

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-299

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Petition to Issue Securities

ORDER OF NOTICE

On November 12, 2010, Public Service Company of New Hampshire (PSNH) filed a petition seeking authority to issue long-term debt in the principal amount of up to \$214 million in securities through December 31, 2012, with the purpose of refinancing certain outstanding long-term debt securities issued by PSNH, to mortgage its property in connection with the issuance of long-term debt, to enter into interest rate transactions to manage interest rate risk, and to terminate an insurance policy on certain refinanced securities. The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at:

<http://www.puc.nh.gov/Regulatory/Docketbk/2010/10-299.htm>.

PSNH seeks authority to refinance \$75 million of 6.00% tax-exempt 1992 Series D Pollution Control Revenue Bonds (PCRBs) and \$44.8 million of 6.00% tax-exempt 1993 Series E PCRBs, through either \$119.8 million of tax-exempt bonds, or up to \$123 million of taxable first-mortgage bonds, as determined by PSNH on the basis of market conditions. PSNH also seeks authority to issue up to \$91 million of taxable first-mortgage bonds to refinance its \$89.25 million of 2001 Series A PCRBs. According to PSNH, the Series A bonds are currently in auction rate mode and PSNH expects the interest rate on the bonds to increase significantly as general economic conditions improve. PSNH states that it would only consummate each

refinancing transaction if the given transaction would result in positive net present value savings for its customers over the remaining term of the existing bonds. To facilitate bond conversion and refinancing, PSNH also seeks authority to terminate an insurance policy on its Series A PCRBs. PSNH also requests permission to use an interest rate lock or swap to manage interest rate risk associated with the proposed long-term debt issued for refinancing purposes. In addition, PSNH has filed a motion with the Commission, pursuant to N.H. Code Admin. Rules Puc 201.05, for a partial waiver of the informational requirements of N.H. Code Admin. Rules Puc 308.12(c)(8), pertaining to the issuance of securities. A draft of the Loan and Trust Agreement (Agreement) for the issuance of tax-exempt debt, should that refinancing option be utilized by PSNH, is not currently available. In lieu of providing a draft of this Agreement, PSNH has supplied the Commission with a copy of the Agreement for PSNH's most recent tax-exempt financing. PSNH expects that the terms for this recent financing would be substantially similar to the terms of any tax-exempt refinancing that PSNH might undertake. PSNH requests that the Commission accept this substitution pursuant to N.H. Code Admin. Rules Puc 201.05.

The filing raises, inter alia, issues related to RSA chapter 369, specifically, the refinancing structure, and whether the issuance of up to \$214 million in long-term debt for refinancing purposes, the mortgaging of property, the execution of interest rate transactions, the termination of an insurance policy on refinanced securities and the requested authorization period through December 31, 2012 are in the public good. PSNH's waiver request pursuant to N.H. Code Admin. Rules Puc 201.05 will also be considered by the Commission. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a hearing, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on February 4, 2010 at 10:00 a.m.; and it is

FURTHER ORDERED, that the following procedural schedule will govern the proceeding:

Written Data Requests by Staff and Intervenors	January 4, 2011
Company Data Responses	January 11, 2011
Testimony by Staff and Intervenors	January 18, 2011
Hearings on the Merits	February 4, 2011

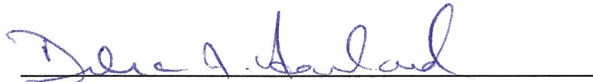
and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than December 17, 2010, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before February 4, 2010; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before December 27, 2010, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before January 7, 2011.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of December, 2010.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.