances, and/or pay to the Administrative Agent an amount in immediately available funds (which funds shall be held as collateral in the Cash Collateral Account) equal to so much of the amount available for drawing under the Letters of Credit outstanding at such time as shall result in the amount of Outstanding Credits *minus* the amount Stated Amount of the Letters of Credit so collateralized by funds being held in the Cash Collateral Account being less than or equal to the Total Commitment at such time. All prepayments pursuant to this subsection (c) shall be effected from outstanding Advances comprising part of the same Borrowing or Borrowings and shall be accompanied by payment of accrued interest to the date of such prepayment on the principal amount prepaid and any amounts owing in connection therewith pursuant to Section 4.03(d).

SECTION 4.03.
Yield Protection.

(a) ***Change in Circumstances***. Notwithstanding any other provision herein, if after the date hereof, the adoption of or any change in applicable law or regulation or in the interpretation or administration thereof (including, without limitation, pursuant to the Dodd−Frank Wall Street Reform and Consumer Protection Act of 2010) by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) shall (i) change the basis of taxation of payments to any Fronting Bank or any Lender of the principal of or interest on any Eurodollar Rate Advance made by such Lender or any fees or other amounts payable hereunder (other than changes in respect of taxes imposed on the overall net income of such Fronting Bank or such Lender, or its Applicable Lending Office, by the jurisdiction in which such Fronting Bank or such Lender has its principal office or in which such Applicable Lending Office is located or by any political subdivision or taxing authority therein), or (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against letters of credit (or participatory interests therein) issued by, commitments or assets of, deposits with or for the account of, or credit extended by, such Fronting Bank or such Lender, or (iii) shall impose on such Fronting Bank or such Lender any other condition affecting this Agreement, the Letters of Credit or participatory interests therein or Eurodollar Rate Advances, and the result of any of the foregoing shall be (A) to increase the cost to such Fronting Bank or such Lender of issuing, maintaining or participating in this Agreement or the Letter of Credit or of agreeing to make, making or maintaining any Advance or (B) to reduce the amount of any sum received or receivable by such Fronting Bank or such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Fronting Bank or such Lender, upon demand, such additional amount or amounts as will compensate such Fronting Bank or such Lender for such additional costs incurred or reduction suffered.

(b) ***Capital***. If any Fronting Bank or any Lender shall have determined that any change after the date hereof in any law, rule, regulation or guideline adopted pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "*International Convergence of Capital Measurement and Capital Standards*", or the adoption after the date hereof of any law, rule, regulation or guideline regarding capital adequacy (including, without limitation, pursuant to the Dodd−Frank Wall Street Reform and Consumer Protection Act of 2010), or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Fronting Bank or any Lender (or any Applicable Lending Office of such Lender), or any holding company of any such entity, with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect (i) of reducing the rate of return on such entity's capital or on the capital of such entity's holding company, if any, as a consequence of this Agreement, the Letters of Credit or such entity's participatory interest therein, any Commitment or LC Commitment hereunder or the portion of the Advances made by such entity pursuant hereto to a level below that which such entity or such entity's holding company could have achieved, but for such applicability, adoption, change or compliance (taking into consideration such entity's policies and the policies of such entity's holding company with respect to capital adequacy), or (ii) of increasing or otherwise determining the amount of capital required or expected to be maintained by such entity or such entity's holding company based upon the

existence of this Agreement, the Letters of Credit or such entity's participatory interest therein, any Commitment or LC Commitment hereunder, the portion of the Advances made by such entity pursuant hereto and other similar such credits, participations, commitments, agreements or assets, then from time to time the Borrower shall pay to such Fronting Bank or such Lender, upon demand, such additional amount or amounts as will compensate such entity or such entity's holding company for any such reduction or allocable capital cost suffered.

(c) ***Eurodollar Reserves***. The Borrower shall pay to each Lender upon demand, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender to the Borrower, from the date of such Advance until such principal amount is paid in full, at an interest rate *per annum* equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% *minus* the Eurodollar Reserve Percentage of such Lender for such Interest Period. Such additional interest shall be determined by such Lender and notified to the Borrower and the Administrative Agent.

(d) ***Breakage Indemnity***. The Borrower shall indemnify each Lender against any loss, cost or reasonable expense that such Lender may sustain or incur as a consequence of (i) any failure by the Borrower to fulfill on the date of any Borrowing or conversion of Advances hereunder the applicable conditions precedent set forth in Articles III and V, (ii) any failure by the Borrower to borrow any, or convert any outstanding Advance into a, Eurodollar Rate Advance hereunder after a Notice of Borrowing has been delivered pursuant to Section 3.01 or after delivery of a notice of conversion pursuant to Section 3.05(a)(ii), (iii) any payment, prepayment or conversion of a Eurodollar Rate Advance required or permitted by any other provision of this Agreement or otherwise made or deemed made on a date other than the last day of the Interest Period applicable thereto, (iv) any default by the Borrower in payment or prepayment of the principal amount of any Eurodollar Rate Advance or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, by irrevocable notice of prepayment or otherwise) or (v) the occurrence of any Event of Default, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Advance or any part thereof as a Eurodollar Rate Advance. Such loss, cost or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Lender, of (A) its cost of obtaining the funds for the Eurodollar Rate Advance being paid, prepaid, converted or not borrowed for the period from the date of such payment, prepayment, conversion or failure to borrow to the last day of the Interest Period for such Advance (or, in the case of a failure to borrow, the Interest Period for such Advance that would have commenced on the date of such failure) over (B) the amount of interest (as reasonably determined by such Lender) that would be realized by such Lender in reemploying the funds so paid, prepaid, converted or not borrowed for such period or Interest Period, as the case may be. For purposes of this subsection (d), it shall be presumed that in the case of any Eurodollar Rate Advance, each Lender shall have funded each such Advance with a fixed−rate instrument bearing the rates and maturities designated in the determination of the Applicable Rate for such Advance.

(e) ***Notices***. A certificate of any Fronting Bank or any Lender setting forth such entity's claim for compensation hereunder and the amount necessary to compensate such entity or its holding company pursuant to subsections (a) through (d) above shall be submitted to the Borrower and the Administrative Agent and shall be conclusive and binding for all purposes, absent manifest error. The Borrower shall pay such Fronting Bank or such Lender directly the amount shown as due on any such certificate within 10 days after its receipt of the same. The failure of any entity to provide such notice or to make demand for payment under this Section shall not constitute a waiver of such entity's rights hereunder; *provided* that such entity shall not be entitled to demand payment pursuant to subsections (a) through (d) above in respect of any loss, cost, expense, reduction or reserve, if such demand is made more than one year following the later of such entity's incurrence or sufferance thereof or such entity's actual knowledge of the event giving rise to such entity's rights pursuant to such subsections. Each Fronting Bank and each Lender shall use reasonable efforts to ensure the accuracy and validity of any claim made by it hereunder, but the foregoing shall not obligate any such entity to assert any possible invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition that shall have occurred or been imposed.

(f) ***Change in Legality***. Notwithstanding any other provision herein, if the adoption of or any change in any law or regulation or in the interpretation or administration thereof by any governmental authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any Eurodollar Rate Advance or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Rate Advance, then, by written notice to the Borrower and the Administrative Agent, such Lender may:

(i) declare that Eurodollar Rate Advances will not thereafter be made by such Lender hereunder, whereupon the right of the Borrower to select Eurodollar Rate Advances for any Borrowing or conversion shall be forthwith suspended until such Lender shall withdraw such notice as provided herein below or shall cease to be a Lender hereunder pursuant to Section 10.07(g); and

(ii) require that all outstanding Eurodollar Rate Advances be converted to Base Rate Advances, in which event all Eurodollar Rate Advances shall be automatically converted to Base Rate Advances as of the effective date of such notice as provided herein below.

Upon receipt of any such notice, the Administrative Agent shall promptly notify the other Lenders. Promptly upon becoming aware that the circumstances that caused such Lender to deliver such notice no longer exist, such Lender shall deliver notice thereof to the Borrower and the Administrative Agent withdrawing such prior notice (but the failure to do so shall impose no liability upon such Lender). Promptly upon receipt of such withdrawing notice from such Lender (or upon such Lender assigning all of its Commitment, Advances, participation and other rights and obligations under the Loan Documents in accordance with Section 10.07(g)), the Administrative Agent shall deliver notice thereof to the Borrower and the Lenders and such suspension shall terminate. Prior to any Lender giving notice to the Borrower under this subsection (f), such Lender shall use reasonable efforts to change the jurisdiction of its Applicable Lending Office, if such change would avoid such unlawfulness and would not, in the sole determination of such Lender,be otherwise disadvantageous to such Lender. Any notice to the Borrower by any Lender shall be effective as to each Eurodollar Rate Advance on the last day

of the Interest Period currently applicable to such Eurodollar Rate Advance; *provided* that if such notice shall state that the maintenance of such Advance until such last day would be unlawful, such notice shall be effective on the date of receipt by the Borrower and the Administrative Agent.

(g) ***Market Rate Disruptions***. If (i) at any time the Eurodollar Rate is to be determined pursuant to the second sentence of the definition thereof fewer than two Reference Banks furnish timely information to the Administrative Agent for determining the Eurodollar Rate for Eurodollar Rate Advances in connection with any proposed Borrowing or (ii) the Majority Lenders shall notify the Administrative Agent that the Eurodollar Rate will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances, the right of the Borrower to select or receive Eurodollar Rate Advances for any Borrowing shall be forthwith suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and until such notification from the Administrative Agent, each requested Borrowing of Eurodollar Rate Advances hereunder shall be deemed to be a request for Base Rate Advances.

(h) ***Rights of Participants***. Any participant in a Lender's interests hereunder may assert any claim for yield protection under Section 4.03 that it could have asserted if it were a Lender hereunder. If such a claim is asserted by any such participant, it shall be entitled to receive such compensation from the Borrower as a Lender would receive in like circumstances; *provided, however*, that with respect to any such claim, the Borrower shall have no greater liability to the Lender and its participant, in the aggregate, than it would have had to the Lender alone had no such participation interest been created.

SECTION 4.04.
Sharing of Payments, Etc.

(a)

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of banker's lien, set−off or counterclaim, or otherwise, but excluding any proceeds received by assignments or sales of participation in accordance with Section 10.07 to a Person that is not an Affiliate of the Borrower) on account of the Advances and LC Outstandings owing to it (other than pursuant to Section 4.03) in excess of its ratable share of payments on account of the Advances and LC Outstandings obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participation in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set−off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. Notwithstanding the foregoing, if any Lender

shall obtain any such excess payment involuntarily, such Lender may, in lieu of purchasing participation from the other Lenders in accordance with this Section, on the date of receipt of such excess payment, return such excess payment to the Administrative Agent for distribution in accordance with Section 4.01(a).

(b) If and for so long as any Lender shall fail to make any payment required to be made by it pursuant to Section 2.02(k), Section 3.03(a) or Section 9.05 then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent and the Fronting Banks to satisfy such Lender's obligations to it or them under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section in any order as determined by the Administrative Agent in its discretion.

SECTION 4.05. Taxes.

(a) All payments by or on behalf of the Borrower under any Loan Document shall be made in accordance with Section 4.01, free and clear of and without deduction for all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, *excluding*, in the case of each Lender, each Fronting Bank and the Administrative Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender, such Fronting Bank or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non−excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "***Taxes***"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable under any Loan Document to any Lender, any Fronting Bank or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) such Lender, such Fronting Bank or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made by the Borrower under any Loan Document or from the execution, delivery or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "***Other Taxes***").

(c) The Borrower hereby indemnifies each Lender, each Fronting Bank and the Administrative Agent for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes and any Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by such Lender, such Fronting Bank or the Administrative Agent (as the

case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. A claim for such indemnification shall be set forth in a certificate of such Lender, such Fronting Bank or the Administrative Agent (as the case may be) setting forth in reasonable detail the amount necessary to indemnify such Person pursuant to this subsection (c) and shall be submitted to such Borrower and the Administrative Agent and shall be conclusive and binding for all purposes, absent manifest error. The Borrower shall pay such Lender, such Fronting Bank or the Administrative Agent (as the case may be) directly the amount shown as due on any such certificate within 30 days after the receipt of same. If any Taxes or Other Taxes for which a Lender, such Fronting Bank or the Administrative Agent has received payments from the Borrower hereunder shall be finally determined to have been incorrectly or illegally asserted and are refunded to such Lender, such Fronting Bank or the Administrative Agent, such Lender, such Fronting Bank or the Administrative Agent, as the case may be, shall promptly forward to the Borrower any such refunded amount. The Borrower's, the Administrative Agent's, each Fronting Bank's and each Lender's obligations under this Section shall survive the payment in full of the Outstanding Credits.

(d) Within 30 days after the date of any payment of Taxes, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 10.02, the original or a certified copy of a receipt evidencing payment thereof.

(e) Each Lender that is not incorporated under the laws of the United States of America or any state thereof shall, on or prior to the date it becomes a Lender hereunder, deliver to the Borrower and the Administrative Agent such certificates, documents or other evidence, as required by the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), or treasury regulations issued pursuant thereto, including Internal Revenue Service Form W−8BEN or Form W−8ECI and any other certificate or statement of exemption required by Treasury Regulation Section 1.1441−1(a) or Section 1.1441−6(c) or any subsequent version thereof, properly completed and duly executed by such Lender establishing that it is (i) not subject to withholding under the Code or (ii) totally exempt from United States of America tax under a provision of an applicable tax treaty. Each Lender shall promptly notify the Borrower and the Administrative Agent of any change in its Applicable Lending Office and shall deliver to the Borrower and the Administrative Agent together with such notice such certificates, documents or other evidence referred to in the immediately preceding sentence. Each Lender will use good faith efforts to apprise the Borrower and the Administrative Agent as promptly as practicable of any impending change in its tax status that would give rise to any obligation by the Borrower to pay any additional amounts pursuant to this Section. Unless the Borrower and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments under the Loan Documents are not subject to United States of America withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Borrower or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments to or for any Lender organized under the laws of a jurisdiction outside the United States of America. Each Lender represents and warrants that each such form supplied by it to the Administrative Agent and the Borrower pursuant to this Section, and not superseded by another form supplied by it, is or will be, as the case may be, complete and accurate.

(f) Any Lender claiming any additional amounts payable pursuant to this Section shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by the Borrower or to change the jurisdiction of its Applicable Lending Office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts that may thereafter accrue and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender.

ARTICLE V
CONDITIONS PRECEDENT

SECTION 5.01.
Conditions Precedent to Effectiveness.

The obligations of the Fronting Banks and the Lenders to make Extensions of Credit hereunder shall not become effective unless on and as of the date hereof (the "***Closing Date***") each of the following conditions is satisfied:

(a) The Administrative Agent shall have received on or before the Closing Date the following, each dated the Closing Date, in form and substance satisfactory to the Administrative Agent and in sufficient copies for each Fronting Bank and each Bank:

(i) Counterparts of this Agreement, duly executed by the Borrower, the Administrative Agent, each Fronting Bank and each Bank.

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying:

(A) the names and true signatures of the officers of the Borrower authorized to sign the Loan Documents;

(B) that attached thereto are true and correct copies of: (1) the Declaration of Trust of the Borrower, together with all amendments thereto, as in effect on such date; (2) the resolutions of the Borrower's board of trustees approving the execution, delivery and performance by the Borrower of the Loan Documents; (3) all documents evidencing other necessary organizational or other similar action, if any, with respect to the execution, delivery and performance of the Loan Documents by the Borrower; and (4) true and correct copies of all Governmental Approvals referred to in clause (i) of the definition of "Governmental Approval" required to be obtained by the Borrower in connection with the execution, delivery and performance by the Borrower of the Loan Documents; and

(C) that the resolutions referred to in clause (B)(2) above have not been modified, revoked or rescinded and are in full force and effect on such date.

(iii) A certificate signed by the Treasurer or Assistant Treasurer of the Borrower, certifying as to:

(A) the delivery to each Fronting Bank and each of the Banks, prior to the Closing Date, of true, correct and complete copies (other than exhibits thereto) of all of the Disclosure Documents; and

(B) the absence of any material adverse change in the business, condition (financial or otherwise), operations, properties or prospects of the Borrower or the Borrower and its Principal Subsidiaries, taken as a whole, since December 31, 2009, except as disclosed in the Disclosure Documents.

(iv) A certificate of a duly authorized officer of the Borrower stating that (i) the representations and warranties of the Borrower contained in Section 6.01 are correct, in all material respects, on and as of the Closing Date before and after giving effect to any Extensions of Credit to be made on such date and the application of the proceeds thereof, and (ii) no event has occurred and is continuing that constitutes an Event of Default or Unmatured Default, or would result from such initial Extensions of Credit or the application of the proceeds thereof.

(v) Such financial, business and other information regarding the Borrower and its Principal Subsidiaries, as any Fronting Bank or any Bank shall have reasonably requested.

(vi) Favorable opinions of:

(A) Jeffrey C. Miller, Assistant General Counsel of NUSCO, in substantially the form of Exhibit 5.01A hereto, and of such other counsel as relied upon therein; and as to such other matters any Fronting Bank or any Bank may reasonably request; and

(B) King & Spalding LLP, special New York counsel to the Administrative Agent, in substantially the form of Exhibit 5.01B hereto and as to such other matters as any Fronting Bank or any Bank may reasonably request.

(b) The Administrative Agent shall have received evidence satisfactory to it of the termination of the commitments under the Existing Credit Agreement and the payment of all obligations owing thereunder (except for any obligations that, by their terms, survive the termination of such commitments).

(c) All fees and other amounts payable pursuant to Section 2.03 or pursuant to the Fee Letters shall have been paid (to the extent then due and payable).

(d) The Administrative Agent shall have received such other approvals, opinions and documents as any Fronting Bank or the Majority Lenders, through the Administrative Agent, shall have reasonably requested as to the legality, validity, binding effect or enforceability of this Agreement or the financial condition, operations, properties or prospects of the Borrower and its Principal Subsidiaries.

SECTION 5.02.
Conditions Precedent to All Extensions of Credit.

The obligation of each Fronting Bank and each Lender to make any Extension of Credit, including the initial Extension of Credit, shall be subject to the conditions precedent that, on the date of such Extension of Credit and after giving effect thereto:

(a) the following statements shall be true (and each of the giving of the applicable Notice of Borrowing or Letter of Credit Request with respect to such Extension of Credit and the acceptance of the proceeds of such Extension of Credit by the Borrower or the acceptance of a

Letter of Credit by the Beneficiary thereof, as the case may be, shall constitute a representation and warranty by the Borrower that on the date of such Extension of Credit such statements are true):

(i) the representations and warranties of the Borrower contained in Section 6.01 of this Agreement (other than those set forth in Section 6.01(g) and the last sentence of Section 6.01(f)) are correct, in all material respects, on and as of the date of such Extension of Credit, before and after giving effect to such Extension of Credit and to the application of the proceeds therefrom, as though made on and as of such date;

(ii) no Event of Default or Unmatured Default has occurred and is continuing on or as of the date of such Extension of Credit or would result from such Extension of Credit or from the application of the proceeds thereof;

(iii) the making of such Extension of Credit, when aggregated with all other Outstanding Credits, would not cause the aggregate amount of Outstanding Credits to exceed the Total Commitment; and

(iv) if such Extension of Credit is the issuance of a Letter of Credit, the Stated Amount thereof, when aggregated with (A) the Stated Amount of each other Letter of Credit that is outstanding or with respect to which a Letter of Credit Request has been received and (B) the outstanding Reimbursement Obligations, would not exceed the L/C Commitment Amount; and

(b) the Borrower shall have furnished to the Administrative Agent such other approvals, opinions or documents as any Fronting Bank or any Lender may reasonably request through the Administrative Agent as to the legality, validity, binding effect or enforceability of any Loan Document.

SECTION 5.03.
Reliance on Certificates.

Each Fronting Bank, each Lender and the Administrative Agent shall be entitled to rely conclusively upon the certificates delivered from time to time by officers of the Borrower as to the names, incumbency, authority and signatures of the respective persons named therein until such time as the Administrative Agent may receive a replacement certificate, in form acceptable to the Administrative Agent, from an officer of the Borrower identified to the Administrative Agent as having authority to deliver such certificate, setting forth the names and true signatures of the officers and other representatives of the Borrower thereafter authorized to act on behalf of the Borrower and, in all cases, such Fronting Bank, the Lenders and the Administrative Agent may rely on the information set forth in any such certificate.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

SECTION 6.01.
Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows:

The Borrower is a voluntary association organized under a Declaration of Trust, and each of its Principal Subsidiaries is a corporation, in each case duly organized, validly

existing and in good standing under the laws of the jurisdiction of its organization, has the requisite corporate power (or in the case of the Borrower, power under its Declaration of Trust) and authority to own its property and assets and to carry on its business as now conducted and is qualified to do business in every jurisdiction where, because of the nature of its business or property, such qualification is required, except where the failure so to qualify would not have a material adverse effect on the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries taken as a whole. The Borrower has the requisite power to execute, deliver and perform its obligations under the Loan Documents and to borrow hereunder.

(b)
The execution, delivery and performance of the Loan Documents by the Borrower are within the Borrower's powers under its Declaration or Trust, have been duly authorized by all necessary action under its Declaration of Trust and applicable law, and do not and will not contravene (i) the Borrower's Declaration of Trust or any law or legal restriction or (ii) any contractual restriction binding on or affecting the Borrower or its properties or its Principal Subsidiaries or their respective properties.

(c)
Except as disclosed in the Disclosure Documents, neither the Borrower nor any of its Principal Subsidiaries is in violation of any law or in default with respect to any judgment, writ, injunction, decree, rule or regulation (including any of the foregoing relating to environmental laws and regulations) of any court or governmental agency or instrumentality where such violation or default would reasonably be expected to have a material adverse effect on the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole.

(d)
All Governmental Approvals referred to in clause (i) of the definition of "Governmental Approval" have been duly obtained or made and are in full force and effect, and all applicable periods of time for review, rehearing or appeal with respect thereto have expired. The Borrower and each Subsidiary thereof has obtained or made all Governmental Approvals referred to in clause (ii) of the definition of "Governmental Approval", except (A) those that are not yet required but that are obtainable in the ordinary course of business as and when required, (B) those the absence of which would not materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole, and (C) those that the Borrower or any such Subsidiary, as the case may be, is diligently attempting in good faith to obtain, renew or extend, or the requirement for which the Borrower or any such Subsidiary, as the case may be, is contesting in good faith by appropriate proceedings or by other appropriate means, in each case described in clause (C) above, except as is disclosed in the Disclosure Documents, such attempt or contest, and any delay resulting therefrom, is not reasonably expected to have a material adverse effect on the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole, or to magnify to any significant degree any such material adverse effect that would reasonably be expected to result from the absence of such Governmental Approval.

(e)
The Loan Documents are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms; subject to the qualification, however, that the enforcement of the rights and remedies herein and therein is

subject to bankruptcy and other similar laws of general application affecting rights and remedies of creditors and the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(f) The Financial Statements, copies of which have been provided to the Administrative Agent, each Fronting Bank and each Bank, fairly present in all material respects the consolidated financial condition and results of operations of the Borrower and each of its Principal Subsidiaries at and for the period ended on the dates thereof, and have been prepared in accordance with generally accepted accounting principles consistently applied. Since December 31, 2009, there has been no material adverse change in the consolidated financial condition, operations, properties or prospects of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole, except as disclosed in the Disclosure Documents.

(g) There is no pending or known threatened litigation, investigation, action or proceeding (including, without limitation, any action or proceeding relating to any environmental protection laws or regulations) affecting the Borrower, any Principal Subsidiary thereof or any of their respective properties, before any court, governmental agency or arbitrator (i) that affects or purports to affect the legality, validity or enforceability of any Loan Document or (ii) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, would materially adversely affect the financial condition, properties, prospects or results of operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole, except, for purposes of this clause (ii) only, such as is described in the Disclosure Documents or in Schedule II hereto.

(h) No ERISA Plan Termination Event has occurred nor is reasonably expected to occur with respect to any ERISA Plan or any ERISA Multiemployer Plan that would materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole, except as disclosed to the Lenders and consented to by the Majority Lenders in writing. Since the date of the most recent Schedule B (Actuarial Information) to the annual report of each such ERISA Plan (Form 5500 Series), (i) there has been no material adverse change in the funding status of the ERISA Plans referred to therein, and (ii) no "prohibited transaction" (as defined in Section 4975 of the Internal Revenue Code of 1986, as amended, and in ERISA) has occurred with respect thereto that, singly or in the aggregate with all other "prohibited transactions" and, in the case of each of clauses (i) and (ii) hereof, after giving effect to all likely consequences thereof, would be reasonably expected to have a material adverse effect on the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole. Neither the Borrower nor any of its ERISA Affiliates has incurred nor reasonably expects to incur any material withdrawal liability under ERISA to any ERISA Multiemployer Plan, except as disclosed to and consented by the Majority Lenders in writing.

(i) The Borrower and each Principal Subsidiary thereof has good and marketable title (or, in the case of personal property, valid title) or valid leasehold interests in its assets, except for (i) minor defects in title that do not materially interfere with the ability of the Borrower or such Principal Subsidiary to conduct its business as now conducted and (ii) other defects that, either individually or in the aggregate, do not materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal

Subsidiaries, taken as a whole. All such assets and properties are free and clear of any Lien, other than Liens permitted under Section 7.02(a). No Liens exist on the stock of CL&P, WMECO, PSNH or Yankee.

(j)
All outstanding shares of capital stock having ordinary voting power for the election of directors of each Principal Subsidiary have been validly issued and are fully paid and nonassessable and are owned beneficially by NU, free and clear of any Lien.

(k)
The Borrower and each of its Principal Subsidiaries has filed all tax returns (Federal, state and local) required to be filed and paid taxes shown thereon to be due, including interest and penalties, or, to the extent the Borrower or such Principal Subsidiary is contesting in good faith an assertion of liability based on such returns, has provided adequate reserves in accordance with generally accepted accounting principles for payment thereof.

(l)
No exhibit, schedule, report or other written information provided by or on behalf of the Borrower or its agents to the Administrative Agent, any Fronting Bank or the Banks in connection with the negotiation, execution and closing of the Loan Documents (including, without limitation, the Financial Statements and the Information Memorandum (but excluding the projections contained in the Information Memorandum)) knowingly contained when made any material misstatement of fact or knowingly omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made. Except as has been disclosed to the Administrative Agent, each Fronting Bank and each Bank, the projections delivered concurrently with the Information Memorandum were prepared in good faith on the basis of assumptions reasonable as of the date of the Information Memorandum, it being understood that such projections do not constitute a warranty or binding assurance of future performance. As of the date of this Agreement, except as has been disclosed to the Administrative Agent, each Fronting Bank and each Bank, nothing has come to the attention of the responsible officers of the Borrower that would indicate that any of such assumptions, to the extent material to such projections, has ceased to be reasonable in light of subsequent developments or events.

(m)
All proceeds of the Advances shall be used (i) for the general corporate purposes of the Borrower, including to provide liquidity support for the Borrower's commercial paper, and (ii) to provide liquidity to the NU System Money Pool. The Letters of Credit shall be used for the general corporate purposes of the Borrower and its Subsidiaries. No proceeds of any Advance will be used in violation of, or in any manner that would result in a violation by any party hereto of, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System or any successor regulations. Neither the Borrower nor any Subsidiary thereof (A) is an "investment company" within the meaning ascribed to that term in the Investment Company Act of 1940 and (B) is engaged in the business of extending credit for the purpose of buying or carrying margin stock.

(n)
The Borrower and each Principal Subsidiary thereof has obtained the insurance specified in Section 7.01(c) and the same is in full force and effect.

(o)
(i) The assets, at a fair valuation, of the Borrower exceed its debts; (ii) the Borrower has not incurred and does not intend to incur, and does not believe that it will incur,

debts beyond its ability to pay such debts as such debts mature; and (iii) the Borrower will have sufficient capital with which to conduct its business. As used in this paragraph, "***debt***" means any liability on a claim, and "***claim***" means (A) any right to payment from such person, whether or not such a right is reduced to judgment against such person, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (B) any right to an equitable remedy for breach of performance by such person if such breach gives rise to a payment from such person, whether or not such right to an equitable remedy is reduced to judgment against such person, whether fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The amount of unliquidated, contingent, unmatured or disputed liabilities of any person at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

ARTICLE VII
COVENANTS

SECTION 7.01.
Affirmative Covenants.

On and after the date hereof, so long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower shall, unless the Majority Lenders shall otherwise consent in writing:

(a) ***Use of Proceeds***. Apply the proceeds of each Advance, and use, and cause its Subsidiaries to use, the Letters of Credit, solely as specified in Section 6.01(m).

(b) ***Payment of Taxes, Etc.*** Pay and discharge, and cause each of its Principal Subsidiaries to pay and discharge, before the same shall become delinquent, all taxes, assessments and governmental charges, royalties or levies imposed upon it or upon its property except to the extent the Borrower or such Principal Subsidiary is contesting the same in good faith by appropriate proceedings and has set aside adequate reserves in accordance with generally accepted accounting principles for the payment thereof.

(c) ***Maintenance of Insurance***. Maintain or cause to be maintained, and cause each of its Principal Subsidiaries to maintain or cause to be maintained, insurance (including appropriate plans of self−insurance) covering the Borrower, the Principal Subsidiaries and their respective properties, in effect at all times in such amounts and covering such risks as may be required by law and, in addition, as is usually carried by companies engaged in similar businesses and owning similar properties as the Borrower and such Principal Subsidiaries.

(d) ***Preservation of Existence, Etc.*** Except as permitted by Section 7.02(b), preserve and maintain, and cause each of its Principal Subsidiaries to preserve and maintain, its existence, corporate or otherwise, material rights (statutory and otherwise) and franchises except where the failure to maintain and preserve such rights and franchises would not materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole.

(e) ***Compliance with Laws, Etc.*** Comply, and cause each of its Principal Subsidiaries to comply, in all material respects with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, including, without limitation, any such laws, rules,

regulations and orders issued by the Securities and Exchange Commission or relating to zoning, environmental protection, use and disposal of Hazardous Substances, land use, construction and building restrictions, ERISA and employee safety and health matters relating to business operations, except to the extent (i) that the Borrower or any such Principal Subsidiary is contesting the same in good faith by appropriate proceedings or (ii) that any such non−compliance, and the enforcement or correction thereof, would not materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole.

(f) ***Inspection Rights***. At any time and from time to time upon reasonable notice, permit, and cause each of its Principal Subsidiaries to permit, the Administrative Agent and its agents and representatives to examine and make copies of and abstracts from the records and books of account of, and the properties of, the Borrower and each Principal Subsidiary and to discuss the affairs, finances and accounts of the Borrower and each Principal Subsidiary (i) with the Borrower, each Principal Subsidiary and their respective officers and directors and (ii) with the consent of the Borrower and/or its Principal Subsidiaries, as the case may be (which consent shall not be unreasonably withheld or delayed), with the accountants of the Borrower or any such Principal Subsidiary.

(g) ***Keeping of Books***. Keep, and cause each Principal Subsidiary to keep, proper records and books of account, in which full and correct entries shall be made of all financial transactions of the Borrower and each Principal Subsidiary and the assets and business of the Borrower and each Principal Subsidiary, in accordance with generally accepted accounting practices consistently applied.

(h) ***Conduct of Business***. Except as permitted by Section 7.02(b), conduct, and cause each Principal Subsidiary to conduct, its primary business in substantially the same manner and in substantially the same fields as such business is conducted on the date hereof.

(i) ***Maintenance of Properties, Etc***. As to properties of the type described in Section 6.01(i), maintain, and cause each Principal Subsidiary to maintain, title of the quality described therein and preserve, maintain, develop, and operate, and cause each Principal Subsidiary to preserve, maintain, develop and operate, in substantial conformity with all laws, material contractual obligations and prudent practices prevailing in the industry, all of its properties that are used or useful in the conduct of its businesses in good working order and condition, ordinary wear and tear excepted, *except* (A) as permitted by Section 7.02(b), (B) as disclosed in the Disclosure Documents or otherwise in writing to the Administrative Agent, each Fronting Bank and the Lenders on or prior to the date hereof, and (C) to the extent such non−conformity would not materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole; *provided, however*, that neither the Borrower nor any Principal Subsidiary will be prevented from discontinuing the operation and maintenance of any such properties if such discontinuance is, in the judgment of the Borrower or such Principal Subsidiary, desirable in the operation or maintenance of its business and would not materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole.

(j) ***Governmental Approvals***. Duly obtain, and cause each Principal Subsidiary to duly obtain, on or prior to such date as the same may become legally required, and thereafter maintain, and cause each Principal Subsidiary to maintain, in effect at all times, all Governmental Approvals on its part to be obtained, except in the case of those Governmental Approvals referred to in clause (ii) of the definition of "Governmental Approval", (i) those the absence of which would not materially adversely affect the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole, and (ii) those that the Borrower or such Principal Subsidiary is diligently attempting in good faith to obtain, renew or extend, or the requirement for which the Borrower or such Principal Subsidiary is contesting in good faith by appropriate proceedings or by other appropriate means; provided, however, that the exception afforded by clause (ii), above, shall be available only if and for so long as such attempt or contest, and any delay resulting therefrom, does not have a material adverse effect on the financial condition, properties, prospects or operations of the Borrower or of the Borrower and its Principal Subsidiaries, taken as a whole, and does not magnify to any significant degree any such material adverse effect that would reasonably be expected to result from the absence of such Governmental Approval.

