EXHIBIT 3

The State of New Hampshire
Before the Public Utilities Commission
Direct Testimony of Stephen R. Hall
Docket No. DE 10-XXX

DE 10-299
Exhibit No. #3
Witness Panel 1
DO N... ...OM FILE

Q. Please state your name, position and business address.

A. My name is Stephen R. Hall. My business address is PSNH Energy Park, 780 North Commercial Street, Manchester, New Hampshire. I am Rate and Regulatory Services Manager for Public Service Company of New Hampshire ("PSNH").

Q. Have you previously testified before the Commission?

A. Yes, I've testified on numerous occasions before the Commission over the past thirty years.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide the impact on PSNH's rates of PSNH's proposed refinancing of its Series D & E Pollution Control Revenue Bonds (PCRBs) and its Series A PCRBs.

Q. Have you performed a calculation of the impact of the refinancings on PSNH's proposed Energy Service (ES) rate?

A. Yes, we have. Attachment SRH-1 contains workpapers showing the impact of the effect of the refinancings on PSNH's proposed ES rate. The impact of each refinancing is minimal. In summary, the refinancing of the Series D & E PCRBs would result in no change to PSNH's proposed ES rate for effect on January 1, 2011. The refinancing of the Series A PCRBs would result in an increase of 0.02¢ per kilowatt-hour to PSNH's proposed ES rate for effect on January 1, 2011. However, as described in Ms. Weber's testimony, PSNH will probably not refinance the Series A PCRBs as of January 1, 2011. Rather, that refinancing will be performed at a future date when it is anticipated that interest rates on the Series A PCRBs are increasing and are likely to continue to increase. Therefore, the impact on the ES rate described above is for illustrative purposes, and assumes that the current interest rate on the bonds would remain the same.

Q. Please describe the assumptions that you used in making your calculations.

A. The calculations are shown in Attachment SRH-1. We started with the calculations supporting the proposed ES rate that was filed with the Commission on September 21, 2010 in Docket No. DE 10-257 (see pages 5 and 6 of Attachment SRH-1). We then modified the return component applied to rate base to account for the different anticipated cost of debt associated with the refinancing of the Series D & E PCRBs and the refinancing of the Series A PCRBs (see page 9 of Attachment SRH-1 for these calculations). The revised percent return calculation appears on page 7 of Attachment SRH-1 for the Series D & E PCRBs, and on page 8 for the Series A PCRBs. The revised percent return amounts for the Series D & E PCRBs, and for the Series A PCRBs were then used on pages 2 and 4, respectively, to recalculate the dollar amount associated with the returns, and those dollar amounts were substituted on pages 1 and 3 in lieu of the original dollar return amounts appearing on RAB-1, Page 1 of PSNH's September 21, 2010 filing in the ES docket (provided on page 5 of Attachment SRH-1).

As summarized above, these calculations show the proposed ES rate would not change as a result of the Series D & E refinancing, and would increase by about 0.02¢ per kWh due to the Series A refinancing, subject to the caveat discussed above.

Q. Have you performed a similar calculation for the proposed average SCRC rate?

A. Yes, we have. The results show that the proposed refinancings would have no effect on the proposed SCRC rate.

Q. Will there be any impact on other rate components?

A. No. Distribution rates will not change because under the settlement in the rate case in Docket No. DE 09-035, the capital structure, and the cost of capital, is fixed over the term of the settlement. Accordingly, the weighted average cost of capital would not change as a result of any refinancing or new financing. The Transmission Cost Adjustment Mechanism rates would also remain unchanged by these refinancings as the return on the working capital is calculated using the same fixed weighted average cost of capital that is allowed in the distribution segment

