

**DRAFT 1/10/11**

PSNH Directors  
[ Date ] Meeting

**ISSUANCE OF ADDITIONAL SERIES OF FIRST MORTGAGE BONDS TO REFINANCE  
SERIES A TAX-EXEMPT POLLUTION CONTROL BONDS AND AUTHORIZATION TO  
ENTER INTO INTEREST RATE RISK MANAGEMENT TRANSACTIONS**

WHEREAS, the officers of Public Service Company of New Hampshire (“PSNH”) have recommended that PSNH issue a new series of first mortgage bonds, in an aggregate principal amount not to exceed \$[ ], upon the terms and within the parameters set forth below, the proceeds of which issuance shall be used to refinance the tax-exempt \$89,250,000 2001 Series A Pollution Control Revenue Bonds and to pay issuance costs.

NOW, THEREFORE, BE IT

RESOLVED, that subject to the limitations set forth below, the Executive Vice President and Chief Financial Officer, the Vice President and Treasurer and the Assistant Treasurer-Finance of PSNH (collectively, the “Financial Officers”) are each severally authorized to cause PSNH to issue, at any time through and including May 1, 2021 (the “Issuance Period”), not more than \$91,000,000 in aggregate principal amount of its first mortgage bonds, the proceeds of which shall be used to redeem the \$89,250,000 aggregate principal amount of Pollution Control Revenue Bonds (Public Service Company of New Hampshire Project), issued by the Business Finance Authority, and to pay issuance costs, such bonds to be issued in one series to be designated the “First Mortgage Bonds, Series [ ] Due 20\_\_” (the “Series [ ] Bonds”) having a maturity of neither less than one year nor more than forty years.

RESOLVED, that the Financial Officers are severally authorized during the Issuance Period to approve and execute PSNH’s acceptance of a proposal for the purchase of up to \$91,000,000 aggregate principal amount of the Series [ ] Bonds, between PSNH and a representative of a group of underwriters (singly or collectively, the “Underwriter”) and otherwise in accordance with the following terms:

Interest Rate: Not in excess of [ ] basis points above the prevailing Treasury benchmark with a comparable maturity or average life, as the case may be.

Underwriting Spread: Not in excess of [ ]% of the aggregate principal amount of the Series [ ] Bonds issued and sold in an offering to institutional investors.

Principal Amount: Not in excess of \$91,000,000.

Maturity: Not earlier than the first nor later than the fortieth anniversary of the date of issuance.

Sinking Fund: None.

Redemption: The Series [ ] Bonds shall be redeemable with a “make-whole” premium and such other terms as the Financial Officers may determine.

RESOLVED, that the Financial Officers are severally authorized, in the name and on behalf of PSNH, to execute, deliver, and perform under, at any time within the Issuance Period, an Underwriting Agreement, to be dated as of a date within the Issuance Period (the “Underwriting Agreement”), between PSNH and the Underwriter, which Underwriting Agreement shall be substantially in the form attached hereto, subject to any changes to such Underwriting Agreement (including the insertion, where appropriate, of the interest rate, principal amount and maturity date of the Series [ ] Bonds, the name of the Underwriter, the amount to be purchased by each Underwriter, the date of the Underwriting Agreement and such other material terms as the Financial Officers deem appropriate) as may be approved by a Financial Officer so acting, such approval to be conclusively evidenced by his or her execution and delivery of the Underwriting Agreement.

RESOLVED, that this Board ratifies and confirms the execution and filing, in the name and on behalf of PSNH, with New Hampshire Public Utility Commission and the Vermont Public Service Board of applications for (i) the incurrence of up to \$91,000,000 aggregate principal amount of Series [ ] Bonds; (ii) the use of interest rate swaps or Treasury Locks in a notional amount not exceeding the total principal amount of the debt issued in connection with these securities; and (iii) the mortgage of property in connection with the issuance of long-term debt.

RESOLVED, that the officers of PSNH are further severally authorized to effect such amendments to the applications filed with the NHPUC and the VPSB, and to take such other actions with respect thereto, as each of them may severally deem necessary or desirable.

RESOLVED, that PSNH shall effect the issuance, sale and delivery of the Series [ ] Bonds in accordance with and upon the terms and conditions set out in the Underwriting Agreement, and that the interest rate to be borne by the Series [ ] Bonds, expressed as a percentage per annum, shall be such rate, the principal amount of the Series [ ] Bonds shall be such amount, the maturity date of the Series [ ] Bonds shall be such date, and the redemption provisions shall have such terms as shall be within the parameters set forth above and approved by any Financial Officer and certified by any of them to the Trustee under PSNH’s First Mortgage Indenture dated as of August 15, 1978 with U.S. Bank, National Association as Trustee (the “Trustee”), as heretofore or hereafter amended and supplemented (the “Indenture”).