(k) ***Further Assurances***. Promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that any Lender or any Fronting Bank through the Administrative Agent may reasonably request in order to fully give effect to the interests and properties purported to be covered by the Loan Documents.

SECTION 7.02.
Negative Covenants.

On and after the date hereof, and so long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower shall not, or permit any Principal Subsidiary to, without the written consent of the Majority Lenders:

(a) ***Liens, Etc***. Create incur, assume or suffer to exist any Lien upon any of its properties or assets (including the stock of its Subsidiaries), whether now owned or hereafter acquired, except:

(i) any Liens existing on the date hereof;

(ii) Liens created by the First Mortgage Indentures, so long as by the terms thereof no "event of default" (howsoever designated) in respect of any bonds issued thereunder will arise upon the occurrence of an Unmatured Default or Event of Default hereunder;

(iii) with respect to any Principal Subsidiary, "Permitted Liens" or "Permitted Encumbrances" under the First Mortgage Indenture to which such Principal Subsidiary is a party, in each case to the extent such Liens do not secure Debt of such Principal Subsidiary;

(iv) any purchase money Lien or construction mortgage on assets hereafter acquired or constructed by the Borrower or any Principal Subsidiary and any Lien on any assets existing at the time of acquisition thereof by the Borrower or such Principal Subsidiary or created within 180 days from the date of completion of such acquisition or construction; *provided* that, such Lien shall at all times be confined solely to the assets so acquired or constructed and any additions thereto;

(v)
any existing Liens on assets now owned by the Borrower or any Principal Subsidiary and Liens existing on assets of a corporation or other going concern when it is merged into or with the Borrower or such Principal Subsidiary or when substantially all of its assets are acquired by the Borrower or such Principal Subsidiary; *provided* that such Liens shall at all times be confined solely to such assets, or if such assets constitute a utility system, additions to or substitutions for such assets;

(vi)
Liens resulting from legal proceedings being contested in good faith by appropriate legal or administrative proceedings by the Borrower or any Principal Subsidiary, and as to which the Borrower or such Principal Subsidiary, to the extent required by generally accepted accounting principles applied on a consistent basis, shall have set aside on its books adequate reserves;

(vii)
Liens created in favor of the other contracting party in connection with advance or progress payments;

(viii)
any Liens in favor of any state of the United States or any political subdivision of any such state, or any agency of any such state or political subdivisions, or trustee acting on behalf of holders of obligations issued by any of the foregoing or any financial institutions lending to or purchasing obligations of any of the foregoing, which Lien is created or assumed for the purpose of financing all or part of the cost of acquiring or constructing the property subject thereto;

(ix)
Liens resulting from conditional sale agreements, capital leases or other title retention agreements;

(x)
with respect to pollution control bond financings, Liens on funds, accounts and other similar intangibles of the Borrower or any Principal Subsidiary created or arising under the relevant indenture, pledges of the related loan agreement with the relevant issuing authority and pledges of the Borrower's or such Principal Subsidiary's interest, if any, in any bonds issued pursuant to such financings to a letter of credit bank or bond issuer or similar credit enhancer;

(xi)
Liens granted on accounts receivable and Regulatory Assets in connection with financing transactions, whether denominated as sales or borrowings;

(xii)
Liens on the assets of, the stock issued by or other equity of, any Subsidiary of the Borrower created to hold generating or transmission assets if such Liens are created to secure Debt that is nonrecourse to the Borrower and is incurred to acquire, construct or otherwise develop such generating or transmission assets;

(xiii)
Liens created to secure Debt of a transmission company Subsidiary of the Borrower with respect to assets transferred to such transmission company by another Subsidiary of the Borrower;

(xiv)
any other Liens incurred in the ordinary course of business otherwise than to secure Debt;

(xv)
any extension, renewal or replacement of Liens permitted by clauses (i), (iii) through (v) and (vii) through (xiii); *provided, however*, that the principal amount of Debt secured thereby shall not, at the time of such extension, renewal or replacement, exceed the principal amount of Debt so secured and that such extension, renewal or replacement shall be limited to all or a part of the property that secured the Lien so extended, renewed or replaced or to other property of no greater value than the property that secured the Lien so extended, renewed or replaced; and

(xvi)
Liens created under any Loan Document.

(b)
Mergers, Sales of Assets, Etc. Merge with or into or consolidate with or into, any Person, or sell, transfer, convey, lease or otherwise dispose of all or any substantial part of its assets or the capital stock of any Principal Subsidiary; except for the following, and then only after receipt of all necessary corporate and governmental or regulatory approvals and *provided* that, before and after giving effect to any such merger, consolidation, sale, transfer, conveyance, lease or other disposition, no Event of Default or Unmatured Default shall have occurred and be continuing:

(i)
Subsidiaries of NU may merge with or consolidate into (x) wholly−owned Subsidiaries of NU so long as, in any such case, the wholly−owned Subsidiary is the survivor and (y) NU so long as NU is the survivor;

(ii)
NU or any Principal Subsidiary of NU may merge with or consolidate into a Person that is not an Affiliate of NU so long as (1) NU or such Principal Subsidiary is the survivor of such merger or consolidation, (2) NU demonstrates pro forma compliance with the financial covenants set forth in Section 7.03, and (3) NU's indicative senior unsecured non−credit enhanced long−term debt ratings from SPand Moody's in contemplation of such merger or consolidation, and NU's actual senior unsecured non−credit enhanced long−term debt ratings from SPand Moody's following any such merger or consolidation, remain at or above the levels established immediately prior to the merger or consolidation;

(iii)
any Principal Subsidiary may sell, lease, transfer or otherwise dispose of transmission assets (1) to another Subsidiary of NU on such basis as permitted by the appropriate regulatory authorities or (2) to any Person on such basis as required by the appropriate regulatory authorities;

(iv)
NU or any Principal Subsidiary may sell, lease, transfer, convey or otherwise dispose of assets or security to any Principal Subsidiary or to NU; and

(v)
the Borrower or any Principal Subsidiary may sell its assets in the ordinary course of business on customary terms and conditions, including any sale of accounts receivable on reasonable commercial terms (including a commercially reasonable discount) to obtain funding for any Principal Subsidiary.

For purposes of this subsection (b), any sale of assets by the Borrower or any Principal Subsidiary (in one or a series of transactions) will be deemed to be a "substantial part" of its assets if (i) the book value of such assets exceeds 15% of the total book value of the assets (net of Regulatory Assets) of such Person, as reflected in the most recent financial statements of the

Borrower or such Principal Subsidiary delivered to the Administrative Agent pursuant to Section 7.04 (or, if no such financial statements have been delivered to the Administrative Agent as of the relevant date of determination, the Financial Statements of such Person), or (ii) the gross revenue associated with such assets accounts for more than 15% of the total gross revenue of the Borrower or such Principal Subsidiary for the four proceeding fiscal quarters, as reflected in the most recent financial statements of the Borrower or such Principal Subsidiary delivered to the Administrative Agent pursuant to Section 7.04 (or, if no such financial statements have been delivered to the Administrative Agent as of the relevant date of determination, the Financial Statements of such Person). Notwithstanding anything to the contrary in this Section 7.02(b), the Borrower agrees that it will not, and will not cause or permit any of its Principal Subsidiaries to, except in accordance with one or more restructuring plans approved by the appropriate regulatory authorities, sell, transfer or otherwise dispose of (by lease or otherwise, and whether in one or a series of related transactions), except to NU or a Principal Subsidiary, any portion of its generation, transmission or distribution assets in excess of 15% of the net utility plant assets of the Borrower and its Principal Subsidiaries, taken as a whole, in each case as determined on a cumulative basis from the date of this Agreement through the Termination Date by reference to the published balance sheets of the Borrower and its Principal Subsidiaries.

(c) ***Compliance with ERISA***. (i) Terminate, or permit any of its ERISA Affiliates to terminate, any ERISA Plan so as to result in any liability of the Borrower or any Principal Subsidiary to the PBGC in an amount greater than $1,000,000, or (ii) permit to exist any occurrence of any Reportable Event (as defined in Title IV of ERISA) which, alone or together with any other Reportable Event with respect to the same or another ERISA Plan, has a reasonable possibility of resulting in liability of the Borrower or any Principal Subsidiary to the PBGC in an aggregate amount exceeding $1,000,000, or any other event or condition that presents a material risk of such a termination by the PBGC of any ERISA Plan or has a reasonable possibility of resulting in a liability of the Borrower or any Principal Subsidiary to the PBGC or an ERISA Multiemployer Plan in an aggregate amount exceeding $1,000,000

(d) ***Transactions with Affiliates***. Engage in any transaction with any Affiliate except in accordance with the Federal Power Act and the rules of the FERC or state utility commissions, in each case, to the extent applicable thereto and (iii) on terms no less favorable to the Borrower or the Principal Subsidiary party thereto than if the transaction had been negotiated in good faith on an arms−length basis with a non−Affiliate and on commercially reasonable terms or pursuant to a binding agreement in effect on the date hereof.

(e) ***Interests in Nuclear Plants***. Acquire any nuclear plant or any interest therein not held on the date hereof, other than so called “power entitlements” acquired for use in the ordinary course of business.

(f) ***Financing Agreements.*** With respect to the Borrower only, permit any Principal Subsidiary to enter into any agreement, contract, indenture or similar obligation, or issue any security (all of the foregoing being referred to as “***Financing Agreements***”), that is not in effect on the date hereof, or amend or modify any existing Financing Agreement, if the effect of such Financing Agreement (or amendment or modification thereof) is to impose any additional restriction not in effect on the date hereof on the ability of such Principal Subsidiary to pay dividends to the Borrower; *provided*, that the foregoing shall not restrict the right of any

Subsidiary of the Borrower created to hold generating or transmission assets, to enter into any such Financing Agreement in connection with the incurrence of Debt that is nonrecourse to the Borrower and is incurred to acquire, construct or otherwise develop generating or transmission assets.

SECTION 7.03.
Financial Covenant.

So long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower shall, unless the Majority Lenders shall otherwise consent in writing, maintain a ratio of Consolidated Debt to Total Capitalization of no more than 0.65 to 1.00, as of the end of each Fiscal Quarter.

SECTION 7.04.
Reporting Obligations.

So long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower shall, unless the Majority Lenders shall otherwise consent in writing, furnish or cause to be furnished to the Administrative Agent in sufficient copies for each Lender, the following:

(a)
as soon as possible and in any event within ten days after the occurrence of each Event of Default or Unmatured Default continuing on the date of such statement, a statement of the Chief Financial Officer, Treasurer or Assistant Treasurer of the Borrower setting forth details of such Event of Default or Unmatured Default and the action that the Borrower proposes to take with respect thereto;

(b)
(1)
as soon as available, and in any event within fifty (50) days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower, a copy of the Borrower's and each of its Principal Subsidiary's Quarterly Reports on Form 10−Q (if such Principal Subsidiary is required to file such report with the U.S. Securities and Exchange Commission pursuant to Sections 13 or 15 of the U.S. Securities Exchange Act of 1934, as amended) submitted to the Securities and Exchange Commission with respect to such quarter, and, with respect to Yankee and any other Principal Subsidiary that is not required to, or ceases to be required to submit such report, consolidated balance sheets of Yankee and such other Principal Subsidiary, as of the end of such Fiscal Quarter and consolidated statements of income and retained earnings and of cash flows of such Person for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, all in reasonable detail and duly certified (subject to year−end audit adjustments) by the Chief Financial Officer, Treasurer, Assistant Treasurer or Comptroller of the Borrower as having been prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the Financial Statements; and

(ii)
concurrently with the delivery of the financial statements described in clause (i) above, a certificate of the Chief Financial Officer, Treasurer, Assistant Treasurer or Comptroller of the Borrower:

(A)
to the effect that such financial statements were prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the Financial Statements,

(B)
stating that no Event of Default or Unmatured Default has occurred and is continuing or, if an Event of Default or Unmatured Default has occurred and is

continuing, describing the nature thereof and the action that the Borrower proposes to take with respect thereto, and

(C) demonstrating the Borrower's compliance with the covenant set forth in Section 7.03, for and as of the end of such Fiscal Quarter, in each case such demonstration to be in form satisfactory to the Administrative Agent and to set forth in reasonable detail the computations used in determining such compliance;

(c) (2) as soon as available, and in any event within 105 days after the end of each Fiscal Year of the Borrower, a copy of the Borrower's and each of its Principal Subsidiary's Annual Reports on Form 10−K (if such Principal Subsidiary is required to file such report with the U.S. Securities and Exchange Commission pursuant to Sections 13 or 15 of the U.S. Securities Exchange Act of 1934, as amended) submitted to the Securities and Exchange Commission with respect to such Fiscal Year, and, with respect to Yankee and any other Principal Subsidiary that is not required to, or ceases to be required to submit such report, a copy of the annual audit report for such year for Yankee and such other Principal Subsidiary, including therein consolidated balance sheets of such Person as of the end of such Fiscal Year and consolidated statements of income and retained earnings and of cash flows of such Person, for such Fiscal Year, all in reasonable detail and certified by a nationally−recognized independent public accountant; and

(ii) concurrently with the delivery of the financial statements described in clause (i) above, a certificate of the Chief Financial Officer, Treasurer, Assistant Treasurer or Comptroller of the Borrower:

(A) to the effect that such financial statements were prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the Financial Statements, and

(B) stating that no Event of Default or Unmatured Default has occurred and is continuing, or if an Event of Default or Unmatured Default has occurred and is continuing, describing the nature thereof and the action that the Borrower proposes to take with respect thereto, and

(C) demonstrating the Borrower's compliance with the covenant set forth in Section 7.03, for and as of the end of such Fiscal Year, in each case such demonstration to be in form satisfactory to the Administrative Agent and to set forth in reasonable detail the computations used in determining such compliance;

(d) upon the reasonable request of the Administrative Agent, but not more than once per Fiscal Quarter, copies of any or all filings or registrations with, or notices or reports to, any regulatory authority by the Borrower or any Principal Subsidiary;

(e) as soon as possible and in any event (i) within 30 days after the Chief Financial Officer, Treasurer or any Assistant Treasurer of the Borrower knows or has reason to know that any ERISA Plan Termination Event described in clause (i) of the definition of "ERISA Plan Termination Event" with respect to any ERISA Plan or ERISA Multiemployer Plan has occurred and (ii) within 10 days after the Borrower knows or has reason to know that any other ERISA

Plan Termination Event with respect to any ERISA Plan or ERISA Multiemployer Plan has occurred, a statement of the Chief Financial Officer, Treasurer or Assistant Treasurer of the Borrower describing such ERISA Plan Termination Event and the action, if any, which the Borrower proposes to take with respect thereto;

(f) promptly after receipt thereof by the Borrower or any of its ERISA Affiliates from the PBGC, copies of each notice received by the Borrower or any such ERISA Affiliate of the PBGC's intention to terminate any ERISA Plan or ERISA Multiemployer Plan or to have a trustee appointed to administer any ERISA Plan or ERISA Multiemployer Plan;

(g) promptly after receipt thereof by the Borrower or any of its ERISA Affiliates from an ERISA Multiemployer Plan sponsor, a copy of each notice received by the Borrower or any of its ERISA Affiliates concerning the imposition or amount of withdrawal liability in an aggregate principal amount of at least $10,000,000 pursuant to Section 4202 of ERISA in respect of which the Borrower may be liable;

(h) promptly after the Borrower becomes aware of the commencement thereof, notice of all actions, suits, proceedings or other events of the type described in Section 6.01(g) (including, without limitation, any action or proceeding relating to any environmental protection laws or regulations);

(i) promptly after the filing thereof, copies of each prospectus (excluding any prospectus contained in any Form S−8), Current Report on Form 8−K that the Borrower or any Principal Subsidiary files with the Securities and Exchange Commission or any successor governmental authority; and

(j) promptly after requested, such other information respecting the financial condition, operations, properties or prospects of the Borrower or its Subsidiaries as the Administrative Agent, or the Majority Lenders or Fronting Banks through the Administrative Agent, may from time to time reasonably request in writing.

ARTICLE VIII
DEFAULTS

SECTION 8.01.
Events of Default.

The following events shall each constitute an "Event of Default":

(a) The Borrower shall fail to pay any principal of any Advance or any Reimbursement Obligation when due or shall fail to pay any interest on any Advance or fees or other amounts payable under the Loan Documents within two days after the same becomes due; or

(b) Any representation or warranty made by the Borrower (or any of its officers or agents) in any Loan Document, any certificate or other writing delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made; or

(c)
The Borrower shall fail to perform or observe any term or covenant on its part to be performed or observed contained in the last sentence of Section 2.02(a), Section 2.06, Section 4.02(c), Section 7.01(d), Section 7.02, Section 7.03 or Section 7.04(a); or

(d)
The Borrower shall fail to perform or observe any other term or covenant on its part to be performed or observed contained in any Loan Document and any such failure shall remain unremedied for a period of 30 days after the earlier of (i) written notice of such failure having been given to the Borrower by the Administrative Agent or (ii) the Borrower having obtained actual knowledge of such failure; or

(e)
The Borrower or any Principal Subsidiary shall fail to pay any of its Debt when due (including any interest or premium thereon but excluding Outstanding Credits and excluding other Debt aggregating in no event more than $50,000,000 in principal amount at any one time) whether by scheduled maturity, required prepayment, acceleration, demand or otherwise, and such failure shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to such Debt; or any other default under any agreement or instrument relating to any such Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment or as a result of the Borrower's or such Principal Subsidiary's exercise of a prepayment option) prior to the stated maturity thereof; or

(f)
The Borrower or any Principal Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make an assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Principal Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of a proceeding instituted against the Borrower or any Principal Subsidiary, the Borrower or such Principal Subsidiary shall consent thereto or such proceeding shall remain undismissed or unstayed for a period of 90 days or any of the actions sought in such proceeding (including without limitation the entry of an order for relief against the Borrower or such Principal Subsidiary or the appointment of a receiver, trustee, custodian or other similar official for the Borrower or such Principal Subsidiary or any of its property) shall occur; or the Borrower or any Principal Subsidiary shall take any corporate or other action to authorize any of the actions set forth above in this subsection (f); or

(g)
Any judgments or orders for the payment of money in excess of $50,000,000 (or aggregating more than $50,000,000 at any one time) shall be rendered against the Borrower or its properties or any Principal Subsidiary or its properties, and either (A) enforcement proceedings shall have been commenced by any creditor upon such judgment or order and shall not have been stayed or (B) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) Any material provision of any Loan Document shall at any time for any reason cease to be valid and binding on the Borrower, or shall be determined to be invalid or unenforceable by any court, governmental agency or authority having jurisdiction over the Borrower, or the Borrower shall deny that it has any further liability or obligation under any Loan Document; or

(i) A Change of Control shall have occurred; or

(j) The Borrower shall cease to own at least 85% of the outstanding common stock of any Principal Subsidiary, free and clear of all Liens except for Liens permitted by Section 7.02(a); or

(k) Any legal restriction that is not in existence on the date hereof shall materially adversely affect the ability of any Principal Subsidiary to pay dividends or make other distributions to the Borrower.

SECTION 8.02.
Remedies Upon Events of Default.

Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall at the request, or may with the consent, of the Lenders entitled to make such request, upon notice to the Borrower (i) declare the obligation of each Lender to make Advances to the Borrower, and the obligation of each Fronting Bank to issue Letters of Credit, to be terminated, whereupon such obligations of the Lenders and the Fronting Banks shall forthwith terminate, provided, that any such request or consent pursuant to this clause (i) shall be made solely by Lenders having Percentages in the aggregate of in excess of 50%, (ii) declare the Advances, all interest thereon and all other amounts payable by the Borrower under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon such Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, and (iii) demand the Borrower to, and forthwith upon such demand the Borrower will, deposit in the Cash Collateral Account in same day funds an amount equal to the aggregate LC Outstandings on such date, *provided*, that any demand pursuant to clause (ii) or clause (iii) shall be made solely by the Lenders holding in excess of 50% of the aggregate Outstanding Credits; *provided*, *however*, that if such Event of Default is an Event of Default pursuant to Section 8.01(f), then (A) the obligation of each Lender to make Advances to the Borrower, and the obligation of each Fronting Bank to issue Letters of Credit, shall automatically be terminated, (B) the Advances and all interest thereon and all other amounts payable by the Borrower under this Agreement and the other Loan Documents shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower, and (C) the Borrower shall automatically and without any demand by the Administrative Agent deposit funds in the Cash Collateral Account in the manner and amount described in clause (iii) above.

ARTICLE IX
THE ADMINISTRATIVE AGENT AND THE FRONTING BANKS

SECTION 9.01.
Authorization and Action.

Each Lender hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection thereof), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders; provided, however, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to the Loan Documents or applicable law. The Administrative Agent agrees to deliver promptly to each Lender notice of each notice given to it by the Borrower and each Fronting Bank pursuant to the terms of this Agreement.

SECTION 9.02.
Administrative Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with any Loan Document, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat each Lender party hereto as a "Lender" hereunder and for all purposes hereof until the Administrative Agent receives and accepts an Assignment and Assumption entered into by such Lender, as assignor, and an assignee, as provided in Section 10.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for the Information Memorandum or any other statements, warranties or representations made in or in connection with any Loan Document; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document on the part of the Borrower to be performed or observed, or to inspect any property (including the books and records) of the Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 9.03.
Union Bank, Barclays, Citibank, JPMorgan Chase and Affiliates.

With respect to its Commitment and the Advances made by it, each of Union Bank, Barclays, Citibank and JPMorgan Chase (and/or any other Lender then acting as "Fronting Bank") shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it were not the Administrative Agent or a Fronting Bank, as the case may be, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Union Bank, Barclays, Citibank and JPMorgan Chase (and/or any other Lender then acting as

"Fronting Bank") in its individual capacity. Union Bank, Barclays, Citibank, JPMorgan Chase (and/or any other Lender acting as "Fronting Bank") and their respective Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if Union Bank were not the Administrative Agent and none of Barclays, Citibank, JPMorgan Chase and Union Bank (and/or any other Lender then acting as "Fronting Bank") were a Fronting Bank and without any duty to account therefor to the Lenders.

SECTION 9.04.
Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any Fronting Bank or any other Lender and based on the Information Memorandum and the Financial Statements and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Fronting Bank or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 9.05.
Indemnification.

The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower), ratably according to their respective Commitments (or, if the Commitments have been terminated, ratably according to the respective principal amounts of Outstanding Credits held by them (provided, that if any Commitments or Outstanding Credits are held by the Borrower or any Affiliate thereof, any ratable apportionment hereunder shall exclude their respective Commitments hereunder or the principal amounts of Outstanding Credits held by the Borrower or such Affiliate)), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent in its capacity as such in any way relating to or arising out of any Loan Document or any action taken or omitted by the Administrative Agent in its capacity as such under any Loan Document, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for such Lender's ratable share of any out−of−pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, the Loan Documents to the extent that the Administrative Agent is entitled to reimbursement for such expenses pursuant to Section 10.04 but is not reimbursed for such expenses by the Borrower.

SECTION 9.06.
Successor Administrative Agent.

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, with any such resignation to become effective only upon the appointment of a successor Administrative Agent pursuant to this Section. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Administrative Agent, which shall be a Lender or another commercial bank or trust company reasonably acceptable to the Borrower organized or licensed

under the laws of the United States, or of any State thereof. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be Lender or shall be another commercial bank or trust company organized or licensed under the laws of the United States or of any State thereof reasonably acceptable to the Borrower. In addition to the foregoing right of the Administrative Agent to resign, the Majority Lenders may remove the Administrative Agent at any time, with or without cause, concurrently with the appointment by the Majority Lenders of a successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Loan Documents.

ARTICLE X
MISCELLANEOUS

SECTION 10.01
Amendments, Etc.

No amendment or waiver of any provision of any Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, but subject to Section 10.15, do any of the following: (a) waive, modify or eliminate any of the conditions specified in Article V, (b) other than as contemplated by Section 2.04(b), increase the Commitment of any Lender hereunder or increase the Commitments of the Lenders that may be maintained hereunder or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the Advances, any Applicable Margin or any fees or other amounts payable hereunder (other than fees payable to the Administrative Agent pursuant to Section 2.03(b)), (d) other than as contemplated by Section 2.05, postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable under the Loan Documents (other than fees payable to the Administrative Agent pursuant to Section 2.03(b)), (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Outstanding Credits, or the number of Lenders that shall be required for the Lenders or any of them to take any action under the Loan Documents, (f) amend any Loan Document in a manner intended to prefer one or more Lenders over any other Lenders, (g) waive the requirement set forth in Section 2.06 or 4.02(c) that cash be held in respect of outstanding Letters of Credit, (h) amend this Section or the definition of "Majority Lenders", or (i) amend Section 10.15; *provided* that (i) any waiver of, or consent to a departure from, the requirements of Section 2.02(i) shall be effective if authorized in writing by the Majority Lenders and each Fronting Bank; (ii) no amendment that would increase the Fronting Commitment of any Fronting Bank shall be effective without the consent of such Fronting Bank and (iii) no amendment, waiver or consent shall, unless in writing and signed by

the Administrative Agent or each Fronting Bank, as the case may be, in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent or the Fronting Banks, as the case may be, under any Loan Document; and *provided further* that this Agreement may be amended and restated without the consent of any Lender or the Administrative Agent or any Fronting Bank if, upon giving effect to such amendment and restatement, such Lender or the Administrative Agent or such Fronting Bank, as the case may be, shall no longer be a party to this Agreement (as so amended and restated) or have any Commitment or other obligation hereunder and shall have been paid in full all amounts payable hereunder to such Lender or the Administrative Agent or such Fronting Bank, as the case may be.

SECTION 10.02
Notices, Etc.

Except as otherwise expressly provided herein, all notices and other communications provided for under the Loan Documents shall be in writing (including facsimile communication) and mailed, sent by facsimile or hand delivered:

(a)
if to the Borrower, to it at 56 Prospect Street, Hartford, CT 06103, Attention: Assistant Treasurer − Finance, facsimile number: (860) 728−4585, confirm number: (860) 728−4632, email: webersb@nu.com;

(b)
if to any Bank, at its Domestic Lending Office specified opposite its name on Schedule I hereto;

(c)
if to any Lender other than a Bank, at its Domestic Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender;

(d)
if to the Administrative Agent, at its address at 445 South Figueroa Street, 15th Floor, Los Angeles, California 90071, Attention: Kevin Zitar, Senior Vice President, facsimile number: (213) 236−4096, confirm number: (213) 236−5503, email: kevin.zitar@unionbank.com; and

(e)
if to (i) Barclays, as Fronting Bank, to it at 70 Hudson Street, 10th Floor, Jersey City, NJ 07302, Attention: Letter of Credit, email: xraletterofcredit@barclayscapital.com, fax (212) 412−5011, (ii) Citibank, as Fronting Bank, at 1615 Brett Road, Ops III, New Castle, DE 19720, Attention: Charles Huester, email: charles.huester@citi.com, Phone: 302−323−3188, Fax: 212−994−0961 (ii) JPMorgan Chase, as Fronting Bank, to it at 10420 Highland Manor Drive, Floor 4, Tampa, Florida 33610, Stby Letter of Credit Department, Attention: James Alonzo, facsimile number: (813) 432−5161, and (iii) Union Bank, as Fronting Bank, to it at 1980 Saturn Street, MC V02−905, Monterey Park, CA 91755 445 (Attention: Benedicto Cortes, Fax: 323−720−2773).

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed, sent by facsimile or hand delivered, be effective five days after when deposited in the mails, or when sent by facsimile, or when delivered, respectively, except that notices and communications to the Administrative Agent pursuant to Article II, III, IV or IX shall not be effective until received by the Administrative Agent. With respect to any telephone notice given or received by the

Administrative Agent pursuant to Section 3.03, the records of the Administrative Agent shall be conclusive for all purposes.

SECTION 10.03
No Waiver of Remedies.

No failure on the part of the Administrative Agent, any Fronting Bank or any Lender to exercise, and no delay in exercising, any right under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.04
Costs, Expenses and Indemnification.

(a)
The Borrower agrees to pay when due, in accordance with the terms hereof: (i) all costs and expenses of the Administrative Agent in connection with the preparation, negotiation, execution and delivery of the Loan Documents, the administration of the Loan Documents, and any proposed modification, amendment, or consent relating thereto (including, in each case, the reasonable fees and expenses of counsel to the Administrative Agent); (ii) all customary and reasonable charges, costs and expenses of each Fronting Bank in connection with the issuance, transfer, modification or amendment of any Letter of Credit (including, in each case, the reasonable fees and expenses of counsel to such Fronting Bank); and (iii) all costs and expenses of the Administrative Agent, each Fronting Bank and each Lender (including all fees and expenses of counsel) in connection with the enforcement, whether through negotiations, legal proceedings or otherwise, of the Loan Documents.

(b)
The Borrower hereby agrees to indemnify and hold each Person identified on the cover page of this Agreement as a "Joint Lead Arranger", the "Syndication Agent" and a "Documentation Agent", and the Administrative Agent, each Fronting Bank and each Lender, and its officers, directors, employees, professional advisors and affiliates (each, an "***Indemnified Person***") harmless from and against any and all claims, damages, losses, liabilities, costs or expenses (including settlement costs and reasonable attorney's fees and expenses, whether or not such Indemnified Person is named as a party to any proceeding or investigation or is otherwise subjected to judicial or legal process arising from any such proceeding or investigation and whether or not such proceeding or investigation is brought by the Borrower or any of its Affiliates or any of their respective directors, securityholders or creditors, an Indemnified Person or any other Person) that any of them may incur or that may be claimed against any of them by any person or entity (except to the extent such claims, damages, losses, liabilities, costs or expenses arise from the gross negligence or willful misconduct of the Indemnified Person):

(i)
by reason of or in connection with the execution, delivery or performance of the Loan Documents or any transaction contemplated thereby, or the use by the Borrower of the proceeds of any Advance, or the issuance of, or the use by the Borrower of, or the use by any Beneficiary of the proceeds of, any Letter of Credit;

(ii)
in connection with or resulting from the utilization, storage, disposal, treatment, generation, transportation, release or ownership of any Hazardous Substance (A) at, upon or under any property of the Borrower or any of its Affiliates or (B) by or on behalf of the Borrower or any of its Affiliates at any time and in any place; or

(iii) in connection with any documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of the Loan Documents.

(c) The Borrower's obligations under this Section shall survive the assignment by any Lender pursuant to Section 10.07 and shall survive as well the repayment of all amounts owing to the Lenders and the Fronting Banks under the Loan Documents and the termination of the Commitments. If and to the extent that the obligations of the Borrower under this Section are unenforceable for any reason, the Borrower agrees to make the maximum contribution to the payment and satisfaction thereof which is permissible under applicable law.

(d) The Borrower's obligations under this Section are in addition to and shall not be deemed to supersede its indemnification and similar obligations set forth in that certain Commitment Letter, dated August 23, 2010, among the Borrower, Union Bank, JPMorgan Chase, J.P. Morgan Securities, Inc., Citigroup Global Markets Inc. and Barclays.

SECTION 10.05
Right of Set−off.

(a) Upon (i) the occurrence and during the continuance of any Event of Default, and (ii) the making of the request or the granting of the consent specified by Section 8.02 to authorize the Administrative Agent to declare the Advances due and payable pursuant to the provisions of Section 8.02, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under the Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set−off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set−off and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set−off) that such Lender may have.

(b) The Borrower agrees that it shall have no right of off−set, deduction or counterclaim in respect of its obligations under the Loan Documents, and that the obligations of the Lenders hereunder are several and not joint. Nothing contained herein shall constitute a relinquishment or waiver of the Borrower's rights to any independent claim that the Borrower may have against the Administrative Agent, any Fronting Bank or any Lender, but no Lender shall be liable for the conduct of the Administrative Agent, any Fronting Bank or any other Lender, and neither the Administrative Agent nor any Fronting Bank shall be liable for the conduct of the other or any Lender.

SECTION 10.06
Effectiveness.

This Agreement shall become effective when it shall have been executed by the Borrower, the Administrative Agent and each Fronting Bank and when the Administrative Agent shall have been notified by each Bank that such Bank has executed it. No Person designated as a "Joint Lead Arranger", the "Documentation Agent" or the "Syndication Agent" on the cover page of this Agreement shall have any duties under this Agreement.

SECTION 10.07
Assignments and Participation.

