

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

December 31, 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	5/16/1991	\$ 172,500,000	\$ -
Series B	5/16/1991	\$ 170,000,000	\$ -
Series C	5/16/1991	\$ 66,000,000	\$ -
Series D	5/16/1991	\$ 108,985,000	\$ -
Series E	5/16/1991	\$ 112,500,000	\$ -
Series F	5/16/1991	\$ 114,500,000	\$ 75,000,000
Series G	5/16/1991	\$ 114,500,000	\$ 44,800,000
Series H	4/23/1998	\$ 75,000,000	\$ -
Series I	10/1/2001	\$ 89,250,000	\$ 89,250,000
Series J	10/1/2001	\$ 89,250,000	\$ 89,250,000
Series K	10/1/2001	\$ 108,985,000	\$ 108,985,000
Series L	7/22/2004	\$ 50,000,000	\$ 50,000,000
Series M	10/5/2005	\$ 50,000,000	\$ 50,000,000
Series N	9/24/2007	\$ 70,000,000	\$ 70,000,000
Series O	5/27/2008	\$ 110,000,000	\$ 110,000,000
Total		\$ 1,501,470,000	\$ 687,285,000

Net Utility Plant in Service: \$ 1,391,983,351 as of December 31, 2008

Available Cash at Trustee: \$ -

Total: \$ 1,391,983,351

Issuance Threshold (75% of Net Plant): \$ 1,043,987,513

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

Allowed Issuance Capacity: \$ 356,702,513

Ratio of Debt to Net Plant: 49.4%

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

Description	12 Months Ended 12/31/08
	(In thousands)
Operating Revenues	<u>\$ 1,102,839</u>
Operation Expenses	735,311
Maintenance Expense	90,933
Depreciation and Amortization Expense	111,118
Taxes other than Income Taxes	42,141
Other, Net	<u>(2,042)</u>
Total Expenses	977,461
Net Earnings for Interest	<u><u>\$ 125,378</u></u>
Annualized Bond Interest	<u><u>\$ 34,054</u></u>
Cash Coverage Ratio	<u><u>3.68</u></u>

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

Under Section 4 of the PSNH First Mortgage Indenture (August 15, 1978 as amended), no bonds may be issued unless the net earnings are at least twice the annual interest requirements of the company. Any failure to meet this coverage ratio test (on a pro forma basis, including the proposed new debt) would require that PSNH issue unsecured debt versus first mortgage bonds to meet any funding needs.

Public Service Company of New Hampshire
 Annualized Interest Charges on All Series Bonds
 For Twelve Months Ending December 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	0.4000% 1	89,250	357
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>\$ 34,054</u>

1. Auction rate as of December 9, 2008