RESOLVED, the Financial Officers are hereby severally authorized to execute and deliver: (i) a Supplemental Indenture, which shall include the form of an Amended and Restated

Indenture (the "Supplemental Indenture"), to be dated as of the first day of the month of issuance of the Series [ ] Bonds, with the Trustee, such Supplemental Indenture to be substantially in the form previously provided to the directors; (ii) the Series [ ] Bonds to evidence the obligation of PSNH with respect thereto, in the form set forth in the Supplemental Indenture; and (iii) any and all such further instruments and documents as are required for the issuance of the Series [ ] Bonds, subject to any changes to such instruments and documents as may be approved by the Financial Officer so acting, such approval to be conclusively evidenced by his or her execution and delivery of such instruments and documents.

RESOLVED, that it is desirable and in the best interests of PSNH that the Series [ ] Bonds be qualified or registered for sale in various states; that this Board hereby authorizes the officers of PSNH to take any and all action to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the Series [ ] Bonds as the officers may deem advisable, including, but not limited to, the execution and filing of applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process, and the execution by the officers of any such paper or document or doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefore from PSNH.

RESOLVED, the Trustee is hereby requested to authenticate and deliver the Series [ ] Bonds on the order of any one of the Financial Officers.

RESOLVED, that the Series [ ] Bonds shall be issued in fully registered form without coupons, in denominations of: (i) \$1,000 and any multiples thereof; or (ii) \$25 and any multiples thereof in an offering to retail investors.

RESOLVED, that the Series [ ] Bonds shall be substantially in the form set forth in Schedule A to the form of Supplemental Indenture, but with such changes therein, not contrary to the general tenor thereof (including the insertion, where appropriate, of the maturity date, principal amount, and the interest rate to be borne by the Series [ ] Bonds), as may be approved by any Financial Officer, such approval to be conclusively evidenced by the initial sale of the Series [ ] Bonds; and that the Series [ ] Bonds shall be dated, shall mature, shall be payable, transferable and exchangeable, and shall contain and be subject to such other terms and provisions as are provided in the Indenture and the Supplemental Indenture.

RESOLVED, that the Financial Officers are severally authorized to take any action necessary to cause the Series [ ] Bonds to be represented by one or more global securities, which shall be registered in the name of The Depository Trust Company, New York, New York (the "Depository"), or its successor or nominee, including the execution and delivery of a Letter of Representations among the Trustee, PSNH and the Depository (the "Representation Letter").

RESOLVED, that the Financial Officers are severally authorized and empowered to take, in their discretion, any and all action necessary or convenient to provide for the authentication, issue, sale and delivery of up to \$91,000,000 principal amount of Series [ ] Bonds and all other

matters necessary or convenient to effect the purposes of the foregoing resolutions which the officer acting may deem necessary or advisable or which may be required by the terms of the Indenture in connection with the execution and delivery of the Supplemental Indenture, the Underwriting Agreement or the Representation Letter, including, without limitation of the foregoing, the execution on behalf of PSNH of all documents required or appropriate in connection therewith and the payment of any taxes or fees required with respect thereto, and compliance with applicable recording and filing requirements.

RESOLVED, that the officers of PSNH are further severally authorized to effect such amendments and additional supplements to the Registration Statement on Form S-3 filed with the Securities and Exchange Commission on March 19, 2010 registering an undetermined amount of PSNH's First Mortgage Bonds, previously approved by this Board, and to the prospectus describing PSNH First Mortgage Bonds, including a prospectus supplement relating to the Series [ ] Bonds, and to take such other action with respect thereto as they may severally deem necessary or desirable.

RESOLVED, that the Financial Officers or their approved designees (consistent with the Northeast Utilities System Interest Rate Risk Management Policies and Procedures dated, as they may be amended from time to time (the "Policies")), are each severally authorized at any time during the Authorization Period to enter into, for and on behalf of PSNH, interest rate hedging transactions with respect to existing and anticipated indebtedness of PSNH through the use of derivative financial instruments, including but not limited to swaps, caps, collars, floors, interest rate locks or forward purchase agreements, in accordance with the parameters set forth in the Policies.

RESOLVED, that the officers of PSNH are severally authorized to take, in their discretion, any and all actions necessary or desirable to carry out the purposes and intent of the foregoing resolutions, including, without limitation, the execution and delivery of all necessary documents and agreements, and the preparation and filing of applications for approval of such transactions and reports with respect thereto, as required by law or any regulatory authority.