(a)
The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) below, (ii) by way of participation in accordance with the provisions of subsection (d) below or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) below (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) below and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)
Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitment and the Advances at the time owing to it); provided that (i) such Lender provides notice thereof to the Borrower at least 10 Business Days prior to such assignment (but the failure to provide such notice shall not affect the validity of such assignment), (ii) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Advances at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed), (iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advance or the Commitment assigned, (iv) any assignment of a Commitment must be approved by the Administrative Agent (unless the Person that is the proposed assignee is itself a Lender with a Commitment) and each Fronting Bank, in each case, whether or not the proposed assignee would otherwise qualify as an Eligible Assignee and (v) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500. Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) below, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of a Assignment and Assumption covering all of the assigning Lender's rights and

obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 4.03 and 4.05 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) below.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its addresses referred to in Section 10.02 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may at any time, without the consent of the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "***Participant***") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.01(a)−(g) that affects such Participant. Subject to subsection (e) below, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 4.03 and 4.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) above. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.05 as though it were a Lender, provided such Participant agrees to be subject to Section 4.04 as though it were a Lender.

(e) A Participant shall not be entitled to receive any greater payment under Sections 4.03 and 4.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with each Borrower's prior written consent. A Participant that is not incorporated under the laws of the United States of America or any state thereof shall not be entitled to the benefits of Section 4.05 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 4.05(e) as though it were a Lender.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) If (i) any Lender shall have delivered a notice to the Administrative Agent described in Section 4.03(a), (b), (c) or (f), (ii) any Lender shall have become a Defaulting Lender or (iii) a Bankruptcy Event shall have occurred with respect to the Parent of a Lender, the Borrower may demand that such Lender assign, in accordance with Section 10.07, to one or more assignees (with the consent of such assignee(s)) designated by either the Borrower or the Administrative Agent (and reasonably acceptable to the other), all (but not less than all) of such Lender's Commitment, Advances, participation and other rights and obligations under the Loan Documents; provided that any such demand by the Borrower during the continuance of an Event of Default or an Unmatured Default shall be ineffective without the consent of the Majority Lenders. If, within 30 days following any such demand by the Borrower, such Lender shall fail to tender such assignment on terms reasonably satisfactory to such Lender or the Borrower and the Administrative Agent shall have failed to designate any such assignee, then such demand by the Borrower shall become ineffective, it being understood for purposes of this provision that such assignment shall be conclusively deemed to be on terms reasonably satisfactory to such Lender, and such Lender shall be compelled to tender such assignment forthwith, if (i) such assignee (A) shall agree to such assignment in substantially the form of the Assignment and Assumption and (B) shall tender payment to such Lender in an amount equal to the full outstanding dollar amount accrued in favor of such Lender hereunder (as computed in accordance with the records of the Administrative Agent) and (ii) in the event the Borrower demanded such assignment, the Borrower shall tender payment to the Administrative Agent of the processing and recording fee specified in Section 10.07(b) for such assignment.

SECTION 10.08
Confidentiality.

In connection with the negotiation and administration of the Loan Documents, the Borrower has furnished or caused to have furnished and will from time to time furnish or cause to be furnished to the Administrative Agent, each Fronting Bank and the Lenders (each, a "Recipient") written information that when delivered to the Recipient will be deemed to be confidential (such information, other than any such information that (i) was publicly available, or otherwise known to the Recipient, at the time of disclosure, (ii) subsequently becomes publicly available other than through any act or omission by the Recipient or (iii) otherwise subsequently becomes known to the Recipient other than through a Person whom the Recipient knows to be acting in violation of his or its obligations to the Borrower, being hereinafter referred to as "Confidential Information"). The Recipient will not knowingly disclose any such Confidential Information to any third party (other than to those Persons who have a confidential relationship with the Recipient), and will take all reasonable steps to restrict access to such information in a manner designed to maintain the confidential nature of such information, in each case until such time as the same ceases to be Confidential Information or as the Borrower may otherwise instruct. It is understood, however, that the foregoing will not restrict the Recipient's ability to freely exchange such Confidential Information with prospective participants in or assignees of the Recipient's position herein, but the Recipient's ability to so exchange Confidential Information shall be conditioned upon any such prospective participant's entering into an understanding as to confidentiality similar to this

provision. It is further understood that the foregoing will not prohibit the disclosure of any or all Confidential Information if and to the extent that such disclosure may be required (i) by a regulatory agency or otherwise in connection with an examination of the Recipient's records by appropriate authorities, (ii) pursuant to court order, subpoena or other legal process or (iii) otherwise, as required by law; in the event of any required disclosure under clause (ii) or (iii), above, the Recipient agrees to use reasonable efforts to inform the Borrower as promptly as practicable unless the Lender is prohibited from doing so by court order, subpoena or other legal process.

Notwithstanding the foregoing, each party hereto (and each officer, director, employee, representative, agent and advisor of each party hereto) may disclose to any and all persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case within the meaning of Treasury Regulation Section 1.6011−4) of the transactions contemplated by the Loan Documents and all materials of any kind (including opinions or other tax analyses) that are provided to such person relating to such "tax treatment" and "tax structure". The foregoing is intended to comply with the presumption set forth in Treasury Regulation Section 1.6011−4(b)(3)(iii) and should be interpreted in a manner consistent with such regulation.

SECTION 10.09
Electronic Communications.

(a)
The Borrower hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to Section 7.04 (collectively, the "***Communications***"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to each of efrain.soto@unionbank.com, cld.sf@uboc.com and margaret.elower@uboc.com, or faxing the Communications to each of 213−236−4096 and 323−720−2780. In addition, the Borrower agrees to continue to provide the Communications to the Administrative Agent in the manner otherwise specified in this Agreement, but only to the extent requested by the Administrative Agent.

(b)
The Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission systems (the "***Platform***"). The Borrower acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c)
THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON−INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS,

EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, "***AGENT PARTIES***") HAVE ANY LIABILITY TO ANY BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF THE COMMUNICATIONS THROUGH THE PLATFORM, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON−APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e−mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e−mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e−mail address.

(e) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 10.10
Waiver of Jury Trial.

The Borrower, the Administrative Agent, each Fronting Bank and each of the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to the Loan Documents, or any other instrument or document delivered hereunder or thereunder.

SECTION 10.11
Governing Law.

The Loan Documents shall be governed by, and construed in accordance with, the laws of the State of New York. The Borrower, each of the Lenders, each Fronting Bank and the Administrative Agent: (i) irrevocably submits to the jurisdiction of any New York State Court or Federal court sitting in New York City in any action arising out of or relating to the Loan Documents, (ii) agrees that all claims in such action may be decided in such court, (iii) waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum and (iv) consents to the service of process by mail. A final judgment in any such action shall be conclusive and may be enforced in other jurisdictions. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

SECTION 10.12
Relation of the Parties; No Beneficiary or Fiduciary Relationships.

No term, provision or requirement, whether express or implied, of any Loan Document, or actions taken or to be taken by any party thereunder, shall be construed to create a partnership, association, or joint venture between such parties or any of them. No term or provision of any Loan Document shall be construed to confer a benefit upon, or grant a right or privilege to, any

Person other than the parties hereto. The Borrower agrees that the Credit Parties do not have any fiduciary, advisory or agency relationship with the Borrower and are not advising the Borrower as to any legal, accounting, regulatory or tax matters as a result of the transactions contemplated by this Agreement, and the Borrower waives, to the fullest extent permitted by law, any claims the Borrower may have against the Credit Parties for breach of fiduciary duty or alleged breach of fiduciary duty and agree that the Credit Parties will have no liability (whether direct or indirect) to the Borrower in respect of such a fiduciary duty claim or to any Person asserting a fiduciary duty claim on the Borrower's behalf, including the Borrower's equity holders, employees or creditors.

SECTION 10.13
Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 10.14
Limitation of Liability.

No shareholder or trustee of NU shall be held to any liability whatever for the payment of any sum of money or for damages or otherwise under any Loan Document, and such Loan Documents shall not be enforceable against any such trustee in their or his or her individual capacities or capacity and such Loan Documents shall be enforceable against the trustees of NU only as such, and every person, firm, association, trust or corporation having any claim or demand arising under such Loan Documents and relating to NU, its shareholders or trustees shall look solely to the trust estate of NU for the payment or satisfaction thereof.

SECTION 10.15
Defaulting Lenders.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i) Facility Fees shall cease to accrue pursuant to Section 2.03(a) during such period on the Available Commitment of such Defaulting Lender and the Borrower shall not be required to pay such fees to the Administrative Agent for the account of such Defaulting Lender;

(ii) the Commitment and Outstanding Credits of such Defaulting Lender shall not be included in determining whether the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.01); *provided*, that this clause (ii) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification pursuant to clauses (a) through (h) of Section 10.01;

(iii) if any LC Outstandings exist at the time such Lender becomes a Defaulting Lender, then:

(A) all or any part of the LC Commitment of such Defaulting Lender shall be reallocated among the non−Defaulting Lenders in accordance with their respective Percentages but only to the extent (x) the sum of all non−Defaulting Lenders' Outstanding Credits plus such Defaulting Lender's LC Commitment does not exceed the total of all non−Defaulting Lenders' Commitments and (y) the sum of each non−Defaulting Lender's

Outstanding Credits plus the portion of such Defaulting Lender's LC Commitment allocated to such non−Defaulting Lender does not exceed such non−Defaulting Lender's Commitment;

(B) if and for so long as the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent deliver, and thereafter maintain, cash collateral for the benefit of the Fronting Banks only to secure the Borrower's Reimbursement Obligations corresponding to such Defaulting Lender's LC Commitment (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with the procedures set forth in Section 2.06 for so long as such LC Outstandings are outstanding. Upon the payment in full of all amounts due hereunder in respect of the LC Outstandings collateralized pursuant to this Section 10.15(iii)(B) and the expiration or termination of such collateralized Letters of Credit, and if no Unmatured Default or Event of Default shall have occurred and be continuing, the Administrative Agent shall pay to the Borrower amounts remaining in the Cash Collateral Account with respect to such Letters of Credit;

(C) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Commitment pursuant to clause (B) above, the Borrower shall not be required to pay any fees to the Administrative Agent for the account of such Defaulting Lender pursuant to Section 2.03(c) with respect to such Defaulting Lender's LC Outstandings during the period such Defaulting Lender's LC Commitment is cash collateralized;

(D) if the LC Commitments of the non−Defaulting Lenders are adjusted pursuant to clause (A) above, then the fees payable to the Lenders pursuant to Section 2.03(c) shall be adjusted in accordance with such non−Defaulting Lenders' Percentages;

(E) if all or any portion of such Defaulting Lender's LC Commitment is neither reallocated nor cash collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of any Fronting Bank or any other Lender hereunder, the fees payable to the Administrative Agent for the account of such Defaulting Lender under Section 2.03(c) with respect to such Defaulting Lender's LC Commitment shall be payable to the Administrative Agent, for the account of the applicable Fronting Banks, until and to the extent that such LC Commitment is reallocated and/or cash collateralized; and

(F) so long as such Lender is a Defaulting Lender, no Fronting Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's LC Commitment will be 100% covered by the Commitments of the non−Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with clause (B) above and participating interests in any newly issued or increased Letter of Credit shall be allocated among non−Defaulting Lenders in a manner consistent with clause (A) above (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) any Fronting Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Fronting Bank shall be required to issue, amend or increase any Letter of Credit unless each Fronting Bank shall have entered into arrangements with the Borrower or such Lender, satisfactory to each Fronting Bank, to defease any risk to it in respect of such Lender hereunder.

In the event that each of the Administrative Agent, the Borrower and each Fronting Bank agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Commitment of the Lenders shall be readjusted to reflect the inclusion of such Lender's LC Commitment, and on such date such Lender shall purchase at par such of the Advances of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Advances in accordance with its Percentage.

Nothing in this Section 10.15 shall constitute a waiver or release of any claim of any party hereunder with respect to any failure to perform hereunder by any Defaulting Lender.

SECTION 10.16
USA Patriot Act.

Each of the Lenders and the Fronting Banks hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107−56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "***Act***"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or Fronting Bank, as the case may be, to identify the Borrower in accordance with the Act.

SECTION 10.17
Waiver of Notice of Termination of Existing Credit Agreement.

Each of the Lenders party hereto that is party to the Existing Credit Agreement, in its capacity as a "Lender" under the Existing Credit Agreement, hereby waives as of the date hereof the notice requirement under Section 2.04(a) of the Existing Credit Agreement for three Business Days prior notification of termination of the commitments thereunder.

[SIGNATURE PAGES TO FOLLOW]

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

NORTHEAST UTILITIES

By /S/ RANDY A. SHOOP
Name: Randy A. Shoop
Title: Vice President and Treasurer

Signature Page to NU Credit Agreement

UNION BANK, N.A., as Administrative Agent, as a Fronting Bank and as a Bank

By /S/ JEFFREY P. FASENMAIER
Name: Jeffrey P. Fesenmaier
Title: Vice President

Signature Page to NU Credit Agreement

BARCLAYS BANK PLC, as a Fronting Bank and as a Bank

By /S/ ALICIA BERYS
Name: Alicia Berys
Title: Assistant Vice President

Signature Page to NU Credit Agreement

CITIBANK, N.A., as a Fronting Bank and as a Bank

By /S/ MAUREEN P. MARONEY
Name: Maureen P. Maroney
Title: Authorized Signatory

Signature Page to NU Credit Agreement

JPMORGAN CHASE BANK, N.A., as a Fronting Bank and as a Bank

By /S/ JUAN J. JAVELLANA
Name: Juan J. Javellana
Title: Vice President

Signature Page to NU Credit Agreement

BANK OF AMERICA, N.A., as a Bank

By /S/ JACOB DOWDEN
Name: Jacob Dowden
Title: Senior Vice President

Signature Page to NU Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Bank

By /S/ KEITH LUETTEL
Name: Keith Luettel
Title: Vice President

Signature Page to NU Credit Agreement

THE BANK OF NEW YORK MELLON, as a Bank

By /S/ JOHN N. WATT
Name: John N. Watt
Title: Vice President

Signature Page to NU Credit Agreement

MORGAN STANLEY BANK, N.A., as a Bank

By /S/ SHERRESE CLARKE
Name: Sherrese Clarke
Title: Authorized Signatory

Signature Page to NU Credit Agreement

GOLDMAN SACHS BANK USA, as a Bank

By /S/ MARK WALTON
Name: Mark Walton
Title: Authorized Signatory

Signature Page to NU Credit Agreement

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Bank

By /S/ SHAHEEN MALIK
Name: Shaheen Malik
Title: Vice President

By /S/ RAHUL PARMAR
Name: Rahul Parmar
Title: Associate

Signature Page to NU Credit Agreement

UBS LOAN FINANCE LLC, as a Bank

By /S/ IRJA R. OTSA
Name: Irja R. Otsa
Title: Associate Director

By /S/ MARY E. EVANS
Name: Irja R. Otsa
Title: Associate Director

Signature Page to NU Credit Agreement

TD BANK, N.A., as a Bank

By /S/ ROBYN ZELLER
Name: Robyn Zeller
Title: Senior Vice President

Signature Page to NU Credit Agreement

SCHEDULE I

APPLICABLE LENDING OFFICES AND COMMITMENTS

Name of Bank	Domestic Lending Office	Eurodollar Lending Office	Commitment (in US$)
Union Bank, N.A.	445 South Figueroa Street 15th Floor Los Angeles, CA 90071	445 South Figueroa Street 15th Floor Los Angeles, CA 90071	$48,611,111.11
Barclays Bank PLC	745 Seventh Avenue 26th Floor New York, NY 10019	745 Seventh Avenue 26th Floor New York, NY 10019	$48,611,111.11
Citibank, N.A.	388 Greenwich Street New York, NY 10013	388 Greenwich Street New York, NY 10013	$48,611,111.11
JPMorgan Chase Bank, N.A.			
Bank of America, N.A.	100 North Tryon Street Charlotte, NC 28255	100 North Tryon Street Charlotte, NC 28255	$44,444,444.45
Wells Fargo Bank, National Association	90 S. 7th Street MAC: N9305−077 Minneapolis, MN 55402	90 S. 7th Street MAC: N9305−077 Minneapolis, MN 55402	$44,444,444.45
The Bank of New York Mellon	Rm 1900 1 Wall St. New York, NY 10286	Rm 1900 1 Wall St. New York, NY 10286	$36,111,111.11
Morgan Stanley Bank, N.A.	One Utah Center. 201 South Main Street, 5th Floor Salt Lake City, Utah 84111	One Utah Center. 201 South Main Street, 5th Floor Salt Lake City, Utah 84111	$36,111,111.11
Goldman Sachs Bank USA	200 West Street New York, NY 10282	200 West Street New York, NY 10282	$36,111,111.11
Credit Suisse AG	Eleven Madison Avenue New York, NY 10010	Eleven Madison Avenue New York, NY 10010	$36,111,111.11
UBS Loan Finance LLC	677 Washington Boulevard Stamford, CT 06901 Attne: Ray Ciraco Phone: 203−719−3571 Fax: 203−719−3888 Email: ray.ciraco@ubs.com	677 Washington Boulevard Stamford, CT 06901 Attne: Ray Ciraco Phone: 203−719−3571 Fax: 203−719−3888 Email: ray.ciraco@ubs.com	$36,111,111.11
TD Bank, N.A.	200 State Street, 10th Floor Boston, MA 02109	200 State Street, 10th Floor Boston, MA 02109	$36,111,111.11

SCHEDULE II

PENDING ACTIONS

None

Exhibit 1.01A
Form of Note

NOTE

New York, New York
[Date]

$[_____]

FOR VALUE RECEIVED, the undersigned, NORTHEAST UTILITIES, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts (the "***Borrower***"), hereby promises to pay to the order of [_____] (the "***Lender***"), on the Termination Date (as defined in the Credit Agreement referred to below) applicable to the Lender, the lesser of the principal sum of [_____]DOLLARS ($[_____]) and the aggregate unpaid principal amount of all Advances made by the Lender to the Borrower pursuant to the Credit Agreement referred to below, in lawful money of the United States of America in immediately available funds, and to pay interest on such principal amount from time to time outstanding, in like funds, at a rate or rates *per annum* and payable with respect to such periods and on such dates as determined pursuant to the Credit Agreement. The due date for any Advance made pursuant to this Note shall be as set forth on the Notice of Borrowing pertaining to such Advance but in no event later than the Termination Date.

The Borrower promises to pay interest, on demand, on any overdue principal and overdue interest from their due dates at a rate or rates determined as set forth in the Credit Agreement.

The Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever. The nonexercise by the holder of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on the schedule attached hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder in its internal records; *provided, however*, that any failure of the holder hereof to make such a notation or any error in such notation shall not in any manner affect the obligation of the Borrower to make payments of principal and interest in accordance with the terms of this Note and the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, dated as of September 24, 2010 (as amended, supplemented or modified, the "***Credit Agreement***"), among the Borrower, the Lenders party thereto, Union Bank, N.A., as Administrative Agent, and Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., each as Fronting Bank, and is subject to the terms and conditions contained in the Credit Agreement and is entitled to the benefits thereof. The Credit Agreement, among other things, contains

provisions for the acceleration of the maturity hereof upon the happening of certain events, for prepayment of the principal hereof prior to the maturity thereof and for the amendment or waiver of certain provisions of the Credit Agreement, all upon the terms and conditions therein specified. This Note shall be construed in accordance with and governed by the laws of the State of New York and any applicable laws of the United States of America.

No shareholder or trustee of the Borrower shall be held to any liability whatever for the payment of any sum of money or for damages or otherwise under this Note, and this Note shall not be enforceable against any such trustee in their or his or her individual capacities or capacity; this Note shall be enforceable against the trustees of the Borrower only as such, and every, person, firm, association, trust or corporation having any claim or demand arising under this Note relating to the Borrower, its shareholders or trustees shall look solely to the trust estate of the Borrower for payment or satisfaction thereof.

NORTHEAST UTILITIES

By_____
Name:
Title:

GRID NOTE SCHEDULE

DATE OF ADVANCE	AMOUNT OF PRINCIPAL	INTEREST RATE	INTEREST PERIOD	NUMBER OF DAYS	INTEREST DUE	DATE PAID	AMOUNT PAID	NOTED BY

Exhibit 2.02
Form of Letter of Credit Request

LETTER OF CREDIT REQUEST

[Date]

[**JPMorgan Chase Bank, N.A., as**
Fronting Bank
10420 Highland Manor Drive, Floor 4
Tampa, Florida 33610
Stby Letter of Credit Department
Attention: James Alonzo
Fax: (813) 432−5161]

[**Barclays Bank, PLC, as Fronting Bank**
70 Hudson Street, 10th Floor
Jersey City, NJ 07302
Attention: Letter of Credit
email:xraletterofcredit@barclayscapital.com
Fax (212) 412−5011]

[**Union Bank, N.A., as Fronting Bank**
1980 Saturn Street
MC V02−905
Monterey Park, CA 91755 445
Attention: Benedicto Cortes]

[Citibank, N.A., as Fronting Bank
1615 Brett Road, Ops III
New Castle, DE 19720,
Attention: Charles Huester
email: charles.huester@citi.com
Phone: 302−323−3188
Fax: 212−994−0961]

Union Bank, N.A., as Administrative Agent
445 South Figueroa Street
Los Angeles, California 90071
Attention: Kevin Zitar, Senior Vice President
Fax: (213)236−4096
Confirm: (213) 236−5503
Email: Kevin.zitar@unionbank.com

Ladies and Gentlemen:

The undersigned, a responsible officer of Northeast Utilities (the "***Borrower***"), refers to that certain Credit Agreement, dated as of September 24, 2010 (as amended, supplemented and modified, the "***Credit Agreement***"), among the Borrower, the Banks party thereto, Union Bank, N.A., as administrative agent, and Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., each as a Fronting Bank. Capitalized terms used herein, and not otherwise defined herein, shall have their respective defined meanings as set forth in the Credit Agreement.

Pursuant to Section 2.02(d) of the Credit Agreement, the Borrower irrevocably requests that the Fronting Bank issue a Letter of Credit on the following terms:

1. Date of Issuance:[1]

2. Expiration Date:[2]

3. Stated Amount:

4. Beneficiary:

5. Account Party:

and the terms set forth in the attached application for said Letter of Credit.

The Borrower hereby further certifies that (i) as of the date hereof, (ii) as of the Date of Issuance, and (iii) after the issuance of the Letter of Credit requested hereby:

(A) the representations and warranties of the Borrower contained in Section 6.01 (other than subsection (g) and the last sentence of subsection (f)) of the Credit Agreement are correct in all material respects as though made on and as of such dates;

(B) no Event of Default or Unmatured Default has occurred and is continuing on or as of such dates;

(C) the issuance of such Letter of Credit, when aggregated with all other Outstanding Credits, will not cause the aggregate amount of Outstanding Credits to exceed the Total Commitment; and

[1] At least three Business Days after the date of the Letter of Credit Request.

[2] Not later than 364 days after the Date of Issuance

(D) the Stated Amount of such Letter of Credit, when aggregated with (1) the Stated Amount of each other Letter of Credit that is outstanding or with respect to which a Letter of Credit Request has been received and (2) the amount of all Reimbursement Obligations then outstanding, will not cause the L/C Commitment Amount to be exceeded.

If notice of the request for the above referenced Letter of Credit has been given by the Borrower previously by telephone, then this notice shall be considered a written confirmation of such telephone notice as required by Section 2.02(c) of the Credit Agreement.

NORTHEAST UTILITIES

By_____
Name:
Title:

Exhibit 3.01
Form of Notice of Borrowing

NOTICE OF BORROWING

[Date][3]

Union Bank, N.A., as Administrative Agent for the Lenders party to the Credit Agreement referred to below
445 South Figueroa Street
15th Floor
Los Angeles, California 90071
Attention: Kevin Zitar, Senior Vice President

Ladies and Gentlemen:

The undersigned, Northeast Utilities (the "***Borrower***"), refers to the Credit Agreement, dated as of September 24, 2010 (as amended, supplemented or modified, the "***Credit Agreement***"), among the Borrower, the Banks party thereto, Union Bank, N.A., as administrative agent, and Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., each as a Fronting Bank. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby gives you notice pursuant to Section 3.01 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Borrowing is requested to be made:

(A) Date of proposed Borrowing[4] _____

(B) Principal Amount of Borrowing[5] _____

(C) Type of Advance[6] _____

(D) Initial Interest Period _____

[3]Must be a Business Day. The Notice of Borrowing must be received by the Administrative Agent (i) in the case of a proposed Borrowing to consist of Eurodollar Rate Advances, by hand or facsimile not later than 11:00 a.m. (New York City time), three Business Days prior to a proposed Borrowing and (ii) in the case of a proposed Borrowing to consist of Base Rate Advances, by hand or facsimile not later than 11:00 a.m. (New York City time), on the day of a proposed Borrowing.

[4]Must be a Business Day.

[5]Not less than $5,000,000 and in integral multiples of $1,000,000.

[6]Eurodollar Rate Advance or Base Rate Advance.

(E) Aggregate amount of Outstanding Credits after giving effect to requested Borrowing, which shall be calculated as follows: _____

(i) aggregate amount of all Advances outstanding after giving effect to requested Borrowing: _____

(ii) aggregated Stated Amount of all issued but undrawn Letters of Credit outstanding: _____

(iii) aggregate amount of outstanding Reimbursement Obligations (exclusive of Reimbursement Obligations which are to be repaid with proceeds of Advance requested in this Notice of Borrowing): _____

(iv) total of (i), (ii) and (iii): _____

(F) Date[7] beyond which the Borrowing hereby requested may no longer be outstanding[8]: _____

Upon acceptance of any or all of the Advances requested in this Notice of Borrowing, the undersigned shall be deemed to have represented and warranted that the conditions precedent to each Advance applicable to it specified in Section 5.02(a) of the Credit Agreement have been satisfied.

Very truly yours,

NORTHEAST UTILITIES

By_____
Name:
Title:

7 In no event later than the Termination Date.
8 (F) may be selected at the option of the Borrower; if no election is made, such date shall be earlier of (i) the Termination Date and (ii) the date 364 days from the date of the proposed Borrowing.

Exhibit 5.01A
Form of Opinion of Jeffrey C. Miller,
Assistant General Counsel of NUSCO

September 24, 2010

Union Bank, N.A.,

as Administrative Agent
445 South Figueroa Street
Los Angeles, California 90071

Each Fronting Bank and Lender from time to time
party to the captioned Credit Agreement

Re: ***Credit Agreement, dated as of September 24, 2010, among Northeast Utilities, the lenders party thereto, Union Bank, N.A., as Administrative Agent, and Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., each as a Fronting Bank***

Ladies and Gentlemen:

I am Assistant General Counsel of Northeast Utilities Service Company ("***NUSCO***"), a service company affiliate of Northeast Utilities ("***NU***"). I am rendering this opinion to you in connection with the transactions contemplated by the Credit Agreement, dated as of September 24, 2010 (the "***Credit Agreement***"), among NU, the Banks from time to time party thereto, Union Bank, N.A., as Administrative Agent, and Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., each as a Fronting Bank. Capitalized terms used herein and not otherwise defined are used as defined in the Credit Agreement.

In connection with this opinion, I or attorneys working under my supervision have examined:

(1) The Credit Agreement
.

(2) The form of promissory notes to be issued by NU pursuant to the terms of the Credit Agreement to any of the Lenders who request such notes (the "***Notes***").

(3) The Declaration of Trust of NU and all amendments thereto (the "***Declaration of Trust***"), as in effect on the date hereof.

(4) The other documents furnished by NU on the Closing Date pursuant to Section 5.01(a) of the Credit Agreement.

(4)
A certificate of the Secretary of the Commonwealth of Massachusetts dated September 10, 2010, attesting to the authority of NU to transact business in the Commonwealth of Massachusetts.

In addition, I or attorneys working under my supervision have examined originals, or copies certified to my satisfaction, of such other corporate (or analogous) records of NU, certificates of public officials and of officers of NU, and agreements, instruments, and other documents, as I have deemed necessary as a basis for the opinions expressed below. In my examination of such agreements, instruments, and documents, I have assumed the genuineness of all signatures (other than those of NU), the authenticity of all agreements, instruments, and documents submitted to me as originals, and the conformity to original agreements, instruments, and documents of all agreements, instruments, and documents submitted to me as certified, conformed, or photostatic copies and the authenticity of the originals of such copies. As to questions of fact material to such opinions, I have assumed without verification and relied upon the accuracy of the representations as to factual matters set forth in the Credit Agreement and in certificates of NU or its officers or of public officials. Nothing has come to my attention, however, calling into question the accuracy of such representations.

The opinions set forth below are subject to the qualification that no opinion is expressed with respect to laws other than those of (i) the United States of America, (ii) the Commonwealth of Massachusetts and (iii) the State of New York. I am a member of the bar of the State of New York and an Authorized House Counsel in the State of Connecticut. I am not a member of the bar of the Commonwealth of Massachusetts, and do not hold myself out as an expert in the laws of such Commonwealth, although I have made a study of relevant laws of such Commonwealth. In expressing opinions about matters governed by the laws of the Commonwealth of Massachusetts, I have relied upon the opinion of Kerry J. Tomasevich, Esq., Senior Counsel of NUSCO, who is a member of the bar of such Commonwealth and whose opinion is attached hereto.

My opinion in Paragraph 5 below (i) is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally, to the effect of general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith, and fair dealing (regardless of whether considered in a proceeding in equity or at law), and to the effect of certain laws and judicial decisions that may affect the enforceability of certain rights and remedies provided in the documents referred to therein, none of which laws and judicial decisions, however, will make the rights and remedies provided in such documents inadequate for the practical realization of the benefits provided therein and (ii) assumes the binding effect of all documents referred to therein on all parties thereto other than NU.

I note further that, in addition to the effect of general principles of equity described in the preceding paragraph, courts have imposed an obligation on contracting parties to act reasonably and in good faith in the exercise of their contractual rights and remedies, and may also apply public policy considerations in limiting the right of parties seeking to obtain indemnification under circumstances where the conduct of such parties in the circumstances in question is determined to have constituted negligence.

I express no opinion herein as to (i) the enforceability of provisions purporting to grant to a party conclusive rights of determination, (ii) the availability of specific performance or other equitable remedies, or (iii) the enforceability of waivers by parties of their respective rights and remedies under law.

Based upon the foregoing and upon such investigation as I have deemed necessary, I am of the following opinion:

1. NU is validly organized and duly existing as a voluntary association under the laws of the Commonwealth of Massachusetts and has the requisite power under the Declaration of Trust and authority to own its property and assets and to carry on its business as now conducted in the Commonwealth of Massachusetts. NU is duly qualified to do business in, and is in good standing in all other jurisdictions where the nature of its business or the nature of property owned or used by it makes such qualification necessary, except where the failure to so qualify would not have a material adverse effect on the financial condition, properties, prospects or operations of NU or of NU and its Principal Subsidiaries taken as a whole.

2. The execution, delivery, and performance by NU of the Credit Agreement and the Notes (a) are within NU's powers under the Declaration of Trust and have been duly authorized by all necessary corporate (or equivalent) or other similar action and (b) do not and will not contravene (i) the Declaration of Trust, (ii) any law, or (iii) to the best of my knowledge, any contractual restriction contained in any material agreement binding on or affecting NU.

3. The Credit Agreement has been duly executed and delivered by NU.

4. No authorization, consent, approval, license, permit, certificate, exemption of, or filing or registration with, any governmental authority or other legal or regulatory body (other than in connection with or in compliance with the provisions of the state securities or "Blue Sky" laws of any jurisdiction, as to which I express no opinion) is required to be obtained or made in connection with the execution, delivery, or performance by NU of the Credit Agreement or the Notes, except for those that have been obtained and are in full force and effect.

5. The Credit Agreement is, and the Notes, when executed and delivered for value will be, the legal, valid and binding obligations of NU, enforceable against NU in accordance with their respective terms.

6. There is no pending or, to the best of my knowledge, threatened action or proceeding affecting NU or its properties before any court, governmental agency, or arbitrator (a) which affects or purports to affect the legality, validity, or enforceability of the Credit Agreement or the Notes or (b) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would materially adversely affect the financial condition, properties, or operations of NU, except, for purposes of this clause (b) only, such as is described in the Disclosure Documents.

7. NU is not an "investment company" within the meaning ascribed to that term in the Investment Company Act of 1940, as amended.

Very truly yours,

S.01A−4

Exhibit 5.01B
Form of Opinion of King & Spalding LLP,
Special New York Counsel to the Administrative Agent

September 24, 2010

Union Bank, N.A., as Administrative Agent and as a Fronting Bank under the captioned Credit Agreement, Barclays Bank PLC, Citibank, N.A. and JPMorgan Chase Bank, N.A., as Fronting Banks thereunder, and each of the Lenders from time to time party thereto

Re:
Credit Agreement, dated as of September 24, 2010 (the "Credit Agreement"), among Northeast Utilities (the "Borrower"), the lenders party thereto, Union Bank, N.A., as Administrative Agent (the "Administrative Agent"), and Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Union Bank, N.A., each, as a Fronting Bank

Ladies and Gentlemen:

We have acted as special New York counsel to the Administrative Agent in connection with the preparation, execution and delivery of the Credit Agreement. Unless otherwise indicated, terms defined in the Credit Agreement are used herein as therein defined.

In that connection, we have examined the following documents:

(1) counterparts of the Credit Agreement, executed by the Borrower, the Administrative Agent, the Fronting Banks and the Banks;

(2) the form of Note to be executed by the Borrower and delivered to any Bank that requests a Note pursuant to the terms of the Credit Agreement; and

(3) the other documents furnished by the Borrower on the Closing Date pursuant to Section 5.01(a) of the Credit Agreement, including the opinion of Jeffery C. Miller, Assistant General Counsel of NUSCO (the "***NU Opinion***").