Q. Does this complete your testimony?

A. Yes, it does.

Adjusted for Series D and Series E Refinancings

1 PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2 2011 ENERGY SERVICE RATE CALCULATION
3 (Dollars in 000's)

Line	Summary of Forecasted Energy Service Cost For January 2011 Through December 2011	TOTAL COST	Cents per KWH	Reference
12				
13	Fossil energy costs	$ 145,689	$ 2.70	Attachment RAB-2, page 2
14	F/H O&M, depreciation & taxes	152,339	2.83	Attachment RAB-2, page 2
15	Return on rate base--adjusted for refinancing Ser D & E	42,974	0.80	Attachment RAB-2, page 2
16	ISO-NE ancillary	6,624	0.12	Attachment RAB-2, page 2
17	Capacity	13,806	0.26	Attachment RAB-2, page 2
18	NH RPS	10,808	0.20	Attachment RAB-2, page 2
19	RGGI costs	3,707	0.07	Attachment RAB-2, page 2
20	Vermont Yankee	7,602	0.14	Attachment RAB-2, page 2
21	IPP costs (1)	28,836	0.54	Attachment RAB-2, page 2
22	Purchases and sales	56,830	1.05	Attachment RAB-2, page 2
23	Return on ES Deferral	(44)	(0.00)	Attachment RAB-2, page 2
24				
25	Total Forecasted Energy Service Cost	$ 469,171	$ 8.71	
26				
27	2009 ES Over/Under Recovery	(1,482)	(0.03)	Attachment RAB-3, page 1
28				
29	Net Forecasted Energy Service Cost	$ 467,689		
30				
31	Forecasted Retail MWH Sales	5,389,252	8.68	
32				
33				
34	Forecasted Energy Service Rate -			
35	cents Per KWH (line 30 / Line 32)	$ 8.68		<--Based on Q3 2010 capital structure, pro forma adjustments
36				
37	Forecasted Energy Service Rate -			
38	cents Per KWH as filed	$ 8.68		<--Based on Q2 2010 capital structure
39				
40	Difference (Decrease)/Increase	$ (0.00)		
41				

42 (1) The IPP costs represent the forecasted market value of IPP generation.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

Line	Return on Rate Base	January 2011 Estimate	February 2011 Estimate	March 2011 Estimate	April 2011 Estimate	May 2011 Estimate	June 2011 Estimate	July 2011 Estimate	August 2011 Estimate	September 2011 Estimate	October 2011 Estimate	November 2011 Estimate	December 2011 Estimate	Total
14	Rate base													
15	Net Plant	304,337	302,924	301,512	303,316	307,464	306,320	305,437	304,437	306,740	308,994	316,113	315,713	
17	Working Capital Allow. (45 days of O&M)	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	
18	Fossil Fuel Inventory	55,326	54,628	47,108	47,141	47,178	47,216	47,253	47,291	47,321	47,353	47,396	47,446	
19	Mat'ls and Supplies	55,501	55,552	55,677	55,823	56,037	56,427	56,520	56,635	56,927	57,029	57,355	58,198	
20	Prepayments	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	
21	Deferred Taxes	(17,123)	(15,961)	(16,020)	(15,918)	(14,905)	(18,194)	(17,048)	(15,788)	(17,418)	(20,177)	(19,210)	(17,099)	
22	Other Regulatory Obligations	(17,551)	(18,844)	(20,337)	(21,549)	(22,778)	(12,567)	(14,034)	(15,487)	(17,158)	(18,411)	(19,653)	(20,936)	
23	Total Rate Base (L15 thru L22)	397,226	395,035	384,676	385,549	389,732	395,938	394,865	393,824	393,148	391,524	398,736	400,058	
25	Average Rate Base (prev + curr month)	397,226	396,131	389,856	385,113	387,641	392,835	395,401	394,345	393,486	392,336	395,130	399,397	
26	x Return	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	**0.9107%**	
27	Return (L25 x L26)	$ 3,617	$ 3,608	$ 3,550	$ 3,507	$ 3,530	$ 3,577	$ 3,601	$ 3,591	$ 3,583	$ 3,573	$ 3,598	$ 3,637	**$ 42,974**

Amounts shown above may not add due to rounding.

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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

