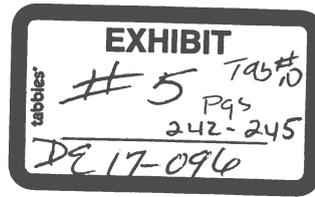


ANNEX 4
ANNUAL ROUTINE TRUE-UP LETTER



FORM OF ROUTINE TRUE-UP LETTER

[Date]

[Name]

New Hampshire Public Utilities Commission
21 Fruit Street, Suite 10
Concord, NH 03301

**Re: *Order No. [] (“Finance Order”), Docket No. DE 17-096
 Periodic RRB Charge True-Up Mechanism Advice Filing***

Dear [name]:

Pursuant to Order No. [] issued on [] in Docket No. DE 17-096 (the “Finance Order”), Public Service Company of New Hampshire (“PSNH”), as servicer of the Rate Reduction Bonds (“RRBs”) and on behalf of the RRB trustee as assignee of PSNH Funding LLC 3 (the special purpose entity, or “the SPE”), shall apply for adjustment to the RRB Charges annually and at such additional intervals, if necessary, as may be provided for in the Finance Order. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Finance Order.

PURPOSE

This filing establishes the revised RRB Charges to be assessed and collected from retail users of PSNH’s distribution system within PSNH’s service territory, whether or not energy is purchased from PSNH or a third party supplier, and whether or not such distribution system is being operated by PSNH or a successor distribution company. The RRB Charges is a usage-based component of the stranded cost recovery charge on each retail user’s monthly bill until the Total RRB Payment Requirements are discharged in full. In the Finance Order, the Commission authorized PSNH to file Routine True-Up Letters annually and at such additional intervals, if necessary, as may be provided for in the Finance Order. The purpose of such filings and resulting adjusted RRB Charges is to ensure the timely recovery of revenues sufficient to provide for the payment of an amount equal to the Periodic RRB Payment Requirements for the upcoming period, which may include indemnity obligations of the SPE in the RRB transaction documents for SPE officers and directors, trustee fees and other liabilities of the SPE.

Using the methodology approved by the Commission in the Finance Order, this filing modifies the variables used in the RRB Charge calculation and provides the resulting modified RRB Charges. Table 1 shows the revised assumptions for each of the variables used in calculating the RRB Charges for customers classes. The assumptions underlying the current RRB Charges were filed in an Advice Letter, dated [].

TABLE 1
INPUT VALUES FOR RRB CHARGES

Forecasted annual kWh sales:

Percent of billed amounts expected to be charged-off: _____

Weighted average days sales outstanding: _____

Forecasted ongoing transaction expenses (including any already accrued but unpaid for the period): _____

Current Excess Funds Subaccount balance: _____

Current Capital Subaccount balance: _____

Initial Capital Subaccount balance: _____

Current RRB outstanding balance: _____

Scheduled RRB outstanding balance at the end of the period: _____

Deferred unpaid RRB principal: _____

Accrued but unpaid RRB interest: _____

The adjusted RRB Charge calculated for retail users in each of the following rate classifications is as follows: R = _____ ¢/kWh; G = _____ ¢/kWh; GV = _____ ¢/kWh; LG = _____ ¢/kWh; OL = _____ ¢/kWh."

EFFECTIVE DATE

In accordance with the Finance Order, Routine True-Up Letters for annual RRB Charges adjustments shall be filed not later than January 15 in each year (commencing with the year ending December 31, 2019), with the resulting upward or downward adjustments to the RRB Charge to be effective – absent manifest error in the Routine True-Up Letters – on the ensuing February 1. In accordance with the Finance Order, a Routine True-Up Letter shall also be filed not later than July 15 of each year, if the Servicer reasonably determines that an adjustment to the RRB Charges is necessary to meet the Periodic RRB Payment Requirements for the Remittance Period beginning on July 1 of such year, with the resulting upward adjustments to the RRB Charges to be effective – absent manifest error in such Routine True-Up Letter – on the August 1. In addition, the Finance Order permits (but does not require) the Servicer to file another Routine True-Up Letter not later than the date that is 15 days before the end of any calendar month if it reasonably determines that an adjustment to the RRB Charges is necessary to meet the Periodic RRB Payment Requirements for the then-current Remittance Period, with the resulting upward adjustments to the RRB Charges to be effective – absent manifest error in such Routine

True-Up Letter – on the first day of the ensuing calendar month. No approval by the Commission is required. Therefore, these RRB Charges shall be effective as of _____.

NOTICE

Copies of this filing are being furnished to the New Hampshire Public Utilities Commission and the parties on the attached service list. Notice to the public is hereby given by filing this Routine True-Up Letter with the Commission and by keeping this filing open for public inspection at Eversource Energy Service Company's office in Westwood, Massachusetts, as agent for Public Services New Hampshire.