Our engagement as special counsel has been limited to the specific matters as to which we were consulted. We have no direct knowledge of the day−to−day affairs of the Borrower and have not reviewed generally its business affairs. In our examination of the documents referred to above, we have assumed the authenticity of all such documents submitted to us as originals, the genuineness of all signatures, the due authority of the parties executing such documents and the conformity to the originals of all such documents submitted to us as copies. We have also

assumed that each of the Banks, the Administrative Agent and the Fronting Banks has duly executed and delivered, with all necessary power and authority (corporate and otherwise), each Loan Document to which each such Person is a party and that each such Loan Document is enforceable against each such Person in accordance with its terms. We have relied, as to factual matters, on the documents we have examined and, as to matters addressed by the NU Opinion, on the NU Opinion (with the exception of paragraph 5 thereof).

Based upon the foregoing, and subject to the qualifications set forth below, we are of the opinion that:

(i) the Credit Agreement is, and each of the Notes, when executed and delivered for value received in accordance with the terms of the Credit Agreement will be, the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms; and

(ii) while we have not independently considered the matters covered by the NU Opinion to the extent necessary to enable us to express the conclusions stated therein, the NU Opinion and the other documents referred to in item (3) above are substantially responsive to the corresponding requirements set forth in Section 5.01(a) of the Credit Agreement pursuant to which the same have been delivered.

The opinions expressed herein are subject to the following qualifications:

(a) Our opinion set forth in paragraph (i) above is subject to (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law) and (ii) applicable laws that limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction in circumstances involving such party's gross negligence, bad faith or similar conduct.

(b) We express no opinion herein as to (i) the availability of specific performance or other equitable remedies or (ii) the enforceability of waivers by parties of their respective rights and remedies under law, (iii) Section 10.05 of the Credit Agreement, (iv) the enforceability of provisions purporting to grant to a party conclusive rights of determination, (v) the availability of specific performance or other equitable remedies, (vi) the enforceability of rights to indemnity under Federal or state securities laws and (vii) the enforceability of waivers by parties of their respective rights and remedies under law.

(c) In connection with Section 10.11 of the Credit Agreement whereby each party to the Credit Agreement submits to the jurisdiction of certain Federal courts, we note the limitations of 28 U.S.C. §§1331 and 1332 on Federal court jurisdiction.

(d) Our opinions expressed above are limited to the law of the State of New York and the Federal law of the United States, and we do not express any opinion herein concerning any other law. Without limiting the generality of the foregoing, we express no opinion as to the effect of the law of any jurisdiction other than the State of New York wherein any Lender may be located or wherein enforcement of any Loan Document may be sought that limits the rates of interest legally chargeable or collectible.

The foregoing opinion is solely for your benefit and may not be relied upon by any other Person other than any Person that may become a Lender under the Credit Agreement after the date hereof.

Very truly yours,

Exhibit 10.07
Form of Assignment and Assumption

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "***Assignment and Assumption***") is dated as of the Effective Date set forth below and is entered into by and between the Assignor identified in item 1 below (the "***Assignor***") and [the][each][9] Assignee identified in item 2 below ([the][each, an] "***Assignee***"). [It is understood and agreed that the rights and obligations of the Assignees hereunder are several and not joint.][10] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "***Credit Agreement***"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Loan Documents to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Loan Documents, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "***Assigned Interest***"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.
Assignor: _____

2.
Assignee[s]:

_____
for each Assignee, indicate whether such Assignee is an affiliate of [*identify Lender*]

[9] For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
[10] Include bracketed language if there are multiple Assignees.

3.
Borrower:
Northeast Utilities

4.
Administrative Agent:
Union Bank, N.A., as the administrative agent under the Credit Agreement

5.
Credit Agreement:
Credit Agreement, dated as of September 24, 2010. among Northeast Utilities, the Lenders and Fronting Banks parties thereto, and Union Bank, N.A., as Administrative Agent.

6.
Assigned Interest[s]:

Assignor	Assignee[s][11]	Aggregate Amount of Commitment/Advances for all Lenders[12]	Amount of Commitment/Advances Assigned[8]	Percentage Assigned of Commitment/Advances[13]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[7.
Trade Date: _____]14

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By:_____
Title:

ASSIGNEE[S]15
[NAME OF ASSIGNEE]

By:_____
Title:

[11] List each Assignee, as appropriate.
[12] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[13] Set forth, to at least 9 decimals, as a percentage of the Commitment/Advances of all Lenders thereunder.
[14] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.
[15] Add additional signature blocks as needed.

[NAME OF ASSIGNEE]

By:_____
Title:

Consented to:[16]

UNION BANK, N.A., as
Administrative Agent

By_____
Title:

NORTHEAST UTILITIES

By_____
Title:

[Consented to:][17]

BARCLAYS BANK PLC,
as Fronting Bank

By_____
Title:

CITIBANK, N.A.,
as Fronting Bank

By_____
Title:

JPMORGAN CHASE BANK, N.A.,
as Fronting Bank

By_____
Title:

UNION BANK, N.A.,
as Fronting Bank

[16]To be added only if the consent of the Company and/or the Administrative Agent is required by the terms of the Credit Agreement.
[17]To be added only if the consent of the each Fronting Bank is required by the terms of the Credit Agreement

10.07−3

By_____
Title:

10.07−4

ANNEX 1

Credit Agreement, dated as of September 24, 2010 among Northeast Utilities, the Lenders and Fronting Banks parties thereto, and Union Bank, N.A., as Administrative Agent

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

Representations and Warranties.

1.1. Assignor[s]. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Borrower, any of its subsidiaries or affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its subsidiaries or affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iii) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (iv) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.04(b) thereof and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (v) it has, independently and without reliance upon the Administrative Agent or any other Credit Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Credit Party, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance

10.07−5

with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Northeast Utilities
Ratio of Earnings to Fixed Charges
(Unaudited)

Exhibit 12

(Thousands of Dollars)	Nine Months Ended September 30, 2010	For the Years Ended December 31, 2009	2008	2007	2006	2005
Earnings, as defined:						
Net income/(loss) from continuing operations before cumulative effect of accounting change	$ 262,884	$ 335,592	$ 266,387	$ 251,455	$ 138,495	$ (251,344)
Income tax expense/(benefit)	161,126	179,947	105,661	109,420	(76,326)	(184,862)
Equity in earnings of regional nuclear generating and transmission companies	(798)	(1,762)	(1,637)	(3,983)	(334)	(3,311)
Dividends received from regional equity investees	687	3,794	1,017	4,542	2,145	687
Fixed charges, as below	220,199	296,764	304,374	275,611	267,243	265,046
Less: Interest capitalized (including AFUDC)	(6,943)	(5,929)	(17,797)	(17,568)	(14,482)	(10,463)
Preferred dividend security requirements of consolidated subsidiaries	(6,949)	(9,265)	(9,265)	(9,265)	(9,265)	(9,265)
Total earnings/(loss), as defined	$ 630,206	$ 799,141	$ 648,740	$ 610,212	$ 307,476	$ (193,512)
Fixed charges, as defined:						
Interest on long−term debt (a)	$ 173,594	$ 224,712	$ 193,883	$ 162,841	$ 141,579	$ 131,870
Interest on rate reduction bonds	16,985	36,524	50,231	61,580	74,242	87,439
Other interest (b)	9,778	12,401	25,031	15,824	22,375	19,276
Rental interest factor	5,950	7,933	8,167	8,533	5,300	6,733
Preferred dividend security requirements of consolidated subsidiaries	6,949	9,265	9,265	9,265	9,265	9,265
Interest capitalized (including AFUDC)	6,943	5,929	17,797	17,568	14,482	10,463
Total fixed charges, as defined	$ 220,199	$ 296,764	$ 304,374	$ 275,611	$ 267,243	$ 265,046
Ratio of Earnings to Fixed Charges	2.86	2.69	2.13	2.21	1.15	(0.73) (c)

(a) Interest on long−term debt amounts include amortized premiums, discounts and capitalized expenses related to indebtedness.

(b) For the nine months ended September 30, 2010 and for the years ended December 31, 2009, 2008 and 2007, other interest includes interest related to accounting for uncertain tax positions.

(c) Consolidated earnings were inadequate to cover fixed charges by $458.6 million for the year ended December 31, 2005.

Exhibit 15

November 5, 2010

Northeast Utilities
56 Prospect Street
Hartford, CT 06103

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Northeast Utilities and subsidiaries for the periods ended September 30, 2010 and 2009, as indicated in our report dated November 5, 2010; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10−Q for the quarter ended September 30, 2010, is incorporated by reference in Registration Statement No. 333−165579 on Form S−3 and Registration Statement Nos. 333−63144, 333−121364 and 333−142724 on Forms S−8.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP

Hartford, Connecticut

Exhibit 31

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Charles W. Shivery, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of Northeast Utilities (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ Charles W. Shivery

Charles W. Shivery
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, David R. McHale, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of Northeast Utilities (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ David R. McHale

David R. McHale
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the quarterly report of Northeast Utilities (the registrant) on Form 10−Q for the period ending September 30, 2010 as filed with the Securities and Exchange Commission (the Report), we, Charles W. Shivery, Chairman, President and Chief Executive Officer of the registrant and David R. McHale, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes−Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the registrant.

/s/ Charles W. Shivery
Charles W. Shivery
Chairman, President and Chief Executive Officer

/s/ David R. McHale
David R. McHale
Executive Vice President and Chief Financial Officer

Date: November 5, 2010

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

EXECUTION COPY

CREDIT AGREEMENT

Dated as of September 24, 2010

among

THE CONNECTICUT LIGHT AND POWER COMPANY,
WESTERN MASSACHUSETTS ELECTRIC COMPANY,
YANKEE GAS SERVICES COMPANY, and
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
as Borrowers

THE BANKS NAMED HEREIN

and

CITIBANK, N.A.
as Administrative Agent

BARCLAYS CAPITAL,
CITIGROUP GLOBAL MARKETS INC.,
J.P. MORGAN SECURITIES LLC
and
UNION BANK, N.A.
Joint Lead Arrangers

BARCLAYS CAPITAL,
J.P. MORGAN SECURITIES LLC
and
UNION BANK, N.A.
Syndication Agents

BANK OF AMERICA, N.A.
Documentation Agent

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Exhibit 10.07 – *Form of Assignment and Assumption*

CREDIT AGREEMENT

Dated as of September 24, 2010

THIS CREDIT AGREEMENT is made by and among:

(i) **THE CONNECTICUT LIGHT AND POWER COMPANY**, a corporation organized under the laws of the State of Connecticut ("***CLP***");

(ii) **WESTERN MASSACHUSETTS ELECTRIC COMPANY**, a corporation organized under the laws of the Commonwealth of Massachusetts ("***WMECO***");

(iii) **YANKEE GAS SERVICES COMPANY**, a corporation organized under the laws of the State of Connecticut ("***Yankee***");

(iv) **PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**, a corporation organized under the laws of the State of New Hampshire ("***PSNH***"; CL&P, WMECO, Yankee and PSNH each being a "***Borrower***", and collectively, the "***Borrowers***").

(v) The financial institutions (the "***Banks***") listed on the signature pages hereof and the other Lenders (as hereinafter defined) from time to time party hereto; and

(vi) **CITIBANK, N.A.** ("***Citibank***"), as administrative agent for the Lenders hereunder.

PRELIMINARY STATEMENT

The Borrowers have requested that the Banks agree, on the terms and conditions set forth herein, to provide the Borrowers a $400,000,000 three−year revolving credit facility to be used for the purposes set forth herein. The Lenders have indicated their willingness to provide such a facility on the terms and conditions of this Agreement

Based upon the foregoing and subject to the terms and conditions set forth in this Agreement, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01.
Certain Defined Terms

As used in this Agreement, the following terms shall have the following meanings (such meanings to be applicable to the singular and plural forms of the terms defined):

"***Additional Lender***" has the meaning assigned to that term in Section 2.03(b).

"***Administrative Agent***" means Citibank, in its capacity as administrative agent hereunder, or any successor thereto as provided herein.

"***Advance***" means an advance by a Lender to any Borrower pursuant to Article III hereof, and refers to a Eurodollar Rate Advance or a Base Rate Advance (each of which shall be a "***Type***" of Advance).

"***Affiliate***" means, with respect to any Person, any other Person directly or indirectly controlling (including, but not limited to, all directors and officers of such Person), controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another entity if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" means this Credit Agreement, as the same may be modified, amended and/or supplemented pursuant to the terms hereof.

"***Applicable Facility Fee Rate***" means, for each Borrower for any day, the percentage per annum set forth below in effect on such day, determined on the basis of the Applicable Rating Level of such Borrower:

Applicable Facility Fee Rate

Applicable Rating Level	***Percentage (%)***
Level I	0.175
Level II	0.225
Level III	0.350
Level IV	0.500
Level V	0.600

Any change in the Applicable Facility Fee Rate caused by a change in the Applicable Rating Level shall take effect at the time such change in the Applicable Rating Level shall occur.

"***Applicable Lending Office***" means, with respect to each Lender:

(i) in the case of any Advance, (A) such Lender's "Eurodollar Lending Office" in the case of a Eurodollar Rate Advance or (B) such Lender's "Domestic Lending Office" in the case of a Base Rate Advance, in each case as specified opposite such Lender's name on Schedule I hereto or in the Assignment and Assumption pursuant to which it became a Lender; or

(ii) in each case, such other office of such Lender as such Lender may from time to time specify in writing to the Borrowers and the Administrative Agent.

"***Applicable Margin***" means, for each Borrower, for any day for any outstanding Advance, the percentage per annum set forth below in effect on such day, determined on the basis of the Applicable Rating Level for such Borrower:

Applicable Margin Percentage		
Rating Level	***Eurodollar Rate Advances (%)***	***Base Rate Advances (%)***
Level I	1.575	0.575
Level II	1.775	0.775
Level III	1.900	0.900
Level IV	2.000	1.000
Level V	2.400	1.400

"***Applicable Rate***" means, with respect to any Advance made to any Borrower, either of (i) the Base Rate from time to time applicable to such Advance *plus* the Applicable Margin, or (ii) the Eurodollar Rate from time to time applicable to such Advance *plus* the Applicable Margin.

"***Applicable Rating Level***" for each Borrower, shall be determined at any time and from time to time on the basis of the Reference Ratings applicable to such Borrower, in accordance with the following:

Applicable Rating Level	***SPReference Rating***		***Moody's Reference Rating***
Level I	A− or higher	or	A3 or higher
Level II	BBB+	or	Baa1
Level III	BBB	or	Baa2
Level IV	BBB−	or	Baa3
Level V	BB+ or lower (or unrated)	or	Ba1 or lower (or unrated)

Any change in the Applicable Margin caused by a change in the Applicable Rating Level shall take effect at the time such change in the Applicable Rating Level shall occur.

"Level I" applies on any day on which the SPReference Rating for such Borrower is A− or higher or the Moody's Reference Rating for such Borrower is A3 or higher.

"Level II" applies on any day on which (i) the SPReference Rating for such Borrower is BBB+ or higher or the Moody's Reference Rating for such Borrower is Baa1 or higher and (ii) Level I does not apply.

"Level III" applies on any day on which (i) the SPReference Rating for such Borrower is BBB or higher or the Moody's Reference Rating for such Borrower is Baa2 or higher and (ii) neither Level I or Level II applies.

"Level IV" applies on any day on which (i) the SPReference Rating for such Borrower is BBB− or higher or the Moody's Reference Rating for such Borrower is Baa3 or higher and (ii) none of Levels I, II or III applies.

"Level V" applies on any day on which (i) the SPReference Rating for such Borrower is BB+ or lower or the Moody's Reference Rating for such Borrower is Ba1 or lower and (ii) none of Levels I, II, III or IV applies.

In the event that the Reference Ratings do not correspond to the same Applicable Rating Level and the Reference Ratings differ by (i) only one Applicable Rating Level, the Applicable Rating Level that corresponds to the higher of such Reference Ratings shall apply, and (ii) more than one Applicable Rating Level, the Applicable Rating Level that is immediately below the Applicable Rating Level that corresponds to the higher of such Reference Ratings shall apply; provided that, in the case of this clause (ii), if the Reference Ratings differ by more than one rating level and the lower of such Reference Ratings corresponds to Level V, Level V shall apply. The Applicable Rating Level shall be redetermined as and when any change in the ratings used in the determination thereof shall be announced by SPor Moody's, as the case may be.

"***Approved Fund***" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Assignment and Assumption***" means an assignment and assumption entered into by a Lender and an assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit 10.07.

"***Available Commitment***" means, for each Lender, the unused portion of such Lender's Commitment (which shall be equal to the excess, if any, of such Lender's Commitment over such Lender's Advances outstanding). "***Available Commitments***" shall refer to the aggregate of the Lenders' Available Commitments hereunder.

"***Bankruptcy Event***" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a governmental authority or instrumentality thereof if and for so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such governmental authority or instrumentality) to reject, repudiate, disavow or disaffirm obligations such as those under this Agreement.

"***Banks***" has the meaning assigned to that term in the caption to this Agreement.

"***Barclays***" means Barclays Bank PLC.

"***Base Rate***" means, for any period, a fluctuating interest rate *per annum* as shall be in effect from time to time which rate *per annum* shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by the Administrative Agent in its principal place of business from time to time as the Administrative Agent's "base rate" or "reference rate";

(b) 1/2 of one percent *per annum* above the Federal Funds Rate in effect from time to time; and

(c) the rate of interest *per annum* appearing on a nationally recognized services such as Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 a.m. (London time) on such day for a term of one month (or if no such rates are quoted on such day, the previous day for which quotations are available) (the "***One−Month LIBOR Rate***") plus 1%; *provided, however*, if more than one rate is specified on such service, the applicable rate shall be the sum of (i) the arithmetic mean of all such rates plus (ii) 1%.

If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Base Rate shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability to determine the Federal Funds Rate no longer exist. Any change in the Base Rate due to a change in the Administrative Agent's base rate or reference rate, the Federal Funds Rate or the One−Month Libor Rate, shall be effective on the effective date of such change in the Administrative Agent's base rate or reference rate, the Federal Funds Rate or the One−Month LIBOR Rate, as the case may be.

"***Base Rate Advance***" means an Advance in respect of which a Borrower has selected in accordance with Article III hereof, or this Agreement provides for, interest to be computed on the basis of the Base Rate.

"***Borrower***" or "***Borrowers***" has the meaning assigned to that term in the caption to this Agreement.

"***Borrower Debt***" has the meaning specified in the definition of "Reference Ratings" in this Section.

"***Borrower Sublimit***" means: (i) with respect to CL&P, $300,000,000, (ii) with respect to WMECO, $200,000,000, (iii) with respect to Yankee, $200,000,000 and (iv) with respect to PSNH, $300,000,000.

"***Borrowing***" means a borrowing consisting of one or more Advances of the same Type and Interest Period, if any, made to the same Borrower on the same Business Day by the Lenders, ratably in accordance with their respective Commitments. A Borrowing may be referred to herein as being a "***Type***" of Borrowing, corresponding to the Type of Advances comprising such Borrowing. For purposes of this Agreement, all Advances of the same Type and Interest Period, if any, made or converted on the same day to the same Borrower shall be deemed a single Borrowing hereunder until repaid.

"***Borrowing Limit***" means, for any Borrower on any date, the short−term debt borrowing limit, in the case of CLPand WMECO, prescribed by the FERC, in the case of PSNH, prescribed by the New Hampshire Public Utilities Commission and, in the case of Yankee, prescribed by Yankee's Board of Directors, applicable to such Borrower on such date.

"***Business Day***" means a day of the year on which banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"***Change of Control***" means (i) any Person or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended), shall either (A) acquire beneficial ownership of more than 50% of any outstanding class of common shares of NU having ordinary voting power in the election of Trustees of NU or (B) obtain the power (whether or not exercised) to elect a majority of NU's Trustees or (ii) the Board of Trustees of NU shall not consist of a majority of Continuing Trustees. For purposes of this definition, the term "Continuing Trustees" means Trustees of NU on the date hereof and each other Trustee of NU, if such other Trustee's nomination for election to the Board of Trustees of NU is recommended by a majority of the then Continuing Trustees.

"***Citibank***" has the meaning assigned to that term in the caption to this Agreement.

"***CLP***" has the meaning assigned to that term in the caption to this Agreement.

"***Closing Date***" has the meaning assigned to that term in Section 5.01 hereof.

"***Commitment***" means, for each Lender, the aggregate amount set forth opposite such Lender's name on Schedule I or, if such Lender has entered into one or more Assignment and Assumptions, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 10.07(c), in each such case as such amount may be reduced or increased from time to time pursuant to Section 2.03 hereof. "***Commitments***" shall refer to the aggregate of the Lenders' Commitments hereunder.

"***Commitment Increase***" has the meaning assigned to that term in Section 2.03(b).

"***Commitment Increase Approvals***" means, with respect to any Increasing Borrower, any governmental approval or resolution of the board of directors of such Increasing Borrower that has not been obtained by or on behalf of the Increasing Borrower and is not in full force and effect on the date hereof, which governmental approval or resolution is required to be obtained in order to authorize a Commitment Increase applicable to such Increasing Borrower and the

performance by the Increasing Borrower of its obligations under this Agreement after giving effect to such Commitment Increase.

"***Confidential Information***" has the meaning assigned to that term in Section 10.08.

"***Consolidated Debt***" means, at any date for any Borrower, the total Debt of such Borrower and its Subsidiaries as determined on a consolidated basis in accordance with generally accepted accounting principles.

"***Credit Party***" means the Administrative Agent and each Lender.

"***Debt***" means, for any Person, without duplication, (i) indebtedness of such Person for borrowed money, including but not limited to obligations of such Person evidenced by bonds, debentures, notes or other similar instruments (excluding Stranded Cost Recovery Obligations which are non−recourse to such Person), (ii) obligations of such Person to pay the deferred purchase price of property or services (excluding any obligation of such Person to Dominion Resources, Inc. or its successor with respect to disposition of spent nuclear fuel burned prior to April 3, 1983), (iii) obligations of such Person as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (iv) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iii), above, and (v) liabilities in respect of unfunded vested benefits under ERISA Plans and ERISA Multiemployer Plans.

"***Declining Lender***" has the meaning assigned to that term in Section 2.04(a).

"***Defaulting Lender***" shall mean any Lender, as reasonably determined by the Administrative Agent, that (i) has failed, within three Business Days after the date required to be funded or paid, (A) to fund any portion of its Advances or (B) to pay over to any Credit Party any other amount required to be paid by it under this Agreement, unless, in the case of clauses (A) and (B) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding an Advance cannot be satisfied) or generally under other agreements in which it commits to extend credit, (iii) has failed, within three Business Days after request by the Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Advances, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to clause (iii) upon such requesting party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (iv) has become the subject of a Bankruptcy Event.

"***Disclosure Documents***" means, for any Borrower, as applicable, (i) such Borrower's Annual Report on Form 10−K for the fiscal year ended December 31, 2009, (ii) its Quarterly Reports on Form 10−Q for the fiscal quarters ended March 31 and June 30, 2010, (iii) the Information Memorandum and (iv) for each of CLPand WMECO, its Current Reports on Form 8−K filed after December 31, 2009 but prior to the date hereof.

"***Eligible Assignee***" means (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund and (iv) any other Person (other than a natural person) approved by the Administrative Agent and, unless an Event of Default has occurred and is continuing, each Borrower (each such approval not to be unreasonably withheld or delayed, and the Borrower shall be deemed to have consented to any assignment unless the Borrower provides notice of its objection to the Administrative Agent with ten Business Days of receipt of request for consent); *provided* that notwithstanding the foregoing, "Eligible Assignee" shall not include any Borrower or any Affiliate or Subsidiary of any Borrower.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"***ERISA Affiliate***" means, with respect to any Person, any trade or business (whether or not incorporated) which is a "*commonly controlled entity*" of such Person within the meaning of the regulations under Section 414 of the Internal Revenue Code of 1986, as amended from time to time.

"***ERISA Multiemployer Plan***" means a "multiemployer plan" subject to Title IV of ERISA.

"***ERISA Plan***" means an employee benefit plan (other than a ERISA Multiemployer Plan) maintained for employees of any Borrower or any ERISA Affiliate thereof and covered by Title IV of ERISA.

"***ERISA Plan Termination Event***" means (i) a Reportable Event described in Section 4043 of ERISA and the regulations issued thereunder (other than a Reportable Event not subject to the provision for 30−day notice to the PBGC under such regulations) with respect to an ERISA Plan or an ERISA Multiemployer Plan, or (ii) the withdrawal of any Borrower or any of its ERISA Affiliates from an ERISA Plan or an ERISA Multiemployer Plan during a plan year in which it was a "*substantial employer*" as defined in Section 4001(a)(2) of ERISA, or (iii) the filing of a notice of intent to terminate an ERISA Plan or an ERISA Multiemployer Plan or the treatment of an ERISA Plan amendment as a termination or of an ERISA Multiemployer Plan amendment as a termination under Section 4041 of ERISA, or (iv) the institution of proceedings to terminate an ERISA Plan or an ERISA Multiemployer Plan by the PBGC, or (v) any other event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any ERISA Plan or ERISA Multiemployer Plan.

"***Eurocurrency Liabilities***" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"***Eurodollar Rate***" means, for each Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, an interest rate *per annum* equal to the rate of interest *per annum* (rounded upward to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at approximately 11:00 a.m. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period. If, for any reason, such rate is not available, the term "Eurodollar Rate" shall mean an interest rate *per* annum equal to the average rate per annum (rounded upwards to the nearest 1/100 of 1%) at which deposits in U.S. dollars are offered by the Reference Banks to prime banks in the London interbank market at 11:00 a.m. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to each Reference Bank's pro rata share of such Borrowing to be outstanding during such Interest Period the and for a period equal to such Interest Period, *subject, however*, to the provisions of Sections 3.05(d) and 4.03(g).

"***Eurodollar Rate Advance***" means an Advance in respect of which a Borrower has selected in accordance with Article III hereof, or this Agreement provides for, interest to be computed on the basis of the Eurodollar Rate.

"***Eurodollar Reserve Percentage***" of any Lender or its subparticipant, for each Interest Period for each Eurodollar Rate Advance, means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under Regulation D or other regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement, without benefit of or credit for proration, exemptions or offsets) for such Lender or its subparticipant with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"***Event of Default***" has the meaning specified in Section 8.01.

"***Existing Credit Agreement***" means the Amended and Restated Credit Agreement, dated as of December 9, 2005, as amended, supplemented or modified as of the date hereof, among the Borrowers, the lenders party thereto and Citicorp USA, Inc., as Administrative Agent,

"***Extending Lender***" has the meaning assigned to that term in Section 2.04(a).

"***Extension Date***" means the first and second anniversaries of the date hereof.

"***Facility Fee***" has the meaning assigned to that term in Section 2.02(a).

"***Federal Funds Rate***" means, for any period, a fluctuating interest rate *per annum* equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"***Fee Letters***" means (i) that certain Fee Letter, dated August 23, 2010, among the Borrowers, NU, Barclays Capital, the investment banking division of Barclays, Union Bank, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. and (ii) that certain Fee Letter, dated as of August 23, 2010, between the Borrowers and Citibank, each as amended, modified and supplemented from time to time.

"***FERC***" means the Federal Energy Regulatory Commission.

"***Financial Statements***" means (i) with respect to CL&P, (A) the audited consolidated balance sheet of CLPas at December 31, 2009, (B) the unaudited consolidated balance sheet of CLPas at June 30, 2010, (C) the audited consolidated statements of income and cash flows of CLPfor the Fiscal Year ended December 31, 2009 and (D) the unaudited consolidated statements of income and cash flows of CLPfor the 6−month period ended June 30, 2010, in each case as included in CL&P's Annual Report on Form 10−K for the Fiscal Year ended December 31, 2009 or Quarterly Report on Form 10−Q for the Fiscal Quarter ended June 30, 2010, (ii) with respect to WMECO, (A) the audited balance sheet of WMECO as at December 31, 2009, (B) the unaudited balance sheet of WMECO as at June 30, 2010, (C) the audited statements of income and cash flows of WMECO for the Fiscal Year ended December 31, 2009 and (D) the unaudited statements of income and cash flows of WMECO for the 6−month period ended June 30, 2010, in each case as included in WMECO's Annual Report on Form 10−K for the Fiscal Year ended December 31, 2009 or Quarterly Report on Form 10−Q for the Fiscal Quarter ended June 30, 2010, (iii) with respect to Yankee, (A) the audited balance sheet of Yankee as at December 31, 2009, (B) the unaudited balance sheet of Yankee as at June 30, 2009, (C) the audited statements of income and cash flows of Yankee for the Fiscal Year ended December 31, 2009 and (D) the unaudited statements of income and cash flows of Yankee for the 6−month period ended June 30, 2009, and (iv) with respect to PSNH, (A) the audited consolidated balance sheet of PSNH as at December 31, 2009, (B) the unaudited consolidated balance sheet of PSNH as at June 30, 2009, (C) the audited consolidated statements of income and cash flows of PSNH for the Fiscal Year ended December 31, 2009, and (D) the unaudited consolidated statements of income and cash flows of PSNH for the 6−month period ended June 30, 2009, in each case as included in PSNH's Annual Report on Form 10−K for the Fiscal Year ended December 31, 2009 or Quarterly Report on Form 10−Q for the Fiscal Quarter ended June 30, 2009.

"***First Mortgage Indentures***" means (i) in the case of CL&P, the Indenture of Mortgage and Deed of Trust dated as of May 1, 1921 (the "***CLPIndenture***"), from CLPto Deutsche Bank Trust Company Americas, as successor trustee, as previously and hereafter amended and supplemented from time to time, (ii) in the case of Yankee, the Indenture of Mortgage and Deed of Trust, dated as of July 1, 1989, between Yankee and The Bank of New York Mellon, as successor trustee, as in effect on the date hereof and as amended and supplemented from time to time, (iii) in the case of WMECO, any first mortgage indenture entered into after the date hereof, provided (A) such indenture covers substantially the same collateral as under the Old WMECO Indenture, (B) such indenture is substantially similar in form and substance to the CLPIndenture and (C) such indenture and the lien created thereby are approved by the Massachusetts Department of Public Utilities, and (iv) in the case of PSNH, the First Mortgage Indenture, dated as of August 15, 1978, between PSNH and U.S. Bank, National Association, as successor trustee, as previously and hereafter amended and supplemented from time to time.

"***Fiscal Quarter***" means a period of three calendar months ending on the last day of March, June, September or December, as the case may be.

"***Fiscal Year***" means a period of twelve calendar months ending on the last day of December.

"***Fraction***" means, in respect of any Borrower as determined at any time, a fraction, the numerator of which shall be the Borrower Sublimit of such Borrower at such time, and the denominator of which shall be the sum of the Borrower Sublimits of all Borrowers at such time.

"***Governmental Approval***" means any authorization, consent, approval, license, permit, certificate, exemption of, or filing or registration with, any governmental authority or other legal or regulatory body (including, without limitation, the Securities and Exchange Commission, the FERC, the Nuclear Regulatory Commission, the Connecticut Department of Public Utility Control, the Massachusetts Department of Public Utilities and the New Hampshire Public Utilities Commission) required in connection with either (i) the execution, delivery or performance of any Loan Document or (ii) the nature of a Borrower's or any Subsidiary's business as conducted or the nature of the property owned or leased by it.

"***Hazardous Substance***" means any waste, substance or material identified as hazardous, dangerous or toxic by any office, agency, department, commission, board, bureau or instrumentality of the United States of America or of the State or locality in which the same is located having or exercising jurisdiction over such waste, substance or material.

"***Increasing Borrower***" has the meaning assigned to that term in Section 2.03(b).

"***Increasing Lender***" has the meaning assigned to that term in Section 2.03(b).

"***Indemnified Person***" has the meaning assigned to that term in Section 10.04(b).

"***Information Memorandum***" means the Confidential Information Memorandum, dated August 2010, regarding the credit facility to be provided to the Borrowers hereunder, as distributed to the Administrative Agent and the Lenders, including, without limitation, all schedules and attachments thereto.

"***Interest Period***" has the meaning assigned to that term in Section 3.05(a).

"***JPMorgan Chase***" means JPMorgan Chase Bank, N.A.

"***Lenders***" means the financial institutions listed on the signature pages hereof, and each assignee that shall become a party hereto pursuant to Section 10.07.

"***Lien***" means, with respect to any asset or property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset or property. For the purposes of this Agreement, a Person or any of its Subsidiaries shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"***Loan Documents***" means this Agreement and the Notes.

"***Majority Lenders***" means on any date of determination, Lenders who, collectively, on such date (i) have Percentages in the aggregate in excess of 50% and (ii) if the Commitments have been terminated, hold in excess of 50% of the then aggregate unpaid principal amount of the Advances owing to the Lenders. Determination of those Lenders satisfying the criteria specified above for action by the Majority Lenders shall be made by the Administrative Agent and shall be conclusive and binding on all parties absent manifest error.

"***Moody's***" means Moody's Investors Service, Inc., or any successor thereto.