Summary of Forecasted Energy Service Cost For January 2011 Through December 2011	TOTAL COST	Cents per KWH	Reference
Fossil energy costs	$ 145,689	$ 2.70	Attachment RAB-2, page 2
F/H O&M, depreciation & taxes	152,339	2.83	Attachment RAB-2, page 2
Return on rate base--adjusted for refinancing Ser A	44,220	0.82	Attachment RAB-2, page 2
ISO-NE ancillary	6,624	0.12	Attachment RAB-2, page 2
Capacity	13,806	0.26	Attachment RAB-2, page 2
NH RPS	10,808	0.20	Attachment RAB-2, page 2
RGGI costs	3,707	0.07	Attachment RAB-2, page 2
Vermont Yankee	7,602	0.14	Attachment RAB-2, page 2
IPP costs (1)	28,836	0.54	Attachment RAB-2, page 2
Purchases and sales	56,830	1.05	Attachment RAB-2, page 2
Return on ES Deferral	(44)	(0.00)	Attachment RAB-2, page 2
Total Forecasted Energy Service Cost	$ 470,416	$ 8.73	
2009 ES Over/Under Recovery	(1,482)	(0.03)	Attachment RAB-3, page 1
Net Forecasted Energy Service Cost	$ 468,934		
Forecasted Retail MWH Sales	5,389,252	8.70	
Forecasted Energy Service Rate - cents Per KWH (line 30 / Line 32)	$ 8.70		<--Based on Q3 2010 capital structure, pro forma adjustments
Forecasted Energy Service Rate - cents Per KWH as filed	$ 8.68		<--Based on Q2 2010 capital structure
Difference (Decrease)/Increase	**$ 0.02**		

(1) The IPP costs represent the forecasted market value of IPP generation.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

Line	Return on Rate Base	January 2011 Estimate	February 2011 Estimate	March 2011 Estimate	April 2011 Estimate	May 2011 Estimate	June 2011 Estimate	July 2011 Estimate	August 2011 Estimate	September 2011 Estimate	October 2011 Estimate	November 2011 Estimate	December 2011 Estimate	Total
14	Rate base													
15	Net Plant	304,337	302,924	301,512	303,316	307,464	306,320	305,437	304,437	306,740	308,994	316,113	315,713	
17	Working Capital Allow. (45 days of O&M)	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	
18	Fossil Fuel Inventory	55,326	54,628	47,108	47,141	47,178	47,216	47,253	47,291	47,321	47,353	47,396	47,446	
19	Mat'ls and Supplies	55,501	55,552	55,677	55,823	56,037	56,427	56,520	56,635	56,927	57,029	57,355	58,198	
20	Prepayments	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	
21	Deferred Taxes	(17,123)	(15,961)	(16,020)	(15,918)	(14,905)	(18,194)	(17,048)	(15,788)	(17,418)	(20,177)	(19,210)	(17,099)	
22	Other Regulatory Obligations	(17,551)	(18,844)	(20,337)	(21,549)	(22,778)	(12,567)	(14,034)	(15,487)	(17,158)	(18,411)	(19,653)	(20,936)	
23	Total Rate Base (L15 thru L22)	397,226	395,035	384,676	385,549	389,732	395,938	394,865	393,824	393,148	391,524	398,736	400,058	
25	Average Rate Base (prev + curr month)	397,226	396,131	389,856	385,113	387,641	392,835	395,401	394,345	393,486	392,336	395,130	399,397	
26	x Return	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	0.9371%	
27	Return (L25 x L26)	$ 3,722	$ 3,712	$ 3,653	$ 3,609	$ 3,632	$ 3,681	$ 3,705	$ 3,695	$ 3,687	$ 3,676	$ 3,703	$ 3,743	$ 44,220

Amounts shown above may not add due to rounding.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
(Dollars in 000's)

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13	Fossil energy costs	$ 145,689	$ 2.70	Attachment RAB-2, page 2
14	F/H O&M, depreciation & taxes	152,339	2.83	Attachment RAB-2, page 2
15	Return on rate base	43,187	0.80	Attachment RAB-2, page 2
16	ISO-NE ancillary	6,624	0.12	Attachment RAB-2, page 2
17	Capacity	13,806	0.26	Attachment RAB-2, page 2
18	NH RPS	10,808	0.20	Attachment RAB-2, page 2
19	RGGI costs	3,707	0.07	Attachment RAB-2, page 2
20	Vermont Yankee	7,602	0.14	Attachment RAB-2, page 2
21	IPP costs (1)	28,836	0.54	Attachment RAB-2, page 2
22	Purchases and sales	56,830	1.05	Attachment RAB-2, page 2
23	Return on ES Deferral	(44)	(0.00)	Attachment RAB-2, page 2
25	Total Forecasted Energy Service Cost	$ 469,384	$ 8.71	
27	2009 ES Over/Under Recovery	(1,482)	(0.03)	Attachment RAB-3, page 1
29	Net Forecasted Energy Service Cost	$ 467,902		
31	Forecasted Retail MWH Sales	5,389,252	8.68	
34–35	Forecasted Energy Service Rate - cents Per KWH (line 30 / Line 32)	$ 8.68		

36 (1) The IPP costs represent the forecasted market value of IPP generation.

