

**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, 2009

**Summary:** Under the terms of the Amended and Restated First Mortgage Indenture, PSNH may issued new Securities or Secured Debt, if the aggregate principal amount of all Securites 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.

<b>FMB Series</b>	<b>Issue Date</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
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
Series P	12/14/2009	\$ 150,000,000	\$ 150,000,000
<b>Total</b>		<b>\$ 1,651,470,000</b>	<b>\$ 837,285,000</b>

Net Utility Plant in Service: \$ 1,541,701,427 as of December 31, 2009

Available Cash at Trustee: \$ -

Total: \$ 1,541,701,427

Issuance Threshold (75% of Net Plant): \$ 1,156,276,070

Outstanding First Mortgage Bonds: \$ 837,285,000

**Allowed Issuance Capacity: \$ 318,991,070**

**Ratio of Debt to Net Plant: 54.3%**

Public Service Company of New Hampshire  
Net Earnings for Interest  
Twelve Months Ended December 2009

Description	12 Months Ended 12/31/09
	(In thousands)
Operating Revenues	\$ 1,106,803
Operation Expenses	756,403
Maintenance Expense	87,026
Depreciation and Amortization Expense	79,719
Taxes other than Income Taxes	47,844
Other, Net	(4,316)
Total Expenses	966,676
Net Earnings for Interest	\$ 140,127
Annualized Bond Interest	\$ 40,661
Cash Coverage Ratio	3.45
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 2009

<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	0.2400% 1	89,250	214
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
2009 Series P FMB, Due 2019	4.5000%	150,000	6,750
		<u>\$ 837,285</u>	<u>\$ 40,661</u>

1. Auction rate as of December 29, 2009



**Public Service  
of New Hampshire**

PSNH Energy Park  
780 North Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire  
P.O. Box 330  
Manchester, NH 03105-0330  
(603) 669-4000  
www.psnh.com

The Northeast Utilities System

February 25, 2010

Ms. Debra A. Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 6  
Concord, NH 03301-2429

Re: Docket No. DE 07-070  
Quarterly Compliance Filing

Dear Secretary Howland:

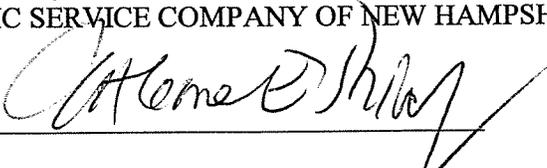
Enclosed for filing with the Commission please find an original and three copies of quarterly reports, as of December 31, 2009, showing the Company's total debt-to-net plant ratio and its interest coverage ratio.

As of December 31, 2009, the Company's total debt-to-net plant ratio was approximately 54.3%. Under the terms of the proposed amendment and restatement of the First Mortgage Indenture dated August 15, 1978, as amended, the Company 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.

PSNH hereby reports that as of December 31, 2009, the Company's interest coverage ratio, as required by the First Mortgage Indenture, dated August 15, 1978, as amended, was approximately 3.45 times. The Indenture requires that no bonds can be authenticated and delivered thereunder unless the net earnings of the Company during a period of 12 consecutive calendar months during the period of 15 consecutive calendar months immediately preceding the first day of the month in which the application for additional bonds is made are at least twice the annual interest requirements of the Company.

Should you have any questions, please contact Susan Weber at (860) 728-4632.

Respectfully submitted,  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

BY: 

Catherine E. Shively, Its Attorney

cc: Attachments

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