"***non−Performing Lender***" has the meaning assigned to that term in Section 3.03(b).

"***Note***" means a promissory note of any Borrower payable to the order of a Lender, in substantially the form of Exhibit 1.01A hereto, evidencing the aggregate indebtedness of such Borrower to such Lender resulting from the Advances made by such Lender to such Borrower, as such may be amended, supplemented or otherwise modified from time to time.

"***Notice of Borrowing***" has the meaning assigned to that term in Section 3.01.

"***NU***" means Northeast Utilities, an unincorporated voluntary business association organized under the laws of the Commonwealth of Massachusetts.

"***NU System Money Pool***" means the money pool of NU and certain of its Subsidiaries, the terms of which are filed with the FERC, as amended from time to time.

"***NUSCO***" means Northeast Utilities Service Company, a Connecticut corporation.

"***Old WMECO Indenture***" means the First Mortgage Indenture and Deed of Trust dated as of August 1, 1954, from WMECO to State Street Bank and Trust Company, as successor trustee, as amended and supplemented.

"***One−Month LIBOR Rate***" has the meaning assigned to that term in the definition of "Base Rate".

"***Other Taxes***" has the meaning assigned to that term in Section 4.05(b).

"***Parent***" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

"***PBGC***" means the Pension Benefit Guaranty Corporation (or any successor entity) established under ERISA.

"***Percentage***" means, in respect of any Lender on any date of determination, the percentage obtained by dividing such Lender's Commitment on such day by the total of the Commitments on such day, and multiplying the quotient so obtained by 100%.

"***Person***" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"***PSNH***" has the meaning assigned to that term in the caption to this agreement.

"***PSNH Conditions***" means that (i) PSNH has obtained all Governmental Approvals required to authorize the incurrence of Debt hereunder by PSNH with a term of more than 364 days, (ii) PSNH has delivered to the Administrative Agent certified copies of the Governmental Approvals described in clause (i), and (iii) PSNH has delivered to the Administrative Agent an opinion of counsel to PSNH with respect to the issuance and effectiveness of the Governmental Approvals described in clause (i) and the sufficiency of such Governmental Approvals for the incurrence of Debt hereunder by PSNH with a term of more than 364 days.

"***Recipient***" has the meaning assigned to that term in Section 10.08.

"***Reference Banks***" means Union Bank, Barclays, Citibank and JPMorgan Chase and any other bank or financial institution designated by the Borrowers and the Administrative Agent with the approval of the Majority Lenders to act as a Reference Bank hereunder.

"***Reference Ratings***" means, with respect to a Borrower, the ratings assigned by SPand Moody's to the long−term senior unsecured non−credit enhanced debt of such Borrower (the "***Borrower Debt***"); *provided*, that

(i) if neither SPnor Moody's maintains a rating on the Borrower Debt of a Borrower because no such Borrower Debt is outstanding, then the "Reference Ratings" shall be based on the ratings assigned by SPand Moody's to the long−term senior secured debt (the "***Secured Debt***") of such Borrower, but such ratings shall be deemed to correspond to an Applicable Rating Level that is one Level lower than the Level that would correspond to such Secured Debt ratings pursuant to the definition of "Applicable Rating Level";

(ii) if neither SPnor Moody's (A) maintains a rating on the Borrower Debt of a Borrower because no such Borrower Debt is outstanding and (B) maintains a rating on the Secured Debt of a Borrower because no such Secured Debt is outstanding, then the "Reference Ratings" shall be based on such Borrower's long−term corporate/issuer ratings as maintained by SPand Moody's.

"***Register***" has the meaning assigned to such term in Section 10.07(c).

"***Regulatory Asset***" means, with respect to CL&P, PSNH, WMECO or Yankee, an intangible asset established by statute, regulation or regulatory order or similar action of a utility regulatory agency having jurisdiction over CL&P, PSNH, WMECO or Yankee, as the case may be, and included in the rate base of CL&P, PSNH, WMECO or Yankee, as the case may be, with the intention that such asset be amortized by rates over time.

"***Related Parties***" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"***SP***" means Standard and Poor's Ratings Services, a division of The McGraw−Hill Companies, Inc., or any successor thereto.

"***Secured Debt***" has the meaning specified in the definition of "Reference Ratings" in this Section.

"***Stated Termination Date***" means (i) September 24, 2013, or (ii) (A) with respect to any Extending Lender, such later date to which the Stated Termination Date shall be extended in accordance with Section 2.04, and (B) with respect to any Declining Lender, the date of the termination of such Declining Lender's Commitment pursuant to Section 2.04(b).

"***Stranded Cost Recovery Obligations***" means, with respect to any Person, such Person's obligations to make principal, interest or other payments to the issuer of stranded cost recovery bonds pursuant to a loan agreement or similar arrangement whereby the issuer has loaned the proceeds of such bonds to such Person.

"***Subsidiary***" shall mean, with respect to any Person (the "***Parent***"), any corporation, association or other business entity of which securities or other ownership interests representing 50% or more of the ordinary voting power are, at the time as of which any determination is being made, owned or controlled by the Parent or one or more Subsidiaries (whether direct or indirect) of the Parent or by the Parent and one or more such Subsidiaries of the Parent.

"***Taxes***" has the meaning assigned to that term in Section 4.05(a).

"***Termination Date***" means the earliest to occur of (i) the Stated Termination Date, (ii) the date of termination or reduction in whole of the Commitments pursuant to Section 2.03 or 8.02 and (iii) the date of acceleration of all amounts payable hereunder pursuant to Section 8.02.

"***Total Capitalization***" means, at any date for any Borrower, the sum of (i) Consolidated Debt of such Borrower and its Subsidiaries, (ii) the aggregate of the par value of, or stated capital represented by, the outstanding shares of all classes of common and preferred shares of such Borrower and its Subsidiaries and (iii) the consolidated surplus of such Borrower and its Subsidiaries, paid−in, earned and other capital, if any, in each case as determined on a consolidated basis in accordance with generally accepted accounting principles consistent with those applied in the preparation of such Borrower's Financial Statements.

"***Total Commitment***" means $400,000,000, or such other amount from time to time as shall equal the sum of the Commitments.

"***Type***" has the meaning assigned to such term (i) in the definition of "Advance" when used in such context and (ii) in the definition of "Borrowing" when used in such context.

"***Union Bank***" means Union Bank, N.A.

"***Unmatured Default***" means the occurrence and continuance of an event which, with the giving of notice or lapse of time or both, would constitute an Event of Default.

"***WMECO***" has the meaning assigned to that term in the caption to this Agreement.

"***WMECO Conditions***" means that (i) WMECO has obtained all Governmental Approvals required to authorize the incurrence of Debt in an amount greater than $150,000,000 by WMECO with a term of more than 364 days, (ii) WMECO has delivered to the Administrative Agent certified copies of the Governmental Approvals described in clause (i), and (iii) WMECO has delivered to the Administrative Agent an opinion of counsel to WMECO with respect to the issuance and effectiveness of the Governmental Approvals described in clause (i) and the sufficiency of such Governmental Approvals for the incurrence of Debt hereunder by WMECO with a term of more than 364 days.

"***Yankee***" has the meaning assigned to that term in the caption to this Agreement.

SECTION 1.02.
Computation of Time Periods.

In the computation of periods of time under this Agreement, any period of a specified number of days or months shall be computed by including the first day or month occurring during such period and excluding the last such day or month. In the case of a period of time "from" a specified date "to" or "until" a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03.
Accounting Terms; Financial Statements.

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied on a basis consistent with the application employed in the preparation of the Financial Statements. All references contained herein to any Borrower's Annual Report on Form 10−K in respect of a Fiscal Year or Quarterly Report on Form 10−Q in respect of a Fiscal Quarter shall be deemed to include any exhibits and schedules thereto, including without limitation in the case of any Annual Report on Form 10−K, any "Annual Report" of such Borrower referred to therein.

SECTION 1.04.
Computations of Outstandings.

Whenever reference is made in this Agreement to the principal amount of Advances outstanding under this Agreement to one or more Borrowers on any date, such reference shall refer to the aggregate principal amount of all such Advances to such Borrower(s) outstanding on such date after giving effect to (i) all Advances to be made to such Borrower(s) on such date and the application of the proceeds thereof and (ii) any repayment or prepayment of Advances on such date by such Borrower(s).

ARTICLE II
COMMITMENTS

SECTION 2.01.
The Commitments.

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrowers from time to time on any Business Day during the period from the Closing Date until the Termination Date, in an aggregate amount not to exceed on any day such Lender's Available Commitment. Within the limits of such Lender's Available Commitment and such Borrower's Sublimit, each Borrower may request Advances hereunder, repay or prepay Advances and utilize the resulting increase in the Available Commitments for further Advances in accordance with the terms hereof.

(b) In no event shall any Borrower be entitled to request or receive any Advance under subsection (a) that would cause the aggregate principal amount advanced pursuant thereto to exceed the Available Commitments. In no event shall any Borrower be entitled to request or receive any Advance that would cause the total principal amount of all Advances outstanding hereunder to exceed the Total Commitment, or that would cause the aggregate principal amount of all Advances outstanding to or requested by such Borrower to exceed such Borrower's Borrower Sublimit. In no event shall any Borrower be entitled to request or receive any Advance that, when aggregated with all other Advances outstanding to or requested by such Borrower and all other short−term debt of such Borrower, would exceed such Borrower's Borrowing Limit as then in effect.

SECTION 2.02.
Fees.

(a) Each Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee (the "***Facility Fee***") on the amount of such Lender's Commitment (whether used or unused) multiplied by such Borrower's Fraction, at the Applicable Facility Fee Rate from the date of this Agreement, in the case of each Bank, and from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, until the Termination Date. The Facility Fee payable by each Borrower shall be payable quarterly in arrears on the last day of each December, March, June and September, commencing the first such date following the Closing Date, with final payment payable on the Termination Date.

(b) The Borrowers further agree to pay the fees specified in the Fee Letters that are for their account, together with such other fees as may be separately agreed to by the Borrowers and the Administrative Agent or its Affiliates.

SECTION 2.03.
Reduction and Increase of the Commitments; Borrower Sublimits.

(a) Each Borrower may, at any time, severally and without the consent of the other Borrowers, by providing at least three Business Days' prior written notice to the Administrative Agent, terminate in whole or reduce in part its Borrower Sublimit; *provided*, that any such partial reduction shall be in a minimum aggregate amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof. Each such notice of termination or reduction shall be irrevocable.

In no event shall any Borrower be entitled to increase its Borrower Sublimit without the consent of all of the Lenders. Each reduction in a Borrower's Borrower Sublimit pursuant to this Section 2.03 shall, to the extent such reduction reduces the sum of the Borrower Sublimits of all the Borrowers to an amount less than the Commitments in effect at such time, result in a like reduction in the Commitments on a pro rata basis with respect to each Lender.

(b)

(i) From time to time prior to the Termination Date, any Borrower may increase the Total Commitment by an aggregate amount of $100,000,000 (any such increase, a "***Commitment Increase***" and any such Borrower, an "***Increasing Borrower***"), such that the Total Commitments are increased to no more than $500,000,000 by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to offer to participate in such Commitment Increase) or one or more other banks or other financial institutions reasonably acceptable to the Administrative Agent that at the time agree, in the case of any such bank or financial institution that is an existing Lender to increase its Commitment (an "***Increasing Lender***") and, in the case of any other such bank or financial institution (an "***Additional Lender***"), to become a party to this Agreement. The sum of the increases in the Commitments of the Increasing Lenders pursuant to this subsection (b) plus the Commitments of the Additional Lenders upon giving effect to the Commitment Increase shall not in the aggregate exceed the amount of the Commitment Increase. Each Increasing Borrower shall provide prompt notice of any proposed Commitment Increase pursuant to this subsection (b) to the Administrative Agent, which shall promptly provide a copy of such notice to the Lenders. In connection with any Commitment Increase, such Increasing Borrower may increase its Borrower Sublimit by a corresponding amount.

(ii)

Any Commitment Increase shall become effective upon (A) the receipt by the Administrative Agent of (1) an agreement in form and substance satisfactory to the Administrative Agent signed by the Increasing Borrower, each Increasing Lender and each Additional Lender, setting forth the new Commitment of each such Lender, the new Borrower Sublimit of the Increasing Borrower and setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, (2) certified copies of the Commitment Increase Approvals and such opinions of counsel for the Increasing Borrower with respect to the Commitment Increase as the Administrative Agent may reasonably request, and (3) a certificate (the statements contained in which shall be true) of a duly authorized officer of the Increasing Borrower stating that both before and after giving effect to such Commitment Increase (x) no Unmatured Default or Event of Default has occurred and is continuing, (y) all representations and warranties made by the Increasing Borrower in this Agreement are true and correct in all material respects, and (z) all Commitment Increase Approvals have been obtained and are in full force and effect, and (B) the funding by each Increasing Lender and Additional Lender of the Advance(s) to be made by each such Lender described in paragraph (iii) below.

(iii)

Upon the effective date of any Commitment Increase, each Increasing Lender and each Additional Lender shall provide funds to the Administrative Agent in the manner described in Section 3.03 in an amount equal to the product of (x) the aggregate principal amount of Advances outstanding hereunder, expressed as a percentage of the Total Commitment (calculated, in each case, immediately prior to such Commitment

Increase) and (y) the amount of such Lender's Commitment Increase. The funds so provided by any Lender shall be deemed to be an Advance or Advances made by such Lender on the date of such Commitment Increase, with such Advance(s) being (A) in an amount equal to the product of (x) the aggregate outstanding principal amount of each Advance expressed as a percentage of the Total Commitment (calculated, in each case, immediately prior to such Commitment Increase) and (y) the amount of such Lender's Commitment Increase and (B) of the same Type(s) and having the same Interest Period(s) as each Advance described in the preceding clause (A), such that after giving effect to such Commitment Increase and the Advances(s) made on the date of such Commitment Increase, each Advance outstanding hereunder shall consist of Advances made by the Lenders ratably in accordance with their pro rata shares of the Total Commitment.

(iv) Notwithstanding any provision contained herein to the contrary, from and after the date of any Commitment Increase and the making of any Advances on such date pursuant to paragraph (iii) above, all calculations and payments of interest on the Advance comprising any Advances shall take into account the actual Commitment of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

SECTION 2.04.
Extension of the Stated Termination Date.

(a) Unless the Termination Date previously shall have occurred in accordance with the terms of this Agreement, at least 30 days but not more than 45 days before any Extension Date, the Borrowers may, by notice to the Administrative Agent (any such notice being irrevocable), request that the Administrative Agent and the Lenders extend the Stated Termination Date for a period of one year. If the Borrowers shall make such request, the Administrative Agent shall promptly inform the Lenders thereof. Each Lender shall notify the Administrative Agent, in writing, of its agreement so to extend the Stated Termination Date at least 20 days prior to such Extension Date, and, no later than 15 days prior to such Extension Date, the Administrative Agent shall notify the Borrowers in writing if the Lenders holding sufficient Commitments (determined per the last sentence of this subsection (a)) consent to such request. The granting of any such consent shall be in the sole and absolute discretion of each Lender (each Lender that consents being an "***Extending Lender***" and each Lender that does not consent, or that does not notify the Administrative Agent of its consent to any request for extension, being a "***Declining Lender***"), and if the Administrative Agent shall not so notify the Borrowers, such lack of notification shall be deemed to be a determination not to consent to such request. Any extension pursuant to this Section shall be effective only if (i) the sum of the Commitments, immediately following the effectiveness of any proposed extension, of (A) Extending Lenders and (B) third party financial institutions that become Lenders by accepting Commitments from Declining Lenders would exceed 50% of the Total Commitment in effect immediately prior to the effectiveness of any proposed extension (ii) no Unmatured Default or Event of Default has occurred and is continuing and (iii) all representations and warranties contained in Section 6.01 are true and correct on the Stated Termination Date as in effect immediately prior to the effectiveness of such proposed extension.

(b) The Commitment of each Declining Lender automatically will terminate on the Stated Termination Date as in effect immediately prior to the effectiveness of such extension. If

there shall be any Declining Lenders, (i) Extending Lenders will have the right to increase their Commitments in an aggregate amount not to exceed the Commitments of such Declining Lenders and, (ii) if the aggregate amount of such increase in Commitments is less than the aggregate Commitments of such Declining Lenders, the Borrowers will have the right to accept commitments from third party financial institutions acceptable to the Administrative Agent in an amount not greater than the amount of such shortfall. Any such increase in Commitments or accession of third party financial institutions shall be made via an Assignment and Assumption and shall be effective on the Stated Termination Date as in effect immediately prior to the effectiveness of such extension.

(c) The Borrowers may extend the Stated Termination Date pursuant to this Section only twice.

ARTICLE III
ADVANCES

SECTION 3.01.
Advances.

(a) More than one Borrowing may be made on the same Business Day. Each Borrowing shall consist of Advances of the same Type and Interest Period made to the same Borrower on the same Business Day by the Lenders ratably according to their respective Commitments. Each Borrowing shall be made on notice in substantially the form of Exhibit 3.01 hereto (a "***Notice of Borrowing***"), delivered by the Borrower requesting such Borrowing to the Administrative Agent, by hand or facsimile, not later than 11:00 a.m. (New York City time) (i) in the case of Eurodollar Rate Advances, on the third Business Day prior to the date of the proposed Borrowing and (ii) in the case of Base Rate Advances, on the day of the proposed Borrowing. Upon receipt of a Notice of Borrowing, the Administrative Agent shall notify the Lenders thereof promptly on the day so received. Each Notice of Borrowing shall specify therein: (i) the requested (A) date of such Borrowing, (B) principal amount and Type of Advances comprising such Borrowing and (C) initial Interest Period for such Advances; (ii) the identity of the Borrower requesting such proposed Borrowing, (iii) the Borrower Sublimit applicable to such Borrower on the proposed date of such proposed Borrowing, (iv) the aggregate amount of Advances to be outstanding to such Borrower on the proposed date of such Borrowing after giving effect to such proposed Borrowing and (v) if the relevant Borrower so chooses, the term, expressed as a number of days (which term in no event shall end later than the Termination Date) beyond which such proposed Borrowing may not be outstanding. Each proposed Borrowing shall be subject to the satisfaction of the conditions precedent thereto as set forth in Article V hereof.

SECTION 3.02.
Terms Relating to the Making of Advances.

(a) Notwithstanding anything in Section 3.01 above to the contrary:

(i) at no time shall more than twelve different Borrowings be outstanding to any one Borrower;

(ii) each Borrowing hereunder which is to be comprised of Base Rate Advances shall be in an aggregate principal amount of not less than $5,000,000 or an

integral multiple of $1,000,000 in excess thereof, or such lesser amount as shall be equal to the total amount of the Available Commitments on such date, after giving effect to all other Borrowings to be made to, or repaid or prepaid by, the relevant Borrower on such date; and

(iii) each Borrowing hereunder which is to be comprised of Eurodollar Rate Advances shall be in an aggregate principal amount of not less than $5,000,000 or an increment of $1,000,000 in excess thereof.

(b) Each Notice of Borrowing shall be irrevocable and binding on the Borrower requesting such proposed Borrowing.

SECTION 3.03. Making of Advances.

(a) Each Lender shall, before 1:00 p.m. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's address referred to in Section 10.02, in same day funds, such Lender's portion of such Borrowing. Advances shall be made by the Lenders ratably in accordance with their several Commitments. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article V, the Administrative Agent will make such funds available to the Borrower that made the request for such Borrowing at the Administrative Agent's aforesaid address.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) above, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower that made the request for such Borrowing a corresponding amount on such date. If and to the extent that any such Lender (a "***non−performing Lender***") shall not have so made such ratable portion available to the Administrative Agent, the non−performing Lender and such Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of such Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. Nothing herein shall in any way limit, waive or otherwise reduce any claims that any party hereto may have against any non−performing Lender.

(c) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 3.04.
Repayment of Advances; Delivery of Notes.

(a)
Each Borrower shall repay the principal amount of each Advance made to it no later than on the earlier of (i) the last day of the term (if any) specified pursuant to clause (v) of Section 3.01 in the Notice of Borrowing related to such Advance and (ii) the Termination Date (including the Stated Termination Date with respect to each Lender). Notwithstanding the foregoing, (i) PSNH shall repay the principal amount of each Advance (as converted or continued pursuant to Section 3.05(a)(ii)) no later than the earlier to occur of 364 days after the date such Advance was made and the Termination Date, unless and until the PSNH Conditions have been satisfied and (ii) WMECO shall repay the principal amount of each Advance in excess of $150,000,000 (as converted or continued pursuant to Section 3.05(a)(ii) no later than the earlier to occur of 364 days after the date such Advance was made and the Termination Date, unless and until the WMECO Conditions have been satisfied.

(b)
Any Lender may request that the Advances made by it to any Borrower be evidenced by a Note. Promptly upon receipt of such request, the relevant Borrower shall prepare, execute and deliver to such Lender (or, if requested by such Lender, to such Lender and its assignees) a Note. Thereafter, the Advances evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 10.07) be represented by one or more Notes payable to the order of the payee named therein.

SECTION 3.05.
Interest.

(a)
Interest Periods.

(i)
The period commencing on the date of each Advance and ending on the last day of the period selected by a Borrower with respect to such Advance pursuant to the provisions of this Section is referred to herein as an "Interest Period". The duration of each Interest Period shall be (i) in the case of any Eurodollar Rate Advance, one, two, three or six months and (ii) in the case of any Base Rate Advance, the period of time beginning on the date of the making of, or the conversion of an outstanding Advance into, such Advance and ending on the last day of March, June, September or December next following the date on which such Advance was made; *provided, however*, that no Interest Period may be selected by any Borrower if such Interest Period would end after the Termination Date.

(ii)
Subject to the terms and conditions of this Agreement, the initial Interest Period for any Advance made to any Borrower shall be determined by such Borrower as set forth in its Notice of Borrowing with respect to such Advance. Such Borrower may elect to continue or convert one or more Advances of any Type and having the same Interest Period to one or more Advances of the same or any other Type and having the same or a different Interest Period on the following terms and subject to the following conditions:

(A)
Each continuation or conversion shall be made as to all Advances comprising a single Borrowing upon written notice given by such Borrower to the Administrative Agent not later than 11:00 a.m. (New York City time) on the third

Business Day prior to the date of the proposed continuation or conversion, in the case of a continuation of or conversion to a Eurodollar Rate Advance, or on the day of the proposed continuation of or conversion to a Base Rate Advance. The Administrative Agent shall notify each Lender of the contents of such notice promptly after receipt thereof. Each such notice shall specify therein the following information: (1) the date of such proposed continuation or conversion (which in the case of Eurodollar Rate Advances shall be the last day of the Interest Period then applicable to such Advances to be continued or converted), (2) the Type of, and Interest Period applicable to the Advances proposed to be continued or converted, (3) the aggregate principal amount of Advances proposed to be continued or converted, and (4) the Type of Advances to which such Advances are proposed to be continued or converted and the Interest Period to be applicable thereto.

(B) If an Unmatured Default shall have occurred and be continuing, the right of the Borrowers to continue or convert Advances to Eurodollar Rate Advances shall be suspended, and all Eurodollar Rate Advances then outstanding shall be converted to Base Rate Advances on the last day of the Interest Period then in effect, if, on such day, an Unmatured Default shall be continuing.

(C) If an Event of Default shall have occurred and be continuing, the right of the Borrowers to continue or convert Advances to Eurodollar Rate Advances shall be suspended, and upon the occurrence of an Event of Default, all Eurodollar Rate Advances then outstanding shall immediately, without further act by the Borrowers, be converted to Base Rate Advances.

(D) If no notice of continuation or conversion is received by the Administrative Agent as provided in paragraph (A) above with respect to any outstanding Advances on or before the third Business Day prior to the last day of the Interest Period then in effect for such Advances, the Administrative Agent shall treat such absence of notice as a deemed notice of continuation or conversion providing for such Advances to be continued as or converted to Base Rate Advances with an Interest Period of three months commencing on the last day of such Interest Period.

(b) ***Interest Rates***. Each Borrower shall pay interest on the unpaid principal amount of each Advance owing by such Borrower from the date of such Advance until such principal amount shall be paid in full, at the Applicable Rate for such Advance (except as otherwise provided in this subsection (b)), payable as follows:

(i) ***Eurodollar Rate Advances***. If such Advance is a Eurodollar Rate Advance, interest thereon shall be payable (A) on the last day of the Interest Period applicable thereto, (B) in the case of a Eurodollar Rate Advance with an Interest Period of more than three months' duration, on each day that is a three− month anniversary of the date of such Advance, (C) on the date on which such Eurodollar Rate Advance is paid in full and (D) on the Termination Date; *provided* if an Event of Default shall have occurred and be continuing, such Advance shall bear interest at a rate *per annum* equal at all times

to 2.0% *per annum* above the Applicable Rate for such Advance for such Interest Period, or, if higher, 2.0% *per annum* above the Applicable Rate in effect from time to time for Base Rate Advances.

(ii) ***Base Rate Advances***. If such Advance is a Base Rate Advance, interest thereon shall be payable (A) quarterly on the last day of each March, June, September and December, (B) on the date such Base Rate Advance shall be paid in full and (C) on the Termination Date; *provided* if an Event of Default shall have occurred and be continuing, such Advance shall bear interest at a rate *per annum* equal at all times to 2% *per annum* above the Applicable Rate for such Advance.

(c) ***Other Amounts***. Any other amounts payable hereunder that are not paid when due shall (to the fullest extent permitted by law) bear interest, from the date when due until paid in full, at a rate *per annum* equal at all times to 2.0% *per annum* above the Applicable Rate in effect from time to time for Base Rate Advances, payable on demand.

(d) ***Interest Rate Determinations***. The Administrative Agent shall give prompt notice to the Borrowers and the Lenders of the Applicable Rate determined from time to time by the Administrative Agent for each Advance for each Borrower. Each Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining the Eurodollar Rate for any Interest Period, if applicable. If any one Reference Bank shall not furnish such timely information, the Administrative Agent shall determine such interest rate on the basis of the timely information furnished by the other two Reference Banks.

SECTION 3.06.
Several Obligations.

Each Borrower's obligations hereunder are several and not joint. Any actions taken by or on behalf of the Borrowers shall not result in one Borrower being held responsible for the actions, debts or liabilities of the other Borrowers. Nothing contained herein shall be interpreted as requiring the Borrowers to effect Borrowings jointly.

ARTICLE IV
PAYMENTS

SECTION 4.01.
Payments and Computations.

(a) Each Borrower shall make each payment hereunder not later than 12:00 noon (New York City time) on the day when due in U.S. Dollars to the Administrative Agent at its address referred to in Section 10.02 hereof, in same day funds. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal, interest, fees or other amounts payable to the Lenders, to the respective Lenders to whom the same are payable, for the account of their respective Applicable Lending Offices, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 10.07, from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment

and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) Each Borrower hereby authorizes the Administrative Agent and each Lender, if and to the extent payment owed to the Administrative Agent or such Lender, as the case may be, is not made when due hereunder, to charge from time to time against any or all of such Borrower's accounts with the Administrative Agent or such Lender, as the case may be, any amount so due.

(c) All computations of interest based on the Base Rate (except when determined on the basis of the Federal Funds Rate or the One−Month LIBOR Rate) shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be. All computations of interest and other amounts payable pursuant to Section 4.03 shall be made by the Lender claiming such interest or other amount on the basis of a year of 360 days. All other computations of interest, including computations of interest based on the Eurodollar Rate, the Base Rate (when and if determined on the basis of the Federal Funds Rate or the One−Month LIBOR Rate), and all computations of fees and other amounts payable hereunder, shall be made by the Administrative Agent on the basis of a year of 360 days. In each such case, such computation shall be made for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or other amounts are payable. Each such determination by the Administrative Agent or a Lender shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment under any Loan Document shall be stated to be due, or the last day of an Interest Period hereunder shall be stated to occur, on a day other than a Business Day, such payment shall be made, and the last day of such Interest Period shall occur, on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest and fees hereunder; *provided, however*, that if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made, or the last day of an Interest Period for a Eurodollar Rate Advance to occur, in the next following calendar month, such payment shall be made on the next preceding Business Day and such reduction of time shall in such case be included in the computation of payment of interest hereunder.

(e) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Lenders hereunder that such Borrower will not make such payment in full, the Administrative Agent may assume that such Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent such Borrower shall not have so made such payment in full to the Administrative Agent, such Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender, together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 4.02.
Prepayments.

(a)
No Borrower shall have any right to prepay any Advances except in accordance with subsections (b) and (c) below.

(b)
Any Borrower may, (i) in the case of Eurodollar Rate Advances, upon at least three Business Day's written notice to the Administrative Agent (such notice being irrevocable) and (ii) in the case of Base Rate Advances, upon notice not later than 11:00 a.m. on the date of the proposed prepayment to the Administrative Agent (such notice being irrevocable), stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given, such Borrower shall, prepay Advances comprising part of the same Borrowing, in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid and any amounts owing in connection therewith pursuant to Section 4.03(d); *provided, however*, that each partial prepayment shall be in an aggregate principal amount not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof.

(c)
If at any time, the aggregate principal amount of Advances outstanding shall exceed the Total Commitment, the Borrowers shall forthwith prepay Advances in a principal amount equal to such excess. If at any time the aggregate principal amount of Advances outstanding to any Borrower shall exceed the Borrower Sublimit of such Borrower, such Borrower shall forthwith prepay Advances in a principal amount equal to such excess. All prepayments pursuant to this subsection (c) shall be effected from outstanding Advances comprising part of the same Borrowing or Borrowings and shall be accompanied by payment of accrued interest to the date of such prepayment on the principal amount prepaid and any amounts owing in connection therewith pursuant to Section 4.03(d).

SECTION 4.03.
Yield Protection.

(a)
Change in Circumstances. Notwithstanding any other provision herein, if after the date hereof, the adoption of or any change in applicable law or regulation or in the interpretation or administration thereof (including, without limitation, pursuant to the Dodd−Frank Wall Street Reform and Consumer Protection Act of 2010) by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) shall (i) change the basis of taxation of payments to any Lender of the principal of or interest on any Eurodollar Rate Advance made by such Lender or any fees or other amounts payable under the Loan Documents (other than changes in respect of taxes imposed on the overall net income of such Lender or its Applicable Lending Office by the jurisdiction in which such Lender has its principal office or in which such Applicable Lending Office is located or by any political subdivision or taxing authority therein), or (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against commitments or assets of, deposits with or for the account of, or credit extended by, such Lender, or (iii) shall impose on such Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Rate Advances made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender, of agreeing to make, making or maintaining any Advance or to reduce the amount of any sum received or receivable by such Lender under any Loan Document (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender upon demand

such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) ***Capital***. If any Lender shall have determined that any change after the date hereof in any law, rule, regulation or guideline adopted pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "*International Convergence of Capital Measurement and Capital Standards*", or the adoption after the date hereof of any law, rule, regulation or guideline regarding capital adequacy (including, without limitation, pursuant to the Dodd−Frank Wall Street Reform and Consumer Protection Act of 2010), or any change in any of the foregoing or in the interpretation or administration of any of the foregoing by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any Applicable Lending Office of such Lender) or any Lender's holding company with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect (i) of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender hereunder or the Advances made by such Lender pursuant hereto to a level below that which such Lender or such Lender's holding company could have achieved, but for such applicability, adoption, change or compliance (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), or (ii) of increasing or otherwise determining the amount of capital required or expected to be maintained by such Lender or such Lender's holding company based upon the existence of this Agreement, the Commitment of such Lender hereunder, the Advances made by such Lender pursuant hereto and other similar such commitments, agreements or assets, then from time to time the Borrowers shall pay to such Lender upon demand such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction or allocable capital cost suffered.

(c) ***Eurodollar Reserves***. Each Borrower shall pay to each Lender upon demand, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender to such Borrower, from the date of such Advance until such principal amount is paid in full, at an interest rate *per annum* equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Reserve Percentage of such Lender for such Interest Period. Such additional interest shall be determined by such Lender and notified to the relevant Borrower and the Administrative Agent.

(d) ***Breakage Indemnity***. Each Borrower shall indemnify each Lender against any loss, cost or reasonable expense which such Lender may sustain or incur as a consequence of (i) any failure by such Borrower to fulfill on the date of any Borrowing or conversion of Advances hereunder the applicable conditions precedent set forth in Articles III and V, (ii) any failure by such Borrower to borrow any, or convert any outstanding Advance into a, Eurodollar Rate Advance hereunder after a Notice of Borrowing has been delivered pursuant to Section 3.01 hereof or after delivery of a notice of conversion pursuant to Section 3.05(a)(ii) hereof, (iii) any

payment, prepayment or conversion of a Eurodollar Rate Advance made to such Borrower required or permitted by any other provision of this Agreement or otherwise made or deemed made on a date other than the last day of the Interest Period applicable thereto, (iv) any default by such Borrower in payment or prepayment of the principal amount of any Eurodollar Rate Advance or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, by irrevocable notice of prepayment or otherwise) or (v) the occurrence of any Event of Default with respect to such Borrower, including, in each such case, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Advance or any part thereof as a Eurodollar Rate Advance. Such loss, cost or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by such Lender, of (A) its cost of obtaining the funds for the Eurodollar Rate Advance being paid, prepaid, converted or not borrowed for the period from the date of such payment, prepayment, conversion or failure to borrow to the last day of the Interest Period for such Advance (or, in the case of a failure to borrow, the Interest Period for such Advance which would have commenced on the date of such failure) over (B) the amount of interest (as reasonably determined by such Lender) that would be realized by such Lender in reemploying the funds so paid, prepaid, converted or not borrowed for such period or Interest Period, as the case may be. For purposes of this subsection (d), it shall be presumed that in the case of any Eurodollar Rate Advance, each Lender shall have funded each such Advance with a fixed−rate instrument bearing the rates and maturities designated in the determination of the Applicable Rate for such Advance.