As Filed

Dated: 09/21/2010
Attachment RAB-2
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PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
2011 ENERGY SERVICE RATE CALCULATION
FOSSIL/HYDRO RETURN ON RATE BASE
(Dollars in 000's)

Line	Return on Rate Base	January 2011 Estimate	February 2011 Estimate	March 2011 Estimate	April 2011 Estimate	May 2011 Estimate	June 2011 Estimate	July 2011 Estimate	August 2011 Estimate	September 2011 Estimate	October 2011 Estimate	November 2011 Estimate	December 2011 Estimate	Total
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15	Net Plant	304,337	302,924	301,512	303,316	307,464	306,320	305,437	304,437	306,740	308,994	316,113	315,713	
16														
17	Working Capital Allow. (45 days of O&M)	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	
18	Fossil Fuel Inventory	55,326	54,628	47,108	47,141	47,178	47,216	47,253	47,291	47,321	47,353	47,396	47,446	
19	Mat'ls and Supplies	55,501	55,552	55,677	55,823	56,037	56,427	56,520	56,635	56,927	57,029	57,355	58,198	
20	Prepayments	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428	
21	Deferred Taxes	(17,123)	(15,961)	(16,020)	(15,918)	(14,905)	(18,194)	(17,048)	(15,788)	(17,418)	(20,177)	(19,210)	(17,099)	
22	Other Regulatory Obligations	(17,551)	(18,844)	(20,337)	(21,549)	(22,778)	(12,567)	(14,034)	(15,487)	(17,158)	(18,411)	(19,653)	(20,936)	
23	Total Rate Base (L15 thru L22)	397,226	395,035	384,676	385,549	389,732	395,938	394,865	393,824	393,148	391,524	398,736	400,058	
24														
25	Average Rate Base (prev + curr month)	397,226	396,131	389,856	385,113	387,641	392,835	395,401	394,345	393,486	392,336	395,130	399,397	
26	x Return	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	0.9152%	
27	Return (L25 x L26)	$ 3,635	$ 3,625	$ 3,568	$ 3,525	$ 3,548	$ 3,595	$ 3,619	$ 3,609	$ 3,601	$ 3,591	$ 3,616	$ 3,655	$ 43,187

Amounts shown above may not add due to rounding.

Attachment SRH-1
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Public Service Company of New Ha e and Subsidiaries
Capitalization @ 9/30/10 - Pro Forma--Refin of Series D PCRBs and Series E PCRBs--for FH Purposes Only

	[A] Balance-LTD	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]	[H] Eff. Int. Rate [G]/[C]	
PCRB Series A Tax-Exempt	89,250,000	(3,255,479)	85,994,521	413,404	0.40%	357,000	770,404		
PCRB Series B Tax-Exempt-FR	89,250,000	(4,190,122)	85,059,878	501,744	4.75%	4,239,375	4,741,119		
PCRB Series C Tax-Exempt	108,985,000	(4,522,270)	104,462,730	427,301	5.45%	5,939,683	6,366,984		
PCRB Series D Tax-Exempt--REFIN	**75,000,000**	**(2,398,511)**	**72,601,489**	**230,507**	**3.65%**	**2,737,500**	**2,968,007**		
PCRB Series E Tax-Exempt--REFIN	**44,800,000**	**(1,501,174)**	**43,298,826**	**144,387**	**3.65%**	**1,635,200**	**1,779,587**		
FMB Series L - 2004	50,000,000	(243,402)	49,756,598	63,496	5.25%	2,625,000	2,688,496		
FMB Series M - 2005	50,000,000	(578,996)	49,421,004	23,160	5.60%	2,800,000	2,823,160		
FMB Series N - 2007	70,000,000	(627,993)	69,372,007	89,211	6.15%	4,305,000	4,394,211		
FMB Series O - 2008	110,000,000	(1,563,058)	108,436,942	206,117	6.00%	6,600,000	6,806,117		
FMB Series P - 2009	150,000,000	(1,609,830)	148,390,170	175,651	4.50%	6,750,000	6,925,651		
Total Debt	837,285,000	(20,490,834)	816,794,166	2,274,978		37,988,758	40,263,736	**4.9295%**	**Pro forma**
								5.2290%	Actual Q3 2010

