

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

Dated as of August 15, 1978

Effective as of []

Issuance Capacity & Ratio of Debt to Net Plant

June 30, 2008

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

FMB Series	Issue Date	Amount Issued	Amount Outstanding
Series A	05/16/1991	\$ 172,500,000	\$ -
Series B	05/16/1991	\$ 170,000,000	\$ -
Series C	05/16/1991	\$ 66,000,000	\$ -
Series D	05/16/1991	\$ 108,985,000	\$ -
Series E	05/16/1991	\$ 112,500,000	\$ -
Series F	05/16/1991	\$ 114,500,000	\$ 75,000,000
Series G	05/16/1991	\$ 114,500,000	\$ 44,800,000
Series H	04/23/1998	\$ 75,000,000	\$ -
Series I	10/01/2001	\$ 89,250,000	\$ 89,250,000
Series J	10/01/2001	\$ 89,250,000	\$ 89,250,000
Series K	10/01/2001	\$ 108,985,000	\$ 108,985,000
Series L	07/22/2004	\$ 50,000,000	\$ 50,000,000
Series M	10/05/2005	\$ 50,000,000	\$ 50,000,000
Series N	09/24/2007	\$ 70,000,000	\$ 70,000,000
Series O	05/27/2008	\$ 110,000,000	\$ 110,000,000
Total		\$ 1,501,470,000	\$ 687,285,000

Net Utility Plant in Service: \$ 1,275,941,181 as of June 30, 2008

Available Cash at Trustee: \$ -

Total: \$ 1,275,941,181

Issuance Threshold (75% of Net Plant): \$ 956,955,885

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

Allowed Issuance Capacity: \$ 269,670,885

Ratio of Debt to Net Plant: 53.9%

Public Service Company of New Hampshire
 Net Earnings for Interest
 Twelve Months Ended June 2008

Description	12 Months Ended 06/30/08
	(In thousands)
Operating Revenues	\$ 1,105,390
Operation Expenses	744,685
Maintenance Expense	83,130
Depreciation and Amortization Expense	110,837
Taxes other than Income Taxes	39,765
Other, Net	(2,065)
Total Expenses	976,352
Net Earnings for Interest	\$ 129,038
Annualized Bond Interest	\$ 36,643
Cash Coverage Ratio	3.52

Covenant Calculations for the Issuance of Bonds under Section 4 of the PSNH First Mortgage Indenture (August 15, 1978 as amended). Any failure to meet this coverage ratio test (on a pro forma basis, including the proposed new debt) would require that PSNH issue unsecured debt versus first mortgage bonds to meet any funding needs.

Public Service Company of New Hampshire Indenture Test Ratio 2.00 : 1.00

Public Service Company of New Hampshire
Annualized Interest Charges on All Series Bonds
For Twelve Months Ending June 2008

<u>Series</u>	<u>Interest</u>	<u>Amount</u> <u>Outstanding</u>	<u>Annualized</u> <u>Interest</u>
		(In thousands)	
1992 Series D PCRB (Seabrook)	6.0000%	\$ 75,000	\$ 4,500
1993 Series E PCRB (Seabrook)	6.0000%	44,800	2,688
2001 Series A PCRB	3.3010% 1	89,250	2,946
2001 Series B PCRB	4.7500%	89,250	4,239
2001 Series C PCRB	5.4500%	108,985	5,940
2004 Series L FMB, Due 2014	5.2500%	50,000	2,625
2005 Series M FMB, Due 2035	5.6000%	50,000	2,800
2007 Series N FMB, Due 2017	6.1500%	70,000	4,305
2008 Series O FMB, Due 2018	6.0000%	110,000	6,600
		<u>\$ 687,285</u>	<u>\$ 36,643</u>

1. Auction rate as of June 17, 2008