**STANDBY