	[A] Balance-LTD	[B] Capitalization Percentage	[C] Embedded Cost/Return	Pro forma [D] Weighted Avg. [B] * [C]	[E] Tax Gross-up [D]/ [1-TR]	Pro forma [F] Tax-Adjusted Return	Pro forma [G] Return By Month	
Capitalization---								
LTD--use net of issuance exp-above	816,794,166	48.1294%	4.9295%	2.3725%	N/A	2.3725%		
Total OCI Adj Equity	880,285,981	51.8706%	9.8100%	5.0885%	8.5557%	8.5557%		
Total	1,697,080,147	100.0000%		7.4610%		10.9282%	0.910687%	
				7.6017%		11.0639%	0.921992%	Actual Q3 2010
			(Decrease)	-0.1407%		(Decrease)	-0.0113%	

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Public Service Company of New H ire and Subsidiaries
Capitalization @ 9/30/10 - Pro Forma--Refin of S A PCRBs--for FH Purposes Only

	[A] Balance-LTD	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]	[H] Eff. Int. Rate [G]/[C]	
PCRB Series A Tax-Exempt REFIN	89,250,000	(4,094,804)	85,155,196	494,892	3.65%	3,257,625	3,752,517		
PCRB Series B Tax-Exempt-FR	89,250,000	(4,190,122)	85,059,878	501,744	4.75%	4,239,375	4,741,119		
PCRB Series C Tax-Exempt	108,985,000	(4,522,270)	104,462,730	427,301	5.45%	5,939,683	6,366,984		
PCRB Series D Tax-Exempt	75,000,000	(907,511)	74,092,489	85,749	6.00%	4,500,000	4,585,749		
PCRB Series E Tax-Exempt	44,800,000	(522,554)	44,277,446	49,375	6.00%	2,688,000	2,737,375		
FMB Series L - 2004	50,000,000	(243,402)	49,756,598	63,496	5.25%	2,625,000	2,688,496		
FMB Series M - 2005	50,000,000	(578,996)	49,421,004	23,160	5.60%	2,800,000	2,823,160		
FMB Series N - 2007	70,000,000	(627,993)	69,372,007	89,211	6.15%	4,305,000	4,394,211		
FMB Series O - 2008	110,000,000	(1,563,058)	108,436,942	206,117	6.00%	6,600,000	6,806,117		
FMB Series P - 2009	150,000,000	(1,609,830)	148,390,170	175,651	4.50%	6,750,000	6,925,651		
Total Debt	837,285,000	(18,860,539)	818,424,461	2,116,697		43,704,683	45,821,380	5.5987%	Pro forma
								5.2290%	Actual Q3 2010

	[A] Balance-LTD	[B] Capitalization Percentage	[C] Embedded Cost/Return	Pro forma [D] Weighted Avg. [B] * [C]	[E] Tax Gross-up [D]/ [1-TR]	Pro forma [F] Tax-Adjusted Return	Pro forma [G] Return By Month	
Capitalization—								
LTD--use net of issuance exp-above	818,424,461	48.1792%	5.5987%	2.6974%	N/A	2.6974%		
Total OCI Adj Equity	880,285,981	51.8208%	9.8100%	5.0836%	8.5475%	8.5475%		
Total	1,698,710,442	100.0000%		7.7810%		11.2449%	0.937077%	
				7.6017%		11.0639%	0.921992%	Actual Q3 2010
			Increase	0.1793%	Increase		0.0151%	

Public Service Company of N[illegible]ampshire and Subsidiaries
Pro forma adjustments to capitalization @ 6/30/10 - for FH Purposes Only