(e) ***Notices***. A certificate of each Lender setting forth such Lender's claim for compensation hereunder and the amount necessary to compensate such Lender or its holding company pursuant to subsections (a) through (d) above shall be submitted to the Borrowers and the Administrative Agent and shall be conclusive and binding for all purposes, absent manifest error. The Borrowers or appropriate Borrower shall pay each Lender directly the amount shown as due on any such certificate within 10 days after its receipt of the same. The failure of any Lender to provide such notice or to make demand for payment under this Section shall not constitute a waiver of such Lender's rights hereunder; *provided* that such Lender shall not be entitled to demand payment pursuant to subsections (a) through (d) above in respect of any loss, cost, expense, reduction or reserve, if such demand is made more than one year following the later of such Lender's incurrence or sufferance thereof or such Lender's actual knowledge of the event giving rise to such Lender's rights pursuant to such subsections. Each Lender shall use reasonable efforts to ensure the accuracy and validity of any claim made by it hereunder, but the foregoing shall not obligate any Lender to assert any possible invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

(f) ***Change in Legality***. Notwithstanding any other provision herein, if the adoption of or any change in any law or regulation or in the interpretation or administration thereof by any governmental authority charged with the administration or interpretation thereof shall make it unlawful for any Lender to make or maintain any Eurodollar Rate Advance or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Rate Advance, then, by written notice to the Borrowers and the Administrative Agent, such Lender may:

(i) declare that Eurodollar Rate Advances will not thereafter be made by such Lender hereunder, whereupon the right of any Borrower to select Eurodollar Rate Advances for any Borrowing or conversion shall be forthwith suspended until such Lender shall withdraw such notice as provided hereinbelow or shall cease to be a Lender hereunder pursuant to Section 10.07(g) hereof; and

(ii) require that all outstanding Eurodollar Rate Advances be converted to Base Rate Advances, in which event all Eurodollar Rate Advances shall be automatically converted to Base Rate Advances as of the effective date of such notice as provided herein below.

Upon receipt of any such notice, the Administrative Agent shall promptly notify the other Lenders. Promptly upon becoming aware that the circumstances that caused such Lender to deliver such notice no longer exist, such Lender shall deliver notice thereof to the Borrowers and the Administrative Agent withdrawing such prior notice (but the failure to do so shall impose no liability upon such Lender). Promptly upon receipt of such withdrawing notice from such Lender (or upon such Lender assigning all of its Commitment, Advances, participation and other rights and obligations under the Loan Documents in accordance with Section 10.07(g)), the Administrative Agent shall deliver notice thereof to the Borrowers and the Lenders and such suspension shall terminate. Prior to any Lender giving notice to the Borrowers under this subsection (f), such Lender shall use reasonable efforts to change the jurisdiction of its Applicable Lending Office, if such change would avoid such unlawfulness and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender. Any notice to the Borrowers by any Lender shall be effective as to each Eurodollar Rate Advance on the last day of the Interest Period currently applicable to such Eurodollar Rate Advance; *provided* that if such notice shall state that the maintenance of such Advance until such last day would be unlawful, such notice shall be effective on the date of receipt by the Borrowers and the Administrative Agent.

(g) ***Market Rate Disruptions***. If (i) at any time the Eurodollar Rate is to be determined pursuant to the second sentence of the definition thereof, fewer than two Reference Banks furnish timely information to the Administrative Agent for determining the Eurodollar Rate for Eurodollar Rate Advances in connection with any proposed Borrowing or (ii) the Majority Lenders shall notify the Administrative Agent that the Eurodollar Rate will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances, the right of the Borrowers to select or receive Eurodollar Rate Advances for any Borrowing shall be forthwith suspended until the Administrative Agent shall notify the Borrowers and the Lenders that the circumstances causing such suspension no longer exist, and until such notification from the Administrative Agent, each requested Borrowing of Eurodollar Rate Advances hereunder shall be deemed to be a request for Base Rate Advances.

(h) ***Rights of Participants***. Any participant in a Lender's interests hereunder may assert any claim for yield protection under Section 4.03 that it could have asserted if it were a Lender hereunder. If such a claim is asserted by any such participant, it shall be entitled to receive such compensation from the Borrowers as a Lender would receive in like circumstances; *provided, however,* that with respect to any such claim, the Borrowers shall have no greater

liability to the Lender and its participant, in the aggregate, than it would have had to the Lender alone had no such participation interest been created.

(i) ***Liabilities of Borrowers***. Each Borrower shall be liable for its pro rata share of each payment to be made by the Borrowers under subsections (a) and (b) above, such pro rata share to be determined on the basis of such Borrower's Fraction; *provided, however*, that if and to the extent that any such liabilities are reasonably determined by the Borrowers (subject to the approval of the Administrative Agent which approval shall not be unreasonably withheld) to be directly attributable to Advances made to a specific Borrower, only such Borrower shall be liable for such payments.

SECTION 4.04.
Sharing of Payments, Etc.

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of banker's lien, set−off or counterclaim, or otherwise, but excluding any proceeds received by assignments or sales of participation in accordance with Section 10.07 hereof to a Person that is not an Affiliate of the Borrowers) on account of the Advances owing to it (other than pursuant to Section 4.03 hereof) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participation in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set−off) with respect to such participation as fully as if such Lender were the direct creditor of any such Borrower in the amount of such participation. Notwithstanding the foregoing, if any Lender shall obtain any such excess payment involuntarily, such Lender may, in lieu of purchasing participation from the other Lenders in accordance with this Section, on the date of receipt of such excess payment, return such excess payment to the Administrative Agent for distribution in accordance with Section 4.01(a).

(b) If and for so long as any Lender shall fail to make any payment required to be made by it pursuant to Section 3.03(a) or 9.05 then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section in any order as determined by the Administrative Agent in its discretion.

SECTION 4.05. Taxes.

(a) All payments by or on behalf of any Borrower under any Loan Document shall be made in accordance with Section 4.01, free and clear of and without deduction for all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, *excluding*, in the case of each Lender and the Administrative Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its overall net income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non−excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "***Taxes***"). If any Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable under any Loan Document to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, each Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made by such Borrower under any Loan Document or from the execution, delivery or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "***Other Taxes***").

(c) Each Borrower hereby indemnifies each Lender and the Administrative Agent for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes and any Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. A Lender's claim for such indemnification shall be set forth in a certificate of such Lender setting forth in reasonable detail the amount necessary to indemnify such Lender pursuant to this subsection (c) and shall be submitted to the Borrowers and the Administrative Agent and shall be conclusive and binding for all purposes, absent manifest error. The appropriate Borrower shall pay such Lender directly the amount shown as due on any such certificate within 30 days after the receipt of same. If any Taxes or Other Taxes for which a Lender or the Administrative Agent has received payments from a Borrower hereunder shall be finally determined to have been incorrectly or illegally asserted and are refunded to such Lender or the Administrative Agent, such Lender or the Administrative Agent, as the case may be, shall promptly forward to such Borrower any such refunded amount. Each Borrower's, the Administrative Agent's and each Lender's obligations under this Section shall survive the payment in full of the Advances.

(d) Within 30 days after the date of any payment of Taxes, the Borrower making such payment will furnish to the Administrative Agent, at its address referred to in Section 10.02, the original or a certified copy of a receipt evidencing payment thereof.

(e) Each Lender that is not incorporated under the laws of the United States of America or any state thereof shall, on or prior to the date it becomes a Lender hereunder, deliver to the Borrowers and the Administrative Agent such certificates, documents or other evidence, as required by the Internal Revenue Code of 1986, as amended from time to time (the "***Code***"), or treasury regulations issued pursuant thereto, including Internal Revenue Service Form W−8BEN or Form W−8ECI and any other certificate or statement of exemption required by Treasury Regulation Section 1.1441−1(a) or Section 1.1441−6(c) or any subsequent version thereof, properly completed and duly executed by such Lender establishing that it is (i) not subject to withholding under the Code or (ii) totally exempt from United States of America tax under a provision of an applicable tax treaty. Each Lender shall promptly notify the Borrowers and the Administrative Agent of any change in its Applicable Lending Office and shall deliver to the Borrowers and the Administrative Agent together with such notice such certificates, documents or other evidence referred to in the immediately preceding sentence. Each Lender will use good faith efforts to apprise the Borrowers and the Administrative Agent as promptly as practicable of any impending change in its tax status that would give rise to any obligation by any Borrower to pay any additional amounts pursuant to this Section. Unless the Borrowers and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments under the Loan Documents are not subject to United States of America withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Borrowers or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments to or for any Lender organized under the laws of a jurisdiction outside the United States of America. Each Lender represents and warrants that each such form supplied by it to the Administrative Agent and the Borrowers pursuant to this Section, and not superseded by another form supplied by it, is or will be, as the case may be, complete and accurate.

(f) Any Lender claiming any additional amounts payable pursuant to this Section shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by the Borrowers or to change the jurisdiction of its Applicable Lending Office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender.

ARTICLE V
CONDITIONS PRECEDENT

SECTION 5.01.
Conditions Precedent to Effectiveness.

The obligations of the Lenders to make Advances hereunder shall not become effective unless on and as of the date hereof (the "***Closing Date***") each of the following conditions is satisfied:

(a) The Administrative Agent shall have received on or before the Closing Date the following, each dated the Closing Date, in form and substance satisfactory to the Administrative Agent and in sufficient copies for each Bank:

(i) Counterparts of this Agreement, duly executed by each Borrower, each Bank and the Administrative Agent.

(ii) A certificate of the Secretary or Assistant Secretary (or analogous officer or representative) of each Borrower certifying:

(A) the names and true signatures of the officers of such Borrower authorized to sign the Loan Documents to be executed and delivered by such Borrower;

(B) that attached thereto are true and correct copies of: (1) the articles of incorporation and by−laws of such Borrower, together with all amendments thereto, as in effect on such date; (2) the resolutions of such Borrower's board of directors approving the execution, delivery and performance by such Borrower of the Loan Documents to be executed and delivered by such Borrower; (3) all documents evidencing other necessary corporate or other similar action, if any, with respect to the execution, delivery and performance by such Borrower of the Loan Documents to be executed and delivered by such Borrower; and (4) true and correct copies of all Governmental Approvals referred to in clause (i) of the definition of "Governmental Approval" required to be obtained by such Borrower in connection with the execution, delivery and performance by such Borrower of the Loan Documents to be executed and delivered by such Borrower; and

(C) that the resolutions referred to in the foregoing clause (B)(2) have not been modified, revoked or rescinded and are in full force and effect on such date.

(iii) A certificate signed by the Treasurer or Assistant Treasurer of each Borrower, certifying as to:

(A) the Borrowing Limit of such Borrower as in effect on the Closing Date;

(B) the delivery to each of the Banks, prior to the Closing Date, of true, correct and complete copies (other than exhibits thereto) of all of the Disclosure Documents; and

(C) the absence of any material adverse change in the business, condition (financial or otherwise), operations, properties or prospects of such Borrower since December 31, 2009, except as disclosed in the Disclosure Documents.

(iv) A certificate of a duly authorized officer of each Borrower stating that (i) the representations and warranties of such Borrower contained in Section 6.01 are

correct, in all material respects, on and as of the Closing Date before and after giving effect to any Advances to be made on such date and the application of the proceeds thereof, and (ii) no event has occurred and is continuing with respect to such Borrower which constitutes an Event of Default or Unmatured Default in respect of such Borrower, or would result from such initial Advances or the application of the proceeds thereof.

(v) Such financial, business and other information regarding each Borrower and its Subsidiaries, as any Bank shall have reasonably requested.

(vi) Favorable opinions of:

(A) Jeffrey C. Miller, Assistant General Counsel of NUSCO, in substantially the form of Exhibit 5.01A hereto, and of such other counsel as relied upon therein; and as to such other matters as any Bank may reasonably request; and

(B) King & Spalding LLP, special New York counsel to the Administrative Agent, in substantially the form of Exhibit 5.01B hereto and as to such other matters as any Bank may reasonably request.

(b) The Administrative Agent shall have received evidence satisfactory to it of the termination of the commitments under the Existing Credit Agreement and the payment of all obligations owing thereunder (except for any obligations that, by their terms, survive the termination of such commitments).

(c) All fees and other amounts payable pursuant to Section 2.02 hereof or pursuant to the Fee Letter shall have been paid (to the extent then due and payable).

(d) The Administrative Agent shall have received such other approvals, opinions and documents as the Majority Lenders, through the Administrative Agent, shall have reasonably requested as to the legality, validity, binding effect or enforceability of this Agreement or the financial condition, operations, properties or prospects of each Borrower.

SECTION 5.02.
Conditions Precedent to All Advances.

The obligation of each Lender to make any Advance to any Borrower, including the initial Advance to such Borrower, shall be subject to the conditions precedent that, on the date of such Advance and after giving effect thereto:

(a) the following statements shall be true (and each of the giving of the applicable Notice of Borrowing with respect to such Advance and the acceptance of the proceeds of such Advance without prior correction by or on behalf of such Borrower shall constitute a representation and warranty by such Borrower that on the date of such Advance such statements are true):

(i) the representations and warranties of such Borrower contained in Section 6.01 of this Agreement (other than those set forth in Section 6.01(g) and the last sentence of Section 6.01(f)) are correct, in all material respects, on and as of the date of

such Advance, before and after giving effect to such Advance and to the application of the proceeds therefrom, as though made on and as of such date;

(ii) no Event of Default or Unmatured Default with respect to such Borrower has occurred and is continuing on or as of the date of such Advance or would result from such Advance or from the application of the proceeds thereof;

(iii) the making of such Advance, when aggregated with all other Advances outstanding to or requested by such Borrower would not cause such Borrower's Borrower Sublimit to be exceeded; and

(iv) the making of such Advance, when aggregated with all other Advances outstanding to or requested by such Borrower and all other outstanding short−term debt of such Borrower would not exceed such Borrower's Borrowing Limit then in effect; and

(b) such Borrower shall have furnished to the Administrative Agent such other approvals, opinions or documents as any Lender may reasonably request through the Administrative Agent as to the legality, validity, binding effect or enforceability of any Loan Document.

SECTION 5.03.
Reliance on Certificates.

Each of the Lenders and the Administrative Agent shall be entitled to rely conclusively upon the certificates delivered from time to time by officers of each Borrower as to the names, incumbency, authority and signatures of the respective persons named therein until such time as the Administrative Agent may receive a replacement certificate, in form acceptable to the Administrative Agent, from an officer of such Borrower identified to the Administrative Agent as having authority to deliver such certificate, setting forth the names and true signatures of the officers and other representatives of such Borrower thereafter authorized to act on behalf of such Borrower and, in all cases, the Lenders and the Administrative Agent may rely on the information set forth in any such certificate.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

SECTION 6.01.
Representations and Warranties of the Borrowers.

Each Borrower represents and warrants with respect to itself as follows:

(a) Such Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has the requisite corporate power and authority to own its property and assets and to carry on its business as now conducted and is qualified to do business in every jurisdiction where, because of the nature of its business or property, such qualification is required, except where the failure so to qualify would not have a material adverse effect on the financial condition, properties, prospects or operations of such Borrower. Such Borrower has the corporate power to execute, deliver and perform its obligations under the Loan Documents and to borrow hereunder.

(b)
The execution, delivery and performance of the Loan Documents by such Borrower are within such Borrower's corporate powers, have been duly authorized by all necessary corporate or other similar action, and do not and will not contravene (i) such Borrower's charter or by−laws or any law or legal restriction or (ii) any contractual restriction binding on or affecting such Borrower or its properties.

(c)
Except as disclosed in such Borrower's Disclosure Documents, such Borrower is not in violation of any law or in default with respect to any judgment, writ, injunction, decree, rule or regulation (including any of the foregoing relating to environmental laws and regulations) of any court or governmental agency or instrumentality where such violation or default would reasonably be expected to have a material adverse effect on the financial condition, properties, prospects or operations of such Borrower.

(d)
All Governmental Approvals referred to in clause (i) of the definition of "Governmental Approval" have been duly obtained or made and are in full force and effect, and all applicable periods of time for review, rehearing or appeal with respect thereto have expired. Such Borrower has obtained or made all Governmental Approvals referred to in clause (ii) of the definition of "Governmental Approvals", and such Governmental Approvals are in full force and effect, except (A) those which are not yet required but which are obtainable in the ordinary course of business as and when required, (B) those the absence of which would not materially adversely affect the financial condition, properties, prospects or operations of such Borrower and (C) those which such Borrower is diligently attempting in good faith to obtain, renew or extend, or the requirement for which such Borrower is contesting in good faith by appropriate proceedings or by other appropriate means, in each case described in the foregoing clause (C), except as is disclosed in such Borrower's Disclosure Documents, such attempt or contest, and any delay resulting therefrom, is not reasonably expected to have a material adverse effect on the financial condition, properties, prospects or operations of such Borrower or to magnify to any significant degree any such material adverse effect that would reasonably be expected to result from the absence of such Governmental Approval.

(e)
The Loan Documents to which such Borrower is a party are legal, valid and binding obligations of such Borrower enforceable against such Borrower in accordance with their respective terms; subject to the qualification, however, that the enforcement of the rights and remedies herein and therein is subject to bankruptcy and other similar laws of general application affecting rights and remedies of creditors and the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(f)
The Financial Statements of such Borrower, copies of which have been provided to the Administrative Agent and each of the Lenders, fairly present in all material respects the financial condition and results of operations of such Borrower (in the case of CLPand PSNH on a consolidated basis) at and for the period ended on the dates thereof, and have been prepared in accordance with generally accepted accounting principles consistently applied. Since December 31, 2009, there has been no material adverse change in the consolidated (or in the case of WMECO and Yankee, unconsolidated) financial condition, business, operations, properties or prospects of such Borrower and its Subsidiaries, if any, taken as a whole, except as disclosed in such Borrower's Disclosure Documents.

(g)
There is no pending or known threatened litigation, investigation, action or proceeding (including, without limitation, any action or proceeding relating to any environmental protection laws or regulations) affecting such Borrower or its properties before any court, governmental agency or arbitrator (i) which affects or purports to affect the legality, validity or enforceability of any Loan Document or (ii) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would materially adversely affect the financial condition, properties, prospects or results of operations of such Borrower, except, for purposes of this clause (ii) only, such as is described in such Borrower's Disclosure Documents.

(h)
No ERISA Plan Termination Event has occurred nor is reasonably expected to occur with respect to any ERISA Plan or ERISA Multiemployer Plan which would materially adversely affect the financial condition, properties, prospects or operations of such Borrower taken as a whole, except as disclosed to the Lenders and consented to by the Majority Lenders in writing. Since the date of the most recent Schedule B (Actuarial Information) to the annual report of each such ERISA Plan (Form 5500 Series), (i) there has been no material adverse change in the funding status of the ERISA Plans referred to therein, and (ii) no "prohibited transaction" (as defined in Section 4975 of the Internal Revenue Code of 1986, as amended, and in ERISA) has occurred with respect thereto that, singly or in the aggregate with all other "prohibited transactions" and, in the case of each of clauses (i) and (ii), after giving effect to all likely consequences thereof, would be reasonably expected to have a material adverse effect on the financial condition, properties, prospects or operations of such Borrower. Neither such Borrower nor any of its ERISA Affiliates has incurred nor reasonably expects to incur any material withdrawal liability under ERISA to any ERISA Multiemployer Plan, except as disclosed to and consented by the Majority Lenders in writing.

(i)
Such Borrower has good and marketable title (or, in the case of personal property, valid title) or valid leasehold interests in its assets, except for (i) minor defects in title that do not materially interfere with the ability of such Borrower to conduct its business as now conducted and (ii) other defects that, either individually or in the aggregate, do not materially adversely affect the financial condition, properties, prospects or operations of such Borrower. All such assets and properties are free and clear of any Lien, other than Liens permitted under Section 7.02(a) hereof.

(j)
All outstanding shares of capital stock having ordinary voting power for the election of directors of such Borrower have been validly issued, are fully paid and nonassessable and are owned beneficially by NU, free and clear of any Lien.

(k)
Such Borrower has filed all tax returns (Federal, state and local) required to be filed and paid taxes shown thereon to be due, including interest and penalties, or, to the extent such Borrower is contesting in good faith an assertion of liability based on such returns, has provided adequate reserves in accordance with generally accepted accounting principles for payment thereof.

(l)
No exhibit, schedule, report or other written information provided by or on behalf of such Borrower or its agents to the Administrative Agent or the Banks in connection with the negotiation, execution and closing of the Loan Documents (including, without limitation, the Financial Statements and the Information Memorandum (but excluding the projections contained

in the Information Memorandum)) knowingly contained when made any material misstatement of fact or knowingly omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made. Except as has been disclosed to the Administrative Agent and each Bank, the projections delivered concurrently with the Information Memorandum were prepared in good faith on the basis of assumptions reasonable as of the date of the Information Memorandum, it being understood that such projections do not constitute a warranty or binding assurance of future performance. As of the date of this Agreement, except as has been disclosed to the Administrative Agent and each Bank, nothing has come to the attention of the responsible officers of such Borrower that would indicate that any of such assumptions, to the extent material to such projections, has ceased to be reasonable in light of subsequent developments or events.

(m) All proceeds of the Advances shall be used (i) for the general corporate purposes of such Borrower, including to provide liquidity support for such Borrower's commercial paper, and (ii) to provide liquidity to the NU System Money Pool. No proceeds of any Advance will be used in violation of, or in any manner that would result in a violation by any party hereto of, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System or any successor regulations. Such Borrower (A) is not an "investment company" within the meaning ascribed to that term in the Investment Company Act of 1940 and (B) is not engaged in the business of extending credit for the purpose of buying or carrying margin stock.

(n) Such Borrower has obtained the insurance specified in Section 7.01(c) hereof and the same is in full force and effect.

(o) (i) The assets, at a fair valuation, of such Borrower exceed its debts; (ii) such Borrower has not incurred and does not intend to incur, and does not believe that it will incur, debts beyond its ability to pay such debts as such debts mature; and (iii) such Borrower will have sufficient capital with which to conduct its business. As used in this paragraph, "debt" means any liability on a claim, and "claim" means (A) any right to payment from such person, whether or not such a right is reduced to judgment against such person, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (B) any right to an equitable remedy for breach of performance by such person if such breach gives rise to a payment from such person, whether or not such right to an equitable remedy is reduced to judgment against such person, whether fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The amount of unliquidated, contingent, unmatured or disputed liabilities of any person at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

ARTICLE VII
COVENANTS

SECTION 7.01.
Affirmative Covenants of the Borrowers.

On and after the date hereof, so long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, each Borrower shall, unless the Majority Lenders shall otherwise consent in writing:

(a) ***Use of Proceeds***. Apply the proceeds of each Advance solely as specified in Section 6.01(m) hereof.

(b) ***Payment of Taxes, Etc.*** Pay and discharge before the same shall become delinquent, all taxes, assessments and governmental charges, royalties or levies imposed upon it or upon its property except to the extent such Borrower is contesting the same in good faith by appropriate proceedings and has set aside adequate reserves in accordance with generally accepted accounting principles for the payment thereof.

(c) ***Maintenance of Insurance***. Maintain, or cause to be maintained, insurance (including appropriate plans of self−insurance) covering such Borrower and its properties, in effect at all times in such amounts and covering such risks as may be required by law and, in addition, as is usually carried by companies engaged in similar businesses and owning similar properties.

(d) ***Preservation of Existence, Etc.*** Except as permitted by Section 7.02(b) hereof, preserve and maintain its existence, corporate or otherwise, material rights (statutory and otherwise) and franchises except where the failure to maintain and preserve such rights and franchises would not materially adversely affect the financial condition, properties, prospects or operations of such Borrower.

(e) ***Compliance with Laws, Etc.*** Comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, including, without limitation, any such laws, rules, regulations and orders issued by the Securities and Exchange Commission or relating to zoning, environmental protection, use and disposal of Hazardous Substances, land use, construction and building restrictions, ERISA and employee safety and health matters relating to business operations, except to the extent (i) that such Borrower is contesting the same in good faith by appropriate proceedings or (ii) that any such non−compliance, and the enforcement or correction thereof, would not materially adversely affect the financial condition, properties, prospects or operations of such Borrower.

(f) ***Inspection Rights***. At any time and from time to time upon reasonable notice, permit the Administrative Agent and its agents and representatives to examine and make copies of and abstracts from the records and books of account of, and the properties of, such Borrower and to discuss the affairs, finances and accounts of such Borrower (i) with such Borrower and its officers and directors and (ii) with the consent of such Borrower (which consent shall not be unreasonably withheld or delayed), with the accountants of such Borrower.

(g) ***Keeping of Books***. Keep proper records and books of account, in which full and correct entries shall be made of all financial transactions of such Borrower and the assets and business of such Borrower, in accordance with generally accepted accounting practices consistently applied.

(h) ***Conduct of Business***. Except as permitted by Section 7.02(b), conduct its primary business in substantially the same manner and in substantially the same fields as such business is conducted on the date hereof.

(i) ***Maintenance of Properties, Etc***. As to properties of the type described in Section 6.01(i) hereof, maintain title of the quality described therein and preserve, maintain, develop, and operate, in substantial conformity with all laws, material contractual obligations and prudent practices prevailing in the industry, all of its properties which are used or useful in the conduct of its businesses in good working order and condition, ordinary wear and tear excepted, *except* (A) as permitted by Section 7.02(b), (B) as disclosed in the Disclosure Documents or otherwise in writing to the Administrative Agent and the Lenders on or prior to the date hereof and (C) to the extent such non−conformity would not materially adversely affect the financial condition, properties, prospects or operations of such Borrower; *provided, however*, that such Borrower will not be prevented from discontinuing the operation and maintenance of any such properties if such discontinuance is, in the judgment of such Borrower, desirable in the operation or maintenance of its business and would not materially adversely affect the financial condition, properties, prospects or operations of such Borrower.

(j) ***Governmental Approvals***. Duly obtain, on or prior to such date as the same may become legally required, and thereafter maintain in effect at all times, all Governmental Approvals on its part to be obtained, except in the case of those Governmental Approvals referred to in clause (ii) of the definition of "Governmental Approvals", (i) those the absence of which would not materially adversely affect the financial condition, properties, prospects or operations of such Borrower and (ii) those which such Borrower is diligently attempting in good faith to obtain, renew or extend, or the requirement for which such Borrower is contesting in good faith by appropriate proceedings or by other appropriate means; *provided, however*, that the exception afforded by clause (ii), above, shall be available only if and for so long as such attempt or contest, and any delay resulting therefrom, does not have a material adverse effect on the financial condition, properties, prospects or operations of such Borrower and does not magnify to any significant degree any such material adverse effect that would reasonably be expected to result from the absence of such Governmental Approval.

(k) ***Further Assurances***. Promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that any Lender through the Administrative Agent may reasonably request in order to fully give effect to the interests and properties purported to be covered by the Loan Documents.

SECTION 7.02.
Negative Covenants of the Borrowers.

On and after the date hereof, and so long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, each Borrower shall not, without the written consent of the Majority Lenders:

(a) ***Liens, Etc***. Create, incur, assume or suffer to exist any Lien upon any of its properties or assets, whether now owned or hereafter acquired, except:

(i) any Liens existing on the Closing Date;

(ii) Liens created by the First Mortgage Indentures, so long as by the terms thereof no "event of default" (howsoever designated) in respect of any bonds issued

thereunder will arise upon the occurrence of an Unmatured Default or Event of Default hereunder;

(iii) "Permitted Liens" or "Permitted Encumbrances" under the First Mortgage Indenture to which such Borrower is a party, in each case, to the extent such Liens do not secure Debt of such Borrower;

(iv) any purchase money Lien or construction mortgage on assets hereafter acquired or constructed by such Borrower and any Lien on any assets existing at the time of acquisition thereof by such Borrower or created within 180 days from the date of completion of such acquisition or construction; *provided* that such Lien shall at all times be confined solely to the assets so acquired or constructed and any additions thereto;

(v) any existing Liens on assets now owned by such Borrower and Liens existing on assets of a corporation or other going concern when it is merged into or with such Borrower or when substantially all of its assets are acquired by such Borrower; *provided* that such Liens shall at all times be confined solely to such assets, or if such assets constitute a utility system, additions to or substitutions for such assets;

(vi) Liens resulting from legal proceedings being contested in good faith by appropriate legal or administrative proceedings by such Borrower, and as to which such Borrower, to the extent required by generally accepted accounting principles applied on a consistent basis, shall have set aside on its books adequate reserves;

(vii) Liens created in favor of the other contracting party in connection with advance or progress payments;

(viii) any Liens in favor of any state of the United States or any political subdivision of any such state, or any agency of any such state or political subdivisions, or trustee acting on behalf of holders of obligations issued by any of the foregoing or any financial institutions lending to or purchasing obligations of any of the foregoing, which Lien is created or assumed for the purpose of financing all or part of the cost of acquiring or constructing the property subject thereto;

(ix) Liens resulting from conditional sale agreements, capital leases or other title retention agreements;

(x) with respect to pollution control bond financings, Liens on funds, accounts and other similar intangibles of such Borrower created or arising under the relevant indenture, pledges of the related loan agreement with the relevant issuing authority and pledges of such Borrower's interest, if any, in any bonds issued pursuant to such financings to a letter of credit bank or bond issuer or similar credit enhancer;

(xi) Liens granted on accounts receivable and Regulatory Assets in connection with financing transactions, whether denominated as sales or borrowings;

(xii) any other Liens incurred in the ordinary course of business otherwise than to secure Debt; and

(xiii) any extension, renewal or replacement of Liens permitted by clauses (i), (iii) through (v) and (vii) through (xi); *provided, however*, that the principal amount of Debt secured thereby shall not, at the time of such extension, renewal or replacement, exceed the principal amount of Debt so secured and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced or to other property of no greater value than the property which secured the Lien so extended, renewed or replaced.

(b) ***Mergers, Sales of Assets, Etc***. (i) Merge with or into or consolidate with or into, any Person, or (ii) sell, transfer, convey, lease or otherwise dispose of all or any substantial part of its assets, or permit its Subsidiaries to do so; except for the following, and then only after receipt of all necessary corporate and governmental or regulatory approvals and *provided* that, before and after giving effect to any such merger, consolidation, sale, transfer, conveyance, lease or other disposition, no Event of Default or Unmatured Default shall have occurred and be continuing:

(i) subsidiaries of such Borrower may merge with or consolidate into (x) wholly−owned Subsidiaries of such Borrower so long as, in any such case, the wholly−owned Subsidiary is the survivor and (y) such Borrower so long as such Borrower is the survivor;

(ii) such Borrower or any Subsidiary of such Borrower may merge with or consolidate into a Person that is not an Affiliate of such Borrower so long as (1) such Borrower or Subsidiary is the survivor of such merger or consolidation, (2) such Borrower demonstrates pro forma compliance with the financial covenant set forth in Section 7.03 hereof, and (3) such Borrower's indicative senior unsecured non−credit enhanced long−term debt ratings from SPand Moody's in contemplation of such merger or consolidation, and such Borrower's actual senior unsecured non−credit enhanced long−term debt ratings from SPand Moody's following any such merger or consolidation, remain at or above the levels established immediately prior to the merger or consolidation;

(iii) CL&P, WMECO and PSNH may sell, lease, transfer, convey or otherwise dispose of transmission assets (1) to another Subsidiary of NU on such basis as permitted by the appropriate regulatory authorities or (2) to any Person on such basis as required by the appropriate regulatory authorities;

(iv) Such Borrower may (1) sell, lease, transfer, convey or otherwise dispose of assets of such Borrower to another Borrower or Borrowers and (2) may merge into or with another Borrower or Borrowers; and

(v) Such Borrower may sell its assets in the ordinary course of business on customary terms and conditions, including any sale of accounts receivable on reasonable commercial terms (including a commercially reasonably discount).

For purposes of this subsection (b), any sale of assets by such Person (in one or a series of transactions) will be deemed to be a "substantial part" of its assets if (i) the book value of such

assets exceeds 15% of the total book value of the assets (net of Regulatory Assets) of such Person, as reflected in the most recent financial statements of such Person delivered to the Administrative Agent pursuant to Section 7.04 hereof (or, if no such financial statements have been delivered to the Administrative Agent as of the relevant date of determination, the Financial Statements of such Person), or (ii) the gross revenue associated with such assets accounts for more than 15% of the total gross revenue of such Person for the four proceeding fiscal quarters, as reflected in the most recent financial statements of such Person delivered to the Administrative Agent pursuant to Section 7.04 hereof (or, if no such financial statements have been delivered to the Administrative Agent as of the relevant date of determination, the Financial Statements of such Person). Notwithstanding anything to the contrary in this Section 7.02(b), each Borrower agrees that it shall not, except in accordance with one or more restructuring plans approved by the appropriate regulatory authorities, sell, transfer or otherwise dispose of (by lease or otherwise, and whether in one or a series of related transactions) any portion of its generation, transmission or distribution assets in excess of 15% of the net utility plant assets of such Borrower, in each case as determined on a cumulative basis from the date of this Agreement through the Termination Date by reference to the published balance sheets of such Borrower.

