

**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

March 31, 2010

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

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
Series P	12/14/2009	\$ 150,000,000	\$ 150,000,000
Total		\$ 1,651,470,000	\$ 837,285,000

			as of
			March
			31, 2010
Net Utility Plant in Service:	\$	1,540,902,967	
Available Cash at Trustee:	\$	-	
Total:	\$	1,540,902,967	
Issuance Threshold (75% of Net Plant):	\$	1,155,677,225	
Outstanding First Mortgage Bonds:	\$	837,285,000	
Allowed Issuance Capacity:	\$	318,392,225	
Ratio of Debt to Net Plant:			54.3%

Public Service Company of New Hampshire
Net Earnings for Interest
Twelve Months Ended March 2010

Description	12 Months Ended 3/31/2010 (In thousands)
Operating Revenues	\$ 1,060,421
Fuel Purchased and Interchange Power	478,075
Other Operating Expenses	240,802
Maintenance Expense	87,506
Depreciation Expense	62,652
Amortization of Regulatory Assets	(43,259)
Amortization of Rate Reduction Bonds	48,187
Taxes other than Income Taxes	48,712
Other, Net	(5,817)
Total Expenses	916,858
Net Earnings for Interest	\$ 143,563
Annualized Bond Interest	\$ 40,733
Cash Coverage Ratio	3.52
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 March 2010

<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	0.3200% 1	89,250	286
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>\$ 40,733</u>

1. Auction rate as of March 9, 2010