1--Series D and Series E	[A] Balance-LTD	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]
PCRB Series D Tax-Exempt--**updated 3rd qtr**	75,000,000	(907,511)	74,071,051	85,749	6.00%	4,500,000	4,585,749
Refinancing costs and call premiums (1)		(1,491,000)					
Amortization of refin/call premium over 10.3 yrs (124 mths)				144,757			
Recalculated interest costs / new int rate	75,000,000	(2,398,511)	72,601,489	230,507	3.65%	2,737,500	2,968,007
(Incr) / Decr in int costs-Ser D							1,617,743
PCRB Series E Tax-Exempt--**updated 3rd qtr**	44,800,000	(522,554)	44,265,102	49,375	6.00%	2,688,000	2,737,375
Refinancing costs and call premiums (2)		(978,620)					
Amortization of refin/call premium over 10.3 yrs (124 mths)				95,012			
Recalculated interest costs / new int rate	44,800,000	(1,501,174)	43,298,826	144,387	3.65%	1,635,200	1,779,587
(Incr) / Decr in int costs-Ser E							957,788
Total annual (Incr) / Decr in int costs							2,575,531

(1) Series D fees of $741,000 and a call premium of $750,000, totalling $1,491,000. Amor period between 1/1/2011 and the maturity date of 5/1/2021 is 124 months

(2) Series E fees of $530,620 and a call premium of $448,000, totalling $978,620. Amor period between 1/1/2011 and the maturity date of 5/1/2021 is 124 months

2--Series A	[A] Balance-LTD	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]
PCRB Series A Tax-Exempt--**updated 3rd qtr**	89,250,000	(3,255,479)	85,994,521	413,404	0.40%	357,000	770,404
Refinancing costs and call premiums (1)		(839,325)					
Amortization of refin/call premium over 10.3 yrs (124 mths)				81,488			
Recalculated interest costs / new int rate	89,250,000	(4,094,804)	85,155,196	494,892	3.65%	3,257,625	3,752,517
Total annual (Incr) / Decr in int costs							(2,982,113)

(1) Includes Series A fees of $839,325. There are no MBIA insurance termination costs or call premium. Amortization period between 1/1/2011 and the maturity date of 5/1/2021 is 124 months

Public Service Company of New Hampshire and Subsidiaries
Capitalization @ 9/30/10 - for FH Purposes Only

	[A] Balance-LTD	[B] Unamor Issuance Expense	[C] Net Balance [A] + [B]	[D] Annualized Amor. Expense	[E] Int Rate*	[F] Ann. Int. Exp. [A] X [E]	[G] Total Ann. Exp. [D] + [F]	[H] Eff. Int. R [G]/[C]
PCRB Series A Tax-Exempt	89,250,000	(3,255,479)	85,994,521	413,404	0.40%	357,000	770,404	
PCRB Series B Tax-Exempt-FR	89,250,000	(4,190,122)	85,059,878	501,744	4.75%	4,239,375	4,741,119	
PCRB Series C Tax-Exempt	108,985,000	(4,522,270)	104,462,730	427,301	5.45%	5,939,683	6,366,984	
PCRB Series D Tax-Exempt	75,000,000	(907,511)	74,092,489	85,749	6.00%	4,500,000	4,585,749	
PCRB Series E Tax-Exempt	44,800,000	(522,554)	44,277,446	49,375	6.00%	2,688,000	2,737,375	
FMB Series L - 2004	50,000,000	(243,402)	49,756,598	63,496	5.25%	2,625,000	2,688,496	
FMB Series M - 2005	50,000,000	(578,996)	49,421,004	23,160	5.60%	2,800,000	2,823,160	
FMB Series N - 2007	70,000,000	(627,993)	69,372,007	89,211	6.15%	4,305,000	4,394,211	
FMB Series O - 2008	110,000,000	(1,563,058)	108,436,942	206,117	6.00%	6,600,000	6,806,117	
FMB Series P - 2009	150,000,000	(1,609,830)	148,390,170	175,651	4.50%	6,750,000	6,925,651	
Total Debt	837,285,000	(18,021,214)	819,263,786	2,035,209		40,804,058	42,839,267	5.2

	[A] Balance-LTD	[B] Capitalization Percentage	[C] Embedded Cost/Return	[D] Weighted Avg. [B] * [C]	[E] Tax Gross-up [D]/ [1-TR]	[F] Tax-Adjusted Return	[G] Return By Month
Capitalization---							
LTD--use net of issuance exp-above	819,263,786	48.2048%	5.2290%	2.5206%	N/A	2.5206%	
Total OCI Adj Equity	880,285,981	51.7952%	9.8100%	5.0811%	8.5433%	8.5433%	
Total	1,699,549,767	100.0000%		7.6017%		11.0639%	0.9219

*--Series A is variable rate debt

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