(c) ***Compliance with ERISA***. (i) Terminate, or permit any ERISA Affiliate thereof to terminate, any ERISA Plan so as to result in any liability of such Borrower to the PBGC in an amount greater than $1,000,000, or (ii) permit to exist any occurrence of any Reportable Event (as defined in Title IV of ERISA) which, alone or together with any other Reportable Event with respect to the same or another ERISA Plan, has a reasonable possibility of resulting in liability of such Borrower to the PBGC in an aggregate amount exceeding $1,000,000, or any other event or condition which presents a material risk of such a termination by the PBGC of any ERISA Plan or has a reasonable possibility of resulting in a liability of such Borrower to the PBGC or an ERISA Multiemployer Plan in an aggregate amount exceeding $1,000,000.

(d) ***Transactions with Affiliates***. Engage in any transaction with any Affiliate on terms no less favorable to such Borrower than if the transaction had been negotiated in good faith on an arms−length basis with a non−Affiliate and on commercially reasonable terms or pursuant to a binding agreement in effect on the date hereof

(e) ***Interests in Nuclear Plants***. Acquire any nuclear plant or any interest therein not held on the date hereof, other than so−called “power entitlements” acquired for use in the ordinary course of business.

SECTION 7.03.
Financial Covenant of the Borrowers.

So long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, each Borrower shall, unless the Majority Lenders shall otherwise consent in writing, maintain a ratio of Consolidated Debt to Total Capitalization of no more than 0.65:1.00, as of the end of each Fiscal Quarter.

SECTION 7.04.
Reporting Obligations of the Borrowers.

So long as any obligation hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, each Borrower shall, unless the Majority Lenders shall otherwise

consent in writing, furnish or cause to be furnished to the Administrative Agent in sufficient copies for each Lender, the following:

(a) as soon as possible and in any event within ten days after the occurrence of each Event of Default or Unmatured Default with respect to such Borrower continuing on the date of such statement, a statement of the chief financial officer, treasurer or assistant treasurer of such Borrower setting forth details of such Event of Default or Unmatured Default and the action which such Borrower proposes to take with respect thereto;

(b) (i) as soon as available, and in any event within fifty (50) days after the end of each of the first three Fiscal Quarters of each Fiscal Year of such Borrower, a copy of such Borrower's Quarterly Report on Form 10−Q (if such Borrower is required to file such report with the U.S. Securities and Exchange Commission pursuant to Section 13 or 15 of the U.S. Securities Exchange Act of 1934, as amended) submitted to the Securities and Exchange Commission with respect to such quarter, and, with respect to Yankee, and any other Borrower that ceases to be required to submit such report, consolidated balance sheets of Yankee and such Borrower as of the end of such Fiscal Quarter and consolidated statements of income and retained earnings and of cash flows of Yankee and such Borrower for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, all in reasonable detail and duly certified (subject to year−end audit adjustments) by the chief financial officer, treasurer, assistant treasurer or comptroller of Yankee and such Borrower as having been prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the Financial Statements; and

(ii) concurrently with the delivery of the financial statements described in the foregoing clause (i), a certificate of the chief financial officer, treasurer, assistant treasurer or comptroller of such Borrower:

(A) to the effect that such financial statements were prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the Financial Statements,

(B) stating that no Event of Default or Unmatured Default with respect to such Borrower has occurred and is continuing or, if an Event of Default or Unmatured Default with respect to such Borrower has occurred and is continuing, describing the nature thereof and the action which such Borrower proposes to take with respect thereto, and

(C) demonstrating such Borrower's compliance with the covenants set forth in Section 7.03 hereof, for and as of the end of such Fiscal Quarter, in each case such demonstrations to be in form satisfactory to the Administrative Agent and to set forth in reasonable detail the computations used in determining such compliance;

(c) (i) as soon as available, and in any event within 105 days after the end of each Fiscal Year of such Borrower, a copy of such Borrower's report on Form 10−K (if such Borrower is required to file such report with the U.S. Securities and Exchange Commission

pursuant to Sections 13 or 15 of the U.S. Securities Exchange Act of 1934, as amended) submitted to the Securities and Exchange Commission with respect to such Fiscal Year, and, with respect to Yankee, and any other Borrower that ceases to be required to submit such report, a copy of the annual audit reports for such year for Yankee and such Borrower, including therein consolidated balance sheets of Yankee and such Borrower as of the end of such Fiscal Year and consolidated statements of income and retained earnings and of cash flows of Yankee and such Borrower for such Fiscal Year, all in reasonable detail and certified by a nationally−recognized independent public accountant; and

(ii) concurrently with the delivery of the financial statements described in the foregoing clause (i), a certificate of the chief financial officer, treasurer, assistant treasurer or comptroller of such Borrower:

(1) to the effect that such financial statements were prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the Financial Statements, and

(2) stating that no Event of Default or Unmatured Default with respect to such Borrower has occurred and is continuing, or if an Event of Default or Unmatured Default with respect to such Borrower has occurred and is continuing, describing the nature thereof and the action which such Borrower proposes to take with respect thereto, and

(3) demonstrating such Borrower's compliance with the covenant set forth in Section 7.03 hereof, for and as of the end of such Fiscal Year, in each case such demonstration to be in form satisfactory to the Administrative Agent and to set forth in reasonable detail the computations used in determining such compliance;

(d) upon the reasonable request of the Administrative Agent, but not more than once per Fiscal Quarter, copies of any or all filings or registrations with, or notices or reports to, any regulatory authority;

(e) as soon as possible and in any event (A) within 30 days after the Chief Financial Officer, Treasurer or any Assistant Treasurer of such Borrower knows or has reason to know that any ERISA Plan Termination Event described in clause (i) of the definition of "ERISA Plan Termination Event" with respect to any ERISA Plan or ERISA Multiemployer Plan has occurred and (B) within 10 days after such Borrower knows or has reason to know that any other ERISA Plan Termination Event with respect to any ERISA Plan or ERISA Multiemployer Plan has occurred, a statement of the Chief Financial Officer, Treasurer or Assistant Treasurer of such Borrower describing such ERISA Plan Termination Event and the action, if any, which such Borrower proposes to take with respect thereto;

(f) promptly after receipt thereof by such Borrower or any of its ERISA Affiliates from the PBGC, copies of each notice received by such Borrower or any such ERISA Affiliate of the PBGC's intention to terminate any ERISA Plan or ERISA Multiemployer Plan or to have a trustee appointed to administer any ERISA Plan or ERISA Multiemployer Plan;

(g) promptly after receipt thereof by such Borrower or any of its ERISA Affiliates from an ERISA Multiemployer Plan sponsor, a copy of each notice received by such Borrower or any of its ERISA Affiliates concerning the imposition or amount of withdrawal liability in an aggregate principal amount of at least $10,000,000 pursuant to Section 4202 of ERISA in respect of which such Borrower may be liable;

(h) promptly after such Borrower becomes aware of the commencement thereof, notice of all actions, suits, proceedings or other events of the type described in Section 6.01(g) hereof (including, without limitation, any action or proceeding relating to any environmental protection laws or regulations);

(i) promptly after the filing thereof, copies of each prospectus (excluding any prospectus contained in any Form S−8) and Current Report on Form 8−K, if any, which such Borrower files with the Securities and Exchange Commission or any successor governmental authority;

(j) promptly after any change in the Borrowing Limit of such Borrower, notice of the new Borrowing Limit applicable to such Borrower; and

(k) promptly after requested, such other information respecting the financial condition, operations, properties or prospects of such Borrower or its Subsidiaries as the Administrative Agent, or the Majority Lenders through the Administrative Agent, may from time to time reasonably request in writing.

ARTICLE VIII
DEFAULTS

SECTION 8.01.
Events of Default.

The following events shall each constitute an "***Event of Default***" with respect to a Borrower:

(a) Such Borrower shall fail to pay any principal of any Advance when due or shall fail to pay any interest thereon or fees or other amounts payable under the Loan Documents within two days after the same becomes due; or

(b) Any representation or warranty made by such Borrower (or any of its officers or agents) in any Loan Document, any certificate or other writing delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made; or

(c) Such Borrower shall fail to perform or observe any term or covenant on its part to be performed or observed contained in Section 7.01(d), Section 7.02, Section 7.03 or Section 7.04(a) hereof; or

(d) Such Borrower shall fail to perform or observe any other term or covenant on its part to be performed or observed contained in any Loan Document and any such failure shall remain unremedied for a period of 30 days after the earlier of (i) written notice of such failure

having been given to such Borrower by the Administrative Agent or (ii) such Borrower having obtained actual knowledge of such failure; or

(e) Such Borrower shall fail to pay any of its Debt when due (including any interest or premium thereon but excluding Debt outstanding hereunder and excluding other Debt aggregating in no event more than $50,000,000 in principal amount at any one time) whether by scheduled maturity, required prepayment, acceleration, demand or otherwise, and such failure shall continue after the applicable grace period, if any, specified in any agreement or instrument relating to such Debt; or any other default under any agreement or instrument relating to any such Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment or as a result of such Borrower's exercise of a prepayment option) prior to the stated maturity thereof; or

(f) Such Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make an assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of a proceeding instituted against such Borrower such Borrower shall consent thereto or such proceeding shall remain undismissed or unstayed for a period of 90 days or any of the actions sought in such proceeding (including without limitation the entry of an order for relief against such Borrower or the appointment of a receiver, trustee, custodian or other similar official for such Borrower or any of its property) shall occur; or such Borrower shall take any corporate or other action to authorize any of the actions set forth above in this subsection (f); or

(g) Any judgments or orders for the payment of money in excess of $50,000,000 (or aggregating more than $50,000,000 at any one time) shall be rendered against such Borrower or its properties, and either (A) enforcement proceedings shall have been commenced by any creditor upon such judgment or order and shall not have been stayed or (B) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) Any material provision of any Loan Document to which such Borrower is a party shall at any time for any reason cease to be valid and binding on such Borrower, or shall be determined to be invalid or unenforceable by any court, governmental agency or authority having jurisdiction over such Borrower, or such Borrower shall deny that it has any further liability or obligation under any Loan Document; or

(i) NU shall cease to beneficially own, free and clear of any Liens, at least 85% of all outstanding shares of capital stock having ordinary voting power for the election of directors of such Borrower; or

(j) A Change of Control shall have occurred.

SECTION 8.02.
Remedies Upon Events of Default.

Upon the occurrence and during the continuance of any Event of Default with respect to a Borrower, the Administrative Agent shall at the request, or may with the consent, of the Lenders entitled to make such request, upon notice to such Borrower (i) declare the obligation of each Lender to make Advances to such Borrower to be terminated, whereupon such obligation of each Lender shall forthwith terminate, *provided*, that any such request or consent pursuant to this clause (i) shall be made solely by Lenders having Percentages in the aggregate in excess of 50%; and (ii) declare the Advances made to such Borrower, all interest thereon and all other amounts payable by such Borrower under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon such Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Borrower, *provided*, that any such request or consent pursuant to this clause (ii) shall be made solely by the Lenders holding in excess of 50% of the then aggregate unpaid principal amount of the Advances owing by such Borrower, *provided*, that if such Event of Default is an Event of Default pursuant to subsection (f) of Section 8.01, then (A) the obligation of each Lender to make Advances to such Borrower shall automatically be terminated and (B) the Advances made to such Borrower, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by each Borrower.

ARTICLE IX
THE AGENT

SECTION 9.01.
Authorization and Action.

Each Lender hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection thereof), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders; *provided, however*, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to the Loan Documents or applicable law. The Administrative Agent agrees to deliver promptly to each Lender notice of each notice given to it by a Borrower pursuant to the terms of this Agreement.

SECTION 9.02.
Administrative Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with any Loan Document, except for its or their own gross negligence or willful misconduct.

Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat each Lender party hereto as a "Lender" hereunder and for all purposes hereof until the Administrative Agent receives and accepts an Assignment and Assumption entered into by such Lender, as assignor, and an assignee, as provided in Section 10.07; (ii) may consult with legal counsel (including counsel for the Borrower(s)), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for the Information Memorandum or any other statements, warranties or representations made in or in connection with any Loan Document; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document on the part of any Borrower to be performed or observed, or to inspect any property (including the books and records) of any Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 9.03.
Citibank and Affiliates.

With respect to its Commitment and the Advances made by it, Citibank shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Citibank in its individual capacity. Citibank and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, any Borrower, any of their respective Subsidiaries and any Person who may do business with or own securities of any Borrower or any such Subsidiary, all as if Citibank were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 9.04.
Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the Information Memorandum and the Financial Statements and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 9.05.
Indemnification.

The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrowers), ratably according to their respective Commitments (or, if the Commitments have been terminated, ratably according to the respective principal amounts of the Advances then

held by each of them (*provided*, that if any Commitments or Advances are held by any Borrower or Affiliates thereof, any ratable apportionment hereunder shall exclude their respective Commitments hereunder or the principal amount of the Advances held by such Borrower(s) or Affiliates)), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in its capacity as such in any way relating to or arising out of any Loan Document or any action taken or omitted by the Administrative Agent in its capacity as such under any Loan Document, *provided* that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for such Lender's ratable share of any out−of−pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, the Loan Documents to the extent that the Administrative Agent is entitled to reimbursement for such expenses pursuant to Section 10.04 but is not reimbursed for such expenses by the Borrowers.

SECTION 9.06.
Successor Administrative Agent.

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers, with any such resignation to become effective only upon the appointment of a successor Administrative Agent pursuant to this Section. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Administrative Agent, which shall be a Lender or another commercial bank or trust company reasonably acceptable to the Borrowers organized or licensed under the laws of the United States, or of any State thereof. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be Lender or shall be another commercial bank or trust company organized or licensed under the laws of the United States or of any State thereof reasonably acceptable to the Borrowers. In addition to the foregoing right of the Administrative Agent to resign, the Majority Lenders may remove the Administrative Agent at any time, with or without cause, concurrently with the appointment by the Majority Lenders of a successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Loan Documents.

ARTICLE X
MISCELLANEOUS

SECTION 10.01
Amendments, Etc.

No amendment or waiver of any provision of any Loan Document, nor consent to any departure by any Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, but subject to Section 10.14, do any of the following: (a) waive, modify or eliminate any of the conditions specified in Article V, (b) other than as contemplated by Section 2.03(b), increase the Commitment of any Lender hereunder or increase the Commitments of the Lenders that may be maintained hereunder or increase any Borrower Sublimit or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the Advances, any Applicable Margin or any fees or other amounts payable hereunder (other than fees payable to the Administrative Agent pursuant to Section 2.02(b) hereof), (d) other than as contemplated by Section 2.04, postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable under the Loan Documents (other than fees payable to the Administrative Agent pursuant to Section 2.02(b) hereof), (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances, or the number of Lenders which shall be required for the Lenders or any of them to take any action under the Loan Documents, (f) amend any Loan Document in a manner intended to prefer one or more Lenders over any other Lenders, (g) amend this Section or the definition of "Majority Lenders", or (h) amend Section 10.14; *provided, further*, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under any Loan Document; and *provided further* that this Agreement may be amended and restated without the consent of any Lender or the Administrative Agent if, upon giving effect to such amendment and restatement, such Lender or the Administrative Agent, as the case may be, shall no longer be a party to this Agreement (as so amended and restated) or have any Commitment or other obligation hereunder and shall have been paid in full all amounts payable hereunder to such Lender or the Administrative Agent, as the case may be.

SECTION 10.02
Notices, Etc.

Except as otherwise expressly provided herein, all notices and other communications provided for under the Loan Documents shall be in writing (including facsimile communication) and mailed, sent by facsimile or hand delivered:

(i) if to any Borrower, to it in care of NUSCO at 56 Prospect Street, Hartford, CT 06103, Attention: Assistant Treasurer − Finance, facsimile number: (860) 728−4585, confirm number: (860) 728−4632, email: webersb@nu.com;

(ii) if to any Bank, at its Domestic Lending Office specified opposite its name on Schedule I hereto;

(iii) if to any Lender other than a Bank, at its Domestic Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender; and

(iv) if to the Administrative Agent, at its address at 1615 Brett Road, Ops III, New Castle, DE 19720, attention Charles Huester, email charles.huester@citi.com, phone: 302−323−3188, fax: 212−994−0961.

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed, sent by facsimile or hand delivered, be effective five days after when deposited in the mails, or when sent by facsimile, or when delivered, respectively, except that notices and communications to the Administrative Agent pursuant to Article II, III, IV or IX shall not be effective until received by the Administrative Agent. With respect to any telephone notice given or received by the Administrative Agent pursuant to Section 3.03 hereof, the records of the Administrative Agent shall be conclusive for all purposes.

SECTION 10.03
No Waiver of Remedies.

No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, any right under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 10.04
Costs, Expenses and Indemnification.

(a) The Borrowers agree to pay when due, in accordance with the terms hereof: (i) all costs and expenses of the Administrative Agent in connection with the preparation, negotiation, execution and delivery of the Loan Documents, the administration of the Loan Documents, and any proposed modification, amendment, or consent relating thereto (including, in each case, the reasonable fees and expenses of counsel to the Administrative Agent) and (ii) all costs and expenses of the Administrative Agent and each Lender (including all fees and expenses of counsel) in connection with the enforcement, whether through negotiations, legal proceedings or otherwise, of the Loan Documents.

(b) The Borrowers hereby agree to indemnify and hold each Person identified on the cover page of this Agreement as a "Joint Lead Arranger", the "Co−Syndication Agent", a "Documentation Agent" and the Administrative Agent and each Lender, and its officers, directors, employees, professional advisors and affiliates (each, an "***Indemnified Person***") harmless from and against any and all claims, damages, losses, liabilities, costs or expenses (including settlement costs and reasonable attorney's fees and expenses, whether or not such Indemnified Person is named as a party to any proceeding or investigation or is otherwise subjected to judicial or legal process arising from any such proceeding or investigation and whether or not such proceeding or investigation is brought by the Borrowers or any of their Affiliates or any of their respective directors, securityholders or creditors, an Indemnified Person or any other Person) which any of them may incur or which may be claimed against any of them

by any person or entity (except to the extent such claims, damages, losses, liabilities, costs or expenses arise from the gross negligence or willful misconduct of the Indemnified Person):

(i) by reason of or in connection with the execution, delivery or performance of the Loan Documents or any transaction contemplated thereby, or the use by any Borrower of the proceeds of any Advance;

(ii) in connection with or resulting from the utilization, storage, disposal, treatment, generation, transportation, release or ownership of any Hazardous Substance (A) at, upon or under any property of any of the Borrowers or any of their respective Affiliates or (B) by or on behalf of any of the Borrowers or any of their respective Affiliates at any time and in any place; or

(iii) in connection with any documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of the Loan Documents.

(c) The Borrowers' obligations under this Section shall survive the assignment by any Lender pursuant to Section 10.07 hereof and shall survive as well the repayment of all amounts owing to the Lenders under the Loan Documents and the termination of the Commitments. If and to the extent that the obligations of the Borrowers under this Section are unenforceable for any reason, the Borrowers agree to make the maximum contribution to the payment and satisfaction thereof which is permissible under applicable law.

(d) The Borrowers' obligations under this Section are in addition to and shall not be deemed to supersede their indemnification and similar obligations set forth in that certain Commitment Letter, dated August 23, 2010, among the Borrowers, Citigroup Global Markets Inc., Barclays, JPMorgan Chase, J.P. Morgan Securities Inc. and Union Bank.

(e) Each Borrower shall be liable for its pro rata share of any payment to be made by the Borrowers under this Section, such pro rata share to be determined on the basis of such Borrower's Fraction; provided, however, that if and to the extent that any such liabilities are reasonably determined by the Borrowers (subject to the approval of the Administrative Agent which approval shall not be unreasonably withheld) to be directly attributable to a specific Borrower, only such Borrower shall be liable for such payments.

SECTION 10.05
Right of Set−off.

(a) Upon (i) the occurrence and during the continuance of any Event of Default with respect to any Borrower, and (ii) the making of the request or the granting of the consent specified by Section 8.02 to authorize the Administrative Agent to declare the Advances due and payable pursuant to the provisions of Section 8.02, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of such Borrower against any and all of the obligations of such Borrower now or hereafter existing under the Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured.

Each Lender agrees promptly to notify such Borrower after any such set−off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set−off and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set−off) which such Lender may have.

(b) Each Borrower agrees that it shall have no right of off−set, deduction or counterclaim in respect of its obligations under the Loan Documents, and that the obligations of the Lenders hereunder are several and not joint. Nothing contained herein shall constitute a relinquishment or waiver of such Borrower's rights to any independent claim that such Borrower may have against the Administrative Agent or any Lender, but no Lender shall be liable for the conduct of the Administrative Agent or any other Lender, and the Administrative Agent shall not be liable for the conduct of any Lender.

SECTION 10.06
Effectiveness.

This Agreement shall become effective when it shall have been executed by each Borrower and the Administrative Agent and when the Administrative Agent shall have been notified by each Bank that such Bank has executed it. No person designated as a "Joint Lead Arranger", a "Documentation Agent" or the "Syndication Agent" on the cover page of this Agreement shall have any duties under this Agreement.

SECTION 10.07
Assignments and Participation.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) below, (ii) by way of participation in accordance with the provisions of subsection (d) below or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) below (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) below and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that (i) such Lender provides notice thereof to the Borrowers within at least 10 Business Days prior to such assignment (but the failure to provide such notice shall not affect the validity of such assignment), (ii) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Advances at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the

Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed), (iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advance or the Commitment assigned, (iv) any assignment of a Commitment must be approved by the Administrative Agent unless the Person that is the proposed assignee is itself a Lender with a Commitment (whether or not the proposed assignee would otherwise qualify as an Eligible Assignee) and (v) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500. Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) below, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 4.03 and 4.05 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) below.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its addresses referred to in Section 10.02 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may at any time, without the consent of the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrowers or any of the Borrowers' Affiliates or Subsidiaries) (each, a "***Participant***") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the

Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.01(a)−(g) that affects such Participant. Subject to subsection (e) below, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 4.03 and 4.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.05 as though it were a Lender, provided such Participant agrees to be subject to Section 4.04 as though it were a Lender.

(e)
A Participant shall not be entitled to receive any greater payment under Sections 4.03 and 4.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with each Borrower's prior written consent. A Participant that is not incorporated under the laws of the United States of America or any state thereof shall not be entitled to the benefits of Section 4.05 unless the Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 4.05(e) as though it were a Lender.

(f)
Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g)
If (i) any Lender shall have delivered a notice to the Administrative Agent described in Section 4.03(a), (b), (c) or (f) hereof, (ii) any Lender shall have become a Defaulting Lender or (iii) a Bankruptcy Event shall have occurred with respect to the Parent of a Lender, the Borrowers may demand that such Lender assign, in accordance with Section 10.07 hereof, to one or more assignees (with the consent of such assignees(s)) designated by either the Borrowers or the Administrative Agent (and reasonably acceptable to the other), all (but not less than all) of such Lender's Commitment, Advances, participation and other rights and obligations under the Loan Documents; *provided* that any such demand by the Borrowers during the continuance of an Event of Default or an Unmatured Default shall be ineffective without the consent of the Majority Lenders. If, within 30 days following any such demand by the Borrowers, such Lender shall fail to tender such assignment on terms reasonably satisfactory to such Lender or the Borrowers and the Administrative Agent shall have failed to designate any such assignee, then such demand by the Borrowers shall become ineffective, it being understood for purposes of this provision that such assignment shall be conclusively deemed to be on terms reasonably satisfactory to such Lender, and such Lender shall be compelled to tender such assignment forthwith, if (i) such assignee (A) shall agree to such assignment in substantially the form of the Assignment and Assumption and (B) shall tender payment to such Lender in an amount equal to the full outstanding dollar amount accrued in favor of such Lender hereunder (as computed in

accordance with the records of the Administrative Agent) and (ii) in the event the Borrowers demanded such assignment, the Borrowers shall tender payment to the Administrative Agent of the processing and recording fee specified in Section 10.07(b) for such assignment.

SECTION 10.08
Confidentiality.

In connection with the negotiation and administration of the Loan Documents, the Borrowers have furnished or caused to have furnished and will from time to time furnish or cause to be furnished to the Administrative Agent and the Lenders (each, a "***Recipient***") written information which when delivered to the Recipient will be deemed to be confidential (such information, other than any such information which (i) was publicly available, or otherwise known to the Recipient, at the time of disclosure, (ii) subsequently becomes publicly available other than through any act or omission by the Recipient or (iii) otherwise subsequently becomes known to the Recipient other than through a Person whom the Recipient knows to be acting in violation of his or its obligations to the Borrowers, being hereinafter referred to as "***Confidential Information***"). The Recipient will not knowingly disclose any such Confidential Information to any third party (other than to those persons who have a confidential relationship with the Recipient), and will take all reasonable steps to restrict access to such information in a manner designed to maintain the confidential nature of such information, in each case until such time as the same ceases to be Confidential Information or as the Borrowers may otherwise instruct. It is understood, however, that the foregoing will not restrict the Recipient's ability to freely exchange such Confidential Information with prospective participants in or assignees of the Recipient's position herein, but the Recipient's ability to so exchange Confidential Information shall be conditioned upon any such prospective participant's entering into an understanding as to confidentiality similar to this provision. It is further understood that the foregoing will not prohibit the disclosure of any or all Confidential Information if and to the extent that such disclosure may be required (i) by a regulatory agency or otherwise in connection with an examination of the Recipient's records by appropriate authorities, (ii) pursuant to court order, subpoena or other legal process or (iii) otherwise, as required by law; in the event of any required disclosure under clause (ii) or (iii), above, the Recipient agrees to use reasonable efforts to inform the Borrowers as promptly as practicable unless the Lender is prohibited from doing so by court order, subpoena or other legal process.

Notwithstanding the foregoing, each party hereto (and each officer, director, employee, representative, agent and advisor of each party hereto) may disclose to any and all persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case within the meaning of Treasury Regulation Section 1.6011−4) of the transactions contemplated by the Loan Documents and all materials of any kind (including opinions or other tax analyses) that are provided to such person relating to such "tax treatment" and "tax structure". The foregoing is intended to comply with the presumption set forth in Treasury Regulation Section 1.6011−4(b)(3)(iii) and should be interpreted in a manner consistent with such regulation.

SECTION 10.09
Electronic Communications.

(a) Each Borrower hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to Section 7.04 (collectively, the "***Communications***"), by transmitting the

Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@citigroup.com or faxing the Communications to 212−994−0961. In addition, each Borrower agrees to continue to provide the Communications to the Administrative Agent in the manner otherwise specified in this Agreement, but only to the extent requested by the Administrative Agent.

(b)
Each Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks, Fixed Income Direct or a substantially similar electronic transmission systems (the "***Platform***"). Each Borrower acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c)
THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON−INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, "***AGENT PARTIES***") HAVE ANY LIABILITY TO ANY BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF THE COMMUNICATIONS THROUGH THE PLATFORM, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON−APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d)
The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e−mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e−mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e−mail address.

(e) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 10.10
Waiver of Jury Trial.

Each of the Borrowers, the Administrative Agent and the Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to the Loan Documents, or any other instrument or document delivered hereunder or thereunder.

SECTION 10.11
Governing Law.

The Loan Documents shall be governed by, and construed in accordance with, the laws of the State of New York. Each of the Borrowers, the Lenders and the Administrative Agent: (i) irrevocably submits to the jurisdiction of any New York State Court or Federal court sitting in New York City in any action arising out of or relating to the Loan Documents, (ii) agrees that all claims in such action may be decided in such court, (iii) waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum and (iv) consents to the service of process by mail. A final judgment in any such action shall be conclusive and may be enforced in other jurisdictions. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

SECTION 10.12
Relation of the Parties; No Beneficiary or Fiduciary Duty.

No term, provision or requirement, whether express or implied, of any Loan Document, or actions taken or to be taken by any party thereunder, shall be construed to create a partnership, association, or joint venture between such parties or any of them. No term or provision of any Loan Document shall be construed to confer a benefit upon, or grant a right or privilege to, any Person other than the parties hereto. The Borrowers agree that the Credit Parties do not have any fiduciary, advisory or agency relationship with the Borrowers and are not advising the Borrowers as to any legal, accounting, regulatory or tax matters as a result of the transactions contemplated by this Agreement, and the Borrowers waive, to the fullest extent permitted by law, any claims the Borrowers may have against the Credit Parties for breach of fiduciary duty or alleged breach of fiduciary duty and agree that the Credit Parties will have no liability (whether direct or indirect) to the Borrowers in respect of such a fiduciary duty claim or to any Person asserting a fiduciary duty claim on the Borrowers' behalf, including the Borrowers' equity holders, employees or creditors.

SECTION 10.13
Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 10.14
Defaulting Lenders.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i) Facility Fees shall cease to accrue pursuant to Section 2.02(a) during such period on the Available Commitment of such Defaulting Lender, and the Borrowers shall not be required to pay such fees to the Administrative Agent for the account of such Defaulting Lender; and

(ii) the Commitment and Advances of such Defaulting Lender shall not be included in determining whether the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.01); *provided*, that this clause (ii) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification pursuant to clauses (a) through (h) of Section 10.01.

Nothing in this Section 10.14 shall constitute a waiver or release of any claim of any party hereunder with respect to any failure to perform hereunder by any Defaulting Lender.

SECTION 10.15
USA Patriot Act.

Each of the Lenders hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107−56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "***Act***"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

SECTION 10.16
Waiver of Notice of Termination of Existing Credit Agreement.

Each of the Lenders party hereto that is party to the Existing Credit Agreement, in its capacity as a "Lender" under the Existing Credit Agreement, hereby waives as of the date hereof the notice requirement under Section 2.03(a) of the Existing Credit Agreement for three Business Days prior notification of termination of the commitments thereunder.

[SIGNATURE PAGES TO FOLLOW]

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

THE CONNECTICUT LIGHT AND POWER COMPANY, as a Borrower

By /S/ RANDY A. SHOOP
Name: Randy A. Shoop
Title: Vice President and Treasurer

WESTERN MASSACHUSETTS ELECTRIC COMPANY, as a Borrower

By /S/ RANDY A. SHOOP
Name: Randy A. Shoop
Title: Vice President and Treasurer

YANKEE GAS SERVICES COMPANY, as a Borrower

By /S/ RANDY A. SHOOP
Name: Randy A. Shoop
Title: Vice President and Treasurer

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, as a Borrower

By /S/ RANDY A. SHOOP
Name: Randy A. Shoop
Title: Vice President and Treasurer

Signature Page to OpCo Credit Agreement

CITIBANK, N.A., as Administrative Agent and as a Bank

By /S/ MAUREEN P. MARONEY
Name: Maureen P. Maroney
Title: Authorized Signatory

Signature Page to OpCo Credit Agreement

BARCLAYS BANK PLC, as a Bank

By /S/ ALICIA BORYS
Name: Alicia Borys
Title: Assistant Vice President

Signature Page to OpCo Credit Agreement

JPMORGAN CHASE BANK, N.A., as a Bank

By /S/ JUAN J. JAVELLANA
Name: Juan J. Javellana
Title: Vice President

Signature Page to OpCo Credit Agreement

UNION BANK, N.A., as a Bank

By /S/ JEFFREY P. FESENMAIER
Name: Jeffrey P Fesenmaier
Title: Vice President

Signature Page to OpCo Credit Agreement

BANK OF AMERICA, N.A., as a Bank

By /S/ JACOB DOWDEN
Name: Jacob Dowden
Title: Senior Vice President

Signature Page to OpCo Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Bank

By /S/ KEITH LUETTEL
Name: Keith Luettel
Title: Vice President

Signature Page to OpCo Credit Agreement

THE BANK OF NEW YORK MELLON, as a Bank

By /S/ JOHN N. WATT
Name: John N. Watt
Title: Vice President

Signature Page to OpCo Credit Agreement

MORGAN STANLEY BANK, N.A., as a Bank

By /S/ SHERRESE CLARKE
Name: Sherrese Clarke
Title: Authorized Signatory

Signature Page to OpCo Credit Agreement

GOLDMAN SACHS BANK USA, as a Bank

By /S/ MARK WALTON
Name: Mark Walton
Title: Authorized Signatory

Signature Page to OpCo Credit Agreement

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Bank

By /S/ SHAHEEN MALIK
Name: Shaheen Malik
Title: Vice President

By /S/ RAHUL PARMAR
Name: Rahul Parmar
Title: Associate

Signature Page to OpCo Credit Agreement

UBS LOAN FINANCE LLC, as a Bank

By /S/ IRJA R. OTSA
Name: Irja R. Otsa
Title: Associate Directory

By /S/ MARY E. EVANS
Name: Mary E. Evans
Title: Associate Director

Signature Page to OpCo Credit Agreement

TD BANK, N.A., as a Bank

By /S/ ROBYN ZELLER
Name: Robyn Zeller
Title: Senior Vice President

Signature Page to OpCo Credit Agreement

SCHEDULE I

APPLICABLE LENDING OFFICES AND COMMITMENTS

Name of Bank	Domestic Lending Office	Eurodollar Lending Office	Commitment (in US$)
Citibank, N.A.	388 Greenwich Street New York, NY 10013	388 Greenwich Street New York, NY 10013	$38,888,888.89
Barclays Bank PLC	745 Seventh Avenue 26th Floor New York, NY 10019	745 Seventh Avenue 26th Floor New York, NY 10019	$38,888,888.89
JPMorgan Chase Bank, N.A.			
Union Bank, N.A.	445 South Figueroa Street 15th Floor Los Angeles, CA 90071	445 South Figueroa Street 15th Floor Los Angeles, CA 90071	$38,888,888.89
Bank of America, N.A.	100 North Tryon Street Charlotte, NC 28255	100 North Tryon Street Charlotte, NC 28255	$35,555,555.55
Wells Fargo Bank, National Association	90 S. 7th Street MAC: N9305−077 Minneapolis, MN 55402	90 S. 7th Street MAC: N9305−077 Minneapolis, MN 55402	$35,555,555.55
The Bank of New York Mellon			
Morgan Stanley Bank, N.A.	One Utah Center. 201 South Main Street, 5th Floor Salt Lake City, Utah 84111	One Utah Center. 201 South Main Street, 5th Floor Salt Lake City, Utah 84111	$28,888,888.89
Goldman Sachs Bank USA	200 West Street New York, NY 10282	200 West Street New York, NY 10282	$28,888,888.89
Credit Suisse AG, Cayman Islands Branch	Eleven Madison Avenue New York, NY 10010	Eleven Madison Avenue New York, NY 10010	$28,888,888.89
UBS Loan Finance LLC	677 Washington Boulevard Stamford, CT 06901 Attne: Ray Ciraco Phone: 203−719−3571 Fax: 203−719−3888 Email: ray.ciraco@ubs.com	677 Washington Boulevard Stamford, CT 06901 Attne: Ray Ciraco Phone: 203−719−3571 Fax: 203−719−3888 Email: ray.ciraco@ubs.com	$28,888,888.89
TD Bank, N.A.	200 State Street, 10th Floor Boston, MA 02109	200 State Street, 10th Floor Boston, MA 02109	$28,888,888.89

Exhibit 1.01A
Form of Note

New York, New York
[Date]

$_____

FOR VALUE RECEIVED, the undersigned, [THE CONNECTICUT LIGHT & POWER COMPANY, a corporation organized under the laws of the State of Connecticut] [WESTERN MASSACHUSETTS ELECTRIC COMPANY, a corporation organized under the laws of the Commonwealth of Massachusetts] [YANKEE GAS SERVICES COMPANY, a corporation organized under the laws of the State of Connecticut] [PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, a corporation organized under the laws of the State of New Hampshire] (the "***Borrower***"), hereby promises to pay to the order of _____ (the "***Lender***"), on the Termination Date (as defined in the Credit Agreement referred to below) applicable to the Lender, the lesser of the principal sum of _____DOLLARS ($_____) and the aggregate unpaid principal amount of all Advances made by the Lender to the Borrower pursuant to the Credit Agreement, in lawful money of the United States of America in immediately available funds, and to pay interest on such principal amount from time to time outstanding, in like funds, at a rate or rates per annum and payable with respect to such periods and on such dates as determined pursuant to the Credit Agreement. The due date for any Advance made pursuant to this Note shall be as set forth on the Notice of Borrowing pertaining to such Advance but in no event later than the Termination Date.

The Borrower promises to pay interest, on demand, on any overdue principal and overdue interest from their due dates at a rate or rates determined as set forth in the Credit Agreement.

The Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever. The nonexercise by the holder of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

All borrowings evidenced by this Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on the schedule attached hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder in its internal records; *provided, however,* that any failure of the holder hereof to make such a notation or any error in such notation shall not in any manner affect the obligation of the Borrower to make payments of principal and interest in accordance with the terms of this Note and the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, dated as of September 24, 2010 (as amended from time to time in accordance with its terms, the "***Credit Agreement***"),

among the Borrower, [**The Connecticut Light & Power Company,**] [**Western Massachusetts Electric Company,**] [**Yankee Gas Services Company,**] [**Public Service Company of New Hampshire**] the Lenders party thereto and Citibank, N.A., as Administrative Agent and is subject to the terms and conditions contained in the Credit Agreement and is entitled to the benefits thereof. The Credit Agreement, among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for prepayment of the principal hereof prior to the maturity thereof and for the amendment or waiver of certain provisions of the Credit Agreement, all upon the terms and conditions therein specified. This Note shall be construed in accordance with and governed by the laws of the State of New York and any applicable laws of the United States of America.

[**THE CONNECTICUT LIGHT & POWER COMPANY**]
[**WESTERN MASSACHUSETTS ELECTRIC COMPANY**]
[**YANKEE GAS SERVICES COMPANY**]
[**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**]

By_____
Name:
Title:

GRID NOTE SCHEDULE

DATE OF ADVANCE	AMOUNT OF PRINCIPAL	INTEREST RATE	INTEREST PERIOD	NUMBER OF DAYS	INTEREST DUE	DATE PAID	AMOUNT PAID	NOTED BY

Exhibit 3.01
Form of Notice of Borrowing

NOTICE OF BORROWING

[Date][1]

Citibank, N.A.
1615 Brett Road
Ops III
New Castle, DE 19720
Attention: Charles Huester
Email charles.huester@citi.com
Phone: 302−323−3188
Fax: 212−994−0961

Ladies and Gentlemen:

The undersigned, [**The Connecticut Light & Power Company**] [**Western Massachusetts Electric Company**] [**Yankee Gas Services Company**] [**Public Service Company of New Hampshire**] (the "***Borrower***"), refers to the Credit Agreement, dated as of September 24, 2010 (as amended from time to time in accordance with its terms, the "***Credit Agreement***"), among the Borrower, [**The Connecticut Light & Power Company**] [**Western Massachusetts Electric Company**] [**Yankee Gas Services Company**] [**Public Service Company of New Hampshire**] the Lenders party thereto and Citibank, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The undersigned hereby gives you notice pursuant to Section 3.01 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Borrowing is requested to be made:

(A)
Date of proposed Borrowing[2]: _____

(B)
Principal Amount of Borrowing[3]: _____

[1]The Notice of Borrowing must be received by the Administrative Agent (i) in the case of a proposed Borrowing to consist of Eurodollar Rate Advances, by hand or facsimile not later than 11:00 a.m. (New York City time), three Business Days prior to a proposed Borrowing and (ii) in the case of a proposed Borrowing to consist of Base Rate Advances, by hand or facsimile not later than 11:00 a.m. (New York City time), on the day of a proposed Borrowing.

[2] Must be a Business Day.

[3] Not less than $5,000,000 and in integral multiples of $1,000,000.

(C)
Type of Advances[4]: _____

(D)
Initial Interest Period: _____

(E)
The Borrower's Borrower Sublimit on the date of the Borrowing hereby requested: _____

(F)
Aggregate amount of Advances outstanding to the Borrower on the date of the Borrowing hereby requested, after giving effect to requested Borrowing: _____

(G)
Date[5] beyond which the Borrowing hereby requested may not be outstanding[6]: _____

Upon acceptance of any or all of the Advances requested in this Notice of Borrowing, the undersigned shall be deemed to have represented and warranted that the conditions precedent to each Advance applicable to it specified in Section 5.02(a) of the Credit Agreement have been satisfied.

Very truly yours,

[**THE CONNECTICUT LIGHT & POWER COMPANY**]
[**WESTERN MASSACHUSETTS ELECTRIC COMPANY**]
[**YANKEE GAS SERVICES COMPANY**]
[**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**]

By_____
Name:
Title:

[4] Eurodollar Rate Advance or Base Rate Advance.
[5] In no event later than the Termination Date.
[6] (G) may be selected at the option of the Borrower; If no election is made, such date shall be earlier of (i) the Termination Date and (ii) the date 364 days from the date of the proposed Borrowing.

Exhibit 5.01A
Form of Opinion of Jeffrey C. Miller,
Assistant General Counsel of NUSCO

September 24, 2010

Citibank, N.A., as Administrative Agent under the captioned Credit Agreement, and each of the Lenders from time to time party thereto

Re:

Credit Agreement, dated as of September 24, 2010 (the "Credit Agreement"), by and among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Yankee Gas Services Company, Public Service Company of New Hampshire, the lenders from time to time party thereto and Citibank, N.A., as Administrative Agent for the Lenders

Ladies and Gentlemen:

I am Assistant General Counsel of Northeast Utilities Service Company ("NUSCO"), a service company affiliate of The Connecticut Light and Power Company ("CL&P"), Western Massachusetts Electric Company ("WMECO"), Yankee Gas Services Company ("Yankee") and Public Service Company of New Hampshire ("PSNH" and, together with CL&P, WMECO and Yankee, the "Borrowers"). I am rendering this opinion to you in connection with the transactions contemplated by the Credit Agreement, dated as of September 24, 2010 (the "Credit Agreement"), among CL&P, WMECO, Yankee, PSNH, the Lenders from time to time party thereto and Citibank, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined are used as defined in the Credit Agreement.

In connection with this opinion, I or attorneys working under my supervision have examined:

(1) The Credit Agreement.

(2) The form of promissory notes to be issued by the Borrowers pursuant to the terms of the Credit Agreement to any of the Lenders who request such notes (the "Notes").

(3) The certificate of incorporation of CLPand all amendments thereto (the "CLPCharter") and the bylaws of CLPand all amendments thereto (the "CLPBylaws"), in each case as in effect on the date hereof.

(4) The articles of organization of WMECO and all amendments thereto (the "WMECO Charter") and the bylaws of WMECO and all amendments thereto (the "WMECO Bylaws") in each case as in effect on the date hereof.

(5)
The certificate of incorporation of Yankee and all amendments thereto (the "Yankee Charter") and the bylaws of Yankee and all amendments thereto (the "Yankee Bylaws"), in each case as in effect on the date hereof.

(6)
The articles of incorporation of PSNH and all amendments thereto (the "PSNH Charter") and the bylaws of PSNH and all amendments thereto (the "PSNH Bylaws" and, collectively with the PSNH Charter, the CLPCharter, the CLPBylaws, the WMECO Charter, the WMECO Bylaws, the Yankee Charter and the Yankee Bylaws, the "Constitutive Documents") in each case as in effect on the date hereof.

(7)
A certificate of the Secretary of the State of Connecticut dated September [__], 2010, attesting to the existence of CLPin the State of Connecticut.

(8)
A certificate of the Secretary of the Commonwealth of Massachusetts dated September 10, 2010, attesting to the existence of WMECO in the Commonwealth of Massachusetts.

(9)
A certificate of the Secretary of the State of Connecticut dated September 13, 2010, attesting to the existence of Yankee in the State of Connecticut.

(10)
A certificate of the Secretary of State of the State of New Hampshire dated September [__], 2010, attesting to the existence of PSNH in the State of New Hampshire.

(11)
The other documents furnished by the Borrowers on the Closing Date pursuant to Section 5.01(a) of the Credit Agreement.

In addition, I or attorneys working under my supervision have examined originals, or copies certified to my satisfaction, of such other corporate records of the Borrowers, certificates of public officials and of officers of the Borrowers, and agreements, instruments, and other documents, as I have deemed necessary as a basis for the opinions expressed below. In my examination of such agreements, instruments, and documents, I have assumed the genuineness of all signatures (other than those of the Borrowers), the authenticity of all agreements, instruments, and documents submitted to me as originals, and the conformity to original agreements, instruments, and documents of all agreements, instruments, and documents submitted to me as certified, conformed, or photostatic copies and the authenticity of the originals of such copies. As to questions of fact material to such opinions, I have assumed without verification and relied upon the accuracy of the representations as to factual matters set forth in the Loan Documents and in certificates of the Borrowers or their officers or of public officials. Nothing has come to my attention, however, calling into question the accuracy of such representations.

The opinions set forth below are subject to the qualification that no opinion is expressed with respect to laws other than those of (i) the United States of America, (ii) the State of Connecticut, (iii) the Commonwealth of Massachusetts, (iv) the State of New Hampshire and (v) the State of New York. I am a member of the bar of the State of New York and an Authorized House Counsel in the State of Connecticut. I am not a member of the bar of the State of Connecticut, the Commonwealth of Massachusetts or the State of New Hampshire, and do not hold myself out as an expert in the laws of such States or Commonwealth, although I have made a study of relevant laws of such States and Commonwealth. In expressing opinions about

matters governed by the laws of the State of Connecticut, the Commonwealth of Massachusetts and the State of New Hampshire, I have relied on the opinions of counsel who are employed by NUSCO and are members of the bar of such States and/or Commonwealth and whose opinions are attached hereto.

My opinion in Paragraph 8 below (i) is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally, to the effect of general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith, and fair dealing (regardless of whether considered in a proceeding in equity or at law), and to the effect of certain laws and judicial decisions that may affect the enforceability of certain rights and remedies provided in the documents referred to therein, none of which laws and judicial decisions, however, will make the rights and remedies provided in such documents inadequate for the practical realization of the benefits provided therein and (ii) assumes the binding effect of all documents referred to therein on all parties thereto other than the Borrowers.

I note further that, in addition to the effect of general principles of equity described in the preceding paragraph, courts have imposed an obligation on contracting parties to act reasonably and in good faith in the exercise of their contractual rights and remedies, and may also apply public policy considerations in limiting the right of parties seeking to obtain indemnification under circumstances where the conduct of such parties in the circumstances in question is determined to have constituted negligence.

I express no opinion herein as to (i) the enforceability of provisions purporting to grant to a party conclusive rights of determination, (ii) the availability of specific performance or other equitable remedies, or (iii) the enforceability of waivers by parties of their respective rights and remedies under law.

Based upon the foregoing and upon such investigation as I have deemed necessary, I am of the following opinion:

1. CLPis duly organized and validly existing as a corporation and in good standing under the laws of the State of Connecticut and has the requisite power and authority under the CLPCharter and CLPBylaws to own its property and assets and to carry on its business as now conducted in the State of Connecticut. CLPis duly qualified to do business in, and is in good standing in all other jurisdictions where the nature of its business or the nature of property owned or used by it makes such qualification necessary except where the failure to so qualify would not have a material adverse effect on the financial condition, properties, prospects or operations of CL&P.

2. WMECO is duly organized and validly existing as a corporation and in good standing under the laws of the Commonwealth of Massachusetts and has the requisite power and authority under the WMECO Charter and WMECO Bylaws to own its property and assets and to carry on its business as now conducted in the Commonwealth of Massachusetts. WMECO is duly qualified to do business in, and is in good standing in all other jurisdictions where the nature of its business or the nature of property owned or used by it makes such qualification necessary except where the failure

to so qualify would not have a material adverse effect on the financial condition, properties, prospects or operations of WMECO.

3.
Yankee is duly organized and validly existing as of a corporation and in good standing under the laws of the State of Connecticut and has the requisite power and authority under the Yankee Charter and Yankee Bylaws to own its own property and assets and to carry on its business as now conducted in the State of Connecticut. Yankee is duly qualified to do business in, and is in good standing in all other jurisdictions where the nature of its business or the nature of property owned or used by it makes such qualification necessary except where the failure to so qualify would not have a material adverse effect on the financial condition, properties, prospects or operations of Yankee.

4.
PSNH is duly organized and validly existing as a corporation and in good standing under the laws of the State of New Hampshire and has the requisite power and authority under the PSNH Charter and PSNH Bylaws to own its own property and assets and to carry on its business as now conducted in the State of New Hampshire. PSNH is duly qualified to do business in, and is in good standing in all other jurisdictions where the nature of its business or the nature of property owned or used by it makes such qualification necessary except where the failure to so qualify would not have a material adverse effect on the financial condition, properties, prospects or operations of PSNH.

5.
The execution, delivery, and performance by each of the Borrowers of the Loan Documents to which it is a party (a) are within such Borrower's powers under its Constitutive Documents and have been duly authorized by all necessary corporate or other similar action and (b) do not and will not contravene (i) its Constitutive Documents, (ii) any law, or (iii) to the best of my knowledge, any contractual restriction contained in any material agreement binding on or affecting such Borrower.

6.
Each of the Loan Documents to which it is a party has been duly executed and delivered by each of the Borrowers.

7.
No authorization, consent, approval, license, permit, certificate, exemption of, or filing or registration with, any governmental authority or other legal or regulatory body (other than in connection with or in compliance with the provisions of the state securities or "Blue Sky" laws of any jurisdiction, as to which I express no opinion) is required to be obtained or made in connection with the execution, delivery, or performance by any of the Borrowers of the Loan Documents to which it is a party, except for (i) those that have been obtained and are in full force and effect, (ii) the PSNH Conditions have not been satisfied and (iii) the WMECO Conditions have not been satisfied.

8.
The Credit Agreement is, and any Note when executed and delivered for value will be, the legal, valid, and binding obligations of each of the Borrowers a party thereto, enforceable against such Borrower in accordance with their respective terms.

9.
There is no pending or, to the best of my knowledge, threatened action or proceeding affecting any of the Borrowers or its properties before any court, governmental agency, or arbitrator (a) which affects or purports to affect the legality,

validity, or enforceability of the Loan Documents to which it is a party or (b) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, would materially adversely affect the financial condition, properties, or operations of such Borrower, except, for purposes of this clause (b) only, such as is described in the Disclosure Documents.

10. No Borrower is an "investment company" within the meaning ascribed to that term in the Investment Company Act of 1940, as amended.

Very truly yours,

Exhibit 5.01B
Form of Opinion of King & Spalding LLP,
Special New York Counsel to the Administrative Agent

September 24, 2010

Citibank, N.A., as Administrative Agent under the captioned Credit Agreement, and each of the Lenders from time to time
party thereto

Re:
Credit Agreement, dated as of September 24, 2010, (the "Credit Agreement"), among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Yankee Gas Services Company, Public Service Company of New Hampshire (collectively, the "Borrowers"), the lenders from time to time party thereto and Citibank, N.A., as administrative agent for the lenders (the "Administrative Agent")

Ladies and Gentlemen:

We have acted as special New York counsel to the Administrative Agent in connection with the preparation, execution and delivery of the Credit Agreement. Unless otherwise indicated, terms defined in the Credit Agreement are used herein as therein defined.

In that connection, we have examined the following documents:

(1) counterparts of the Credit Agreement, executed by the Borrowers, the Administrative Agent and the Banks;

(2) the form of Note to be executed by each of the Borrowers and delivered to any Bank that requests a Note pursuant to the terms of the Credit Agreement; and

(3) the other documents furnished by the Borrowers on the Closing Date pursuant to Section 5.01(a) of the Credit Agreement, including the opinion of Jeffery C. Miller, Assistant General Counsel of NUSCO (the ***"NU Opinion"***).

Our engagement as special counsel has been limited to the specific matters as to which we were consulted. We have no direct knowledge of the day−to−day affairs of the Borrowers and have not reviewed generally their business affairs. In our examination of the documents referred to above, we have assumed the authenticity of all such documents submitted to us as originals, the genuineness of all signatures, the due authority of the parties executing such documents and the conformity to the originals of all such documents submitted to us as copies. We have also assumed that each of the Banks and the Administrative Agent has duly executed and delivered, with all necessary power and authority (corporate and otherwise), each Loan Document to which each such Person is a party and that each such Loan Document is enforceable against each such Person in accordance with its terms. We have relied, as to factual matters, on the documents we have examined and, as to matters addressed by the NU Opinion, on the NU Opinion (with the exception of paragraph [8] thereof).

Based upon the foregoing, and subject to the qualifications set forth below, we are of the opinion that:

(i) the Credit Agreement is, and each of the Notes when executed and delivered for value received in accordance with the terms of the Credit Agreement will be, the legal, valid and binding obligation of each Borrower that is (or will be) a signatory thereto, enforceable against such Borrower in accordance with its terms; and

(ii) while we have not independently considered the matters covered by the NU Opinion to the extent necessary to enable us to express the conclusions stated therein, the NU Opinion and the other documents referred to in item (3) above are substantially responsive to the corresponding requirements set forth in Section 5.01(a) of the Credit Agreement pursuant to which the same have been delivered.

The opinions expressed herein are subject to the following qualifications:

(a) Our opinion set forth in paragraph (i) above is subject to (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law) and (ii) applicable laws that limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction in circumstances involving such party's gross negligence, bad faith or similar conduct.

(b) We express no opinion herein as to (i) the availability of specific performance or other equitable remedies or (ii) the enforceability of waivers by parties of their respective rights and remedies under law, (iii) Section 10.05 of the Credit Agreement, (iv) the enforceability of provisions purporting to grant to a party conclusive rights of determination, (v) the availability of specific performance or other equitable remedies, (vi) the enforceability of rights to indemnity under Federal or state securities laws and (vii) the enforceability of waivers by parties of their respective rights and remedies under law.

(c) In connection with Section 10.11 of the Credit Agreement whereby each party to the Credit Agreement submits to the jurisdiction of certain Federal courts, we note the limitations of 28 U.S.C. §§1331 and 1332 on Federal court jurisdiction.

Our opinions expressed above are limited to the law of the State of New York and the Federal law of the United States, and we do not express any opinion herein concerning any other law. Without limiting the generality of the foregoing, we express no opinion as to the effect of the law of any jurisdiction other than the State of New York wherein any Lender may be located or wherein enforcement of any Loan Document may be sought that limits the rates of interest legally chargeable or collectible.

The foregoing opinion is solely for your benefit and may not be relied upon by any other Person other than any Person that may become a Lender under the Credit Agreement after the date hereof.

Very truly yours,

Exhibit 10.07
Form of Assignment and Assumption

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "***Assignment and Assumption***") is dated as of the Effective Date set forth below and is entered into by and between the Assignor identified in item 1 below (the "***Assignor***") and [the][each][7] Assignee identified in item 2 below ([the][each, an] "***Assignee***"). [It is understood and agreed that the rights and obligations of the Assignees hereunder are several and not joint.][8] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "***Credit Agreement***"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Loan Documents to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Loan Documents, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "***Assigned Interest***"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.
Assignor: _____

2.
Assignee[s]:
_____
for each Assignee, indicate whether such Assignee is an affiliate of [*identify Lender*]

[7]For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
[8] Include bracketed language if there are multiple Assignees.

3.
Borrowers:

The Connecticut Light and Power Company,
Western Massachusetts Electric Company,
Yankee Gas Services Company, and
Public Service Company of New Hampshire

4.
Administrative Agent:

Citibank, N.A., as the administrative agent under the Credit Agreement

5.
Credit Agreement:

Credit Agreement, dated as of September 24, 2010. among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Yankee Gas Services Company, Public Service Company of New Hampshire, the Lenders parties thereto and Citibank, N.A., as Administrative Agent.

6.

Assigned Interest[s]:

Assignor	Assignee[s][9]	Aggregate Amount of Commitment/Advances for all Lenders[10]	Amount of Commitment/Advances Assigned[8]	Percentage Assigned of Commitment/Advances[11]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[7.
Trade Date:
_____]12

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By:_____
Title:

ASSIGNEE[S]13
[NAME OF ASSIGNEE]

[9]List each Assignee, as appropriate.
[10]Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[11]Set forth, to at least 9 decimals, as a percentage of the Commitment/Advances of all Lenders thereunder.
[12] To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.
[13]Add additional signature blocks as needed.

By:_____
Title:

[NAME OF ASSIGNEE]

By:_____
Title:

Consented to:[14]

CITIBANK, N.A.,
as Administrative Agent

By_____
Title:

THE CONNECTICUT LIGHT AND POWER COMPANY,
as a Borrower

By _____
Name:
Title:

WESTERN MASSACHUSETTS ELECTRIC COMPANY,
as a Borrower

By _____
Name:
Title:

YANKEE GAS SERVICES COMPANY,
as a Borrower

By _____
Name:
Title:

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE,
as a Borrower

By _____
Name:
Title:

[14]To be added only if the consent of the Borrowers and/or the Administrative Agent is required by the terms of the Credit Agreement.

ANNEX 1

Credit Agreement, dated as of September [ ], 2010 among The Connecticut Light and Power Company, Western Massachusetts Electric Company, Yankee Gas Services Company, Public Service Company of New Hampshire, the lenders from time to time party thereto and Citibank, N.A., as Administrative Agent for the lenders

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

Representations and Warranties.

1.1. Assignor[s]. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Borrower, any of its subsidiaries or affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its subsidiaries or affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iii) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (iv) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.04(b) thereof and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (v) it has, independently and without reliance upon the Administrative Agent or any other Credit Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Credit Party, and based on such documents and information as it shall deem

appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

The Connecticut Light and Power Company
Ratio of Earnings to Fixed Charges
(Unaudited)

Exhibit 12

(Thousands of Dollars)	Nine Months Ended September 30, 2010	For the Years Ended December 31, 2009	2008	2007	2006	2005
Earnings, as defined:						
Net income	$ 161,543	$ 216,316	$ 191,158	$ 133,564	$ 200,007	$ 94,845
Income tax expense/(benefit)	101,739	118,847	77,852	52,353	(43,961)	32,174
Equity in (earnings)/losses of regional nuclear generating companies	(101)	(282)	(366)	(1,901)	854	(1,153)
Dividends received from regional equity investees	–	1,520	–	2,596	1,407	412
Fixed charges, as below	118,860	163,887	165,170	155,557	131,923	133,321
Less: Interest capitalized (including AFUDC)	(2,045)	(2,203)	(12,991)	(10,924)	(6,610)	(6,719)
Total earnings, as defined	$ 379,996	$ 498,085	$ 420,823	$ 331,245	$ 283,620	$ 252,880
Fixed charges, as defined:						
Interest on long−term debt (a)	$ 100,918	$ 133,422	$ 104,954	$ 84,292	$ 64,873	$ 59,019
Interest on rate reduction bonds	6,805	19,061	29,129	37,728	46,692	55,796
Other interest (b)	4,692	3,334	12,163	16,413	6,281	5,220
Rental interest factor	4,400	5,867	5,933	6,200	7,467	6,567
Interest capitalized (including AFUDC)	2,045	2,203	12,991	10,924	6,610	6,719
Total fixed charges, as defined	$ 118,860	$ 163,887	$ 165,170	$ 155,557	$ 131,923	$ 133,321
Ratio of Earnings to Fixed Charges	3.20	3.04	2.55	2.13	2.15	1.90

(a) Interest on long−term debt amounts include amortized premiums, discounts and capitalized expenses related to indebtedness.

(b) For the nine months ended September 30, 2010 and for the years ended December 31, 2009, 2008 and 2007, other interest includes interest related to accounting for uncertain tax positions.

Exhibit 31

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Leon J. Olivier, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of The Connecticut Light and Power Company (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ Leon J. Olivier

Leon J. Olivier
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, David R. McHale, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of The Connecticut Light and Power Company (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ David R. McHale

David R. McHale
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the quarterly report of The Connecticut Light and Power Company (the registrant) on Form 10−Q for the period ending September 30, 2010 as filed with the Securities and Exchange Commission (the Report), we, Leon J. Olivier, Chief Executive Officer of the registrant and David R. McHale, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes−Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the registrant.

/s/ Leon J. Olivier
Leon J. Olivier
Chief Executive Officer

/s/ David R. McHale
David R. McHale
Executive Vice President and Chief Financial Officer

Date: November 5, 2010

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Public Service Company of New Hampshire
Ratio of Earnings to Fixed Charges
(Unaudited)

Exhibit 12

(Thousands of Dollars)	Nine Months Ended September 30, 2010	For the Years Ended December 31, 2009	2008	2007	2006	2005
Earnings, as defined:						
Net income	$ 66,180	$ 65,570	$ 58,067	$ 54,434	$ 35,323	$ 41,739
Income tax expense	36,950	31,990	21,996	22,794	39,183	12,234
Equity in (earnings)/losses of regional nuclear generating companies	(17)	(50)	(62)	(343)	74	(230)
Dividends received from regional equity investees	–	220	–	521	367	172
Fixed charges, as below	41,451	51,227	54,597	50,637	50,092	49,751
Less: Interest capitalized (including AFUDC)	(4,417)	(3,138)	(2,967)	(2,985)	(2,768)	(1,896)
Total earnings, as defined	$ 140,147	$ 145,819	$ 131,631	$ 125,058	$ 122,271	$ 101,770
Fixed charges, as defined:						
Interest on long−term debt (a)	$ 27,705	$ 33,045	$ 32,655	$ 26,029	$ 24,100	$ 20,481
Interest on rate reduction bonds	7,557	13,128	15,969	18,013	20,828	24,074
Other interest (b)	572	316	1,539	2,243	829	1,733
Rental interest factor	1,200	1,600	1,467	1,367	1,567	1,567
Interest capitalized (including AFUDC)	4,417	3,138	2,967	2,985	2,768	1,896
Total fixed charges, as defined	$ 41,451	$ 51,227	$ 54,597	$ 50,637	$ 50,092	$ 49,751
Ratio of Earnings to Fixed Charges	3.38	2.85	2.41	2.47	2.44	2.05

(a) Interest on long−term debt amounts include amortized premiums, discounts and capitalized expenses related to indebtedness.

(b) For the nine months ended September 30, 2010 and for the year ended December 31, 2009, other interest includes interest related to accounting for uncertain tax positions.

Exhibit 31

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Leon J. Olivier, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of Public Service Company of New Hampshire (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ Leon J. Olivier

Leon J. Olivier
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, David R. McHale, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of Public Service Company of New Hampshire (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ David R. McHale

David R. McHale
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the quarterly report of Public Service Company of New Hampshire (the registrant) on Form 10−Q for the period ending September 30, 2010 as filed with the Securities and Exchange Commission (the Report), we, Leon J. Olivier, Chief Executive Officer of the registrant, and David R. McHale, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes−Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the registrant.

/s/ Leon J. Olivier
Leon J. Olivier
Chief Executive Officer

/s/ David R. McHale
David R. McHale
Executive Vice President and Chief Financial Officer

Date: November 5, 2010

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.

Western Massachusetts Electric Company
Ratio of Earnings to Fixed Charges
(Unaudited)

Exhibit 12

(Thousands of Dollars)	Nine Months Ended September 30, 2010	For the Years Ended December 31, 2009	2008	2007	2006	2005
Earnings, as defined:						
Net income	$ 18,245	$ 26,196	$ 18,330	$ 23,604	$ 15,644	$ 15,085
Income tax expense	12,645	14,923	10,545	14,586	7,766	9,294
Equity in (earnings)/losses of regional nuclear generating companies	(28)	(78)	(101)	(526)	241	(311)
Dividends received from regional equity investees	–	419	–	701	372	103
Fixed charges, as below	17,263	20,614	21,910	22,162	21,087	19,801
Less: Interest capitalized (including AFUDC)	(217)	(195)	(1,010)	(983)	(853)	(455)
Total earnings, as defined	$ 47,908	$ 61,879	$ 49,674	$ 59,544	$ 44,257	$ 43,517
Fixed charges, as defined:						
Interest on long−term debt (a)	$ 13,298	$ 14,074	$ 13,244	$ 11,577	$ 10,671	$ 9,535
Interest on rate reduction bonds	2,623	4,335	5,133	5,839	6,723	7,570
Other interest (b)	275	877	1,256	2,430	1,507	1,041
Rental interest factor	850	1,133	1,267	1,333	1,333	1,200
Interest capitalized (including AFUDC)	217	195	1,010	983	853	455
Total fixed charges, as defined	$ 17,263	$ 20,614	$ 21,910	$ 22,162	$ 21,087	$ 19,801
Ratio of Earnings to Fixed Charges	2.78	3.00	2.27	2.69	2.10	2.20

(a) Interest on long−term debt amounts include amortized premiums, discounts and capitalized expenses related to indebtedness.

(b) For the nine months ended September 30, 2010 and for the years ended December 31, 2009 and 2008, other interest includes interest related to accounting for uncertain tax positions.

Exhibit 31

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, Leon J. Olivier, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of Western Massachusetts Electric Company (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ Leon J. Olivier

Leon J. Olivier
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES−OXLEY ACT OF 2002

I, David R. McHale, certify that:

1.
I have reviewed this quarterly report on Form 10−Q of Western Massachusetts Electric Company (the registrant);

2.
Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.
Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a−15(f) and 15d−15(f)) for the registrant and have:

(a)
Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)
Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)
Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)
Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.
The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)
All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)
Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2010

/s/ David R. McHale

David R. McHale
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the quarterly report of Western Massachusetts Electric Company (the registrant) on Form 10−Q for the period ending September 30, 2010 as filed with the Securities and Exchange Commission (the Report), we, Leon J. Olivier, Chief Executive Officer of the registrant, and David R. McHale, Executive Vice President and Chief Financial Officer of the registrant, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes−Oxley Act of 2002, that:

1)
The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2)
The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the registrant.

/s/ Leon J. Oliver
Leon J. Olivier
Chief Executive Officer

/s/ David R. McHale
David R. McHale
Executive Vice President and Chief Financial Officer

Date: November 5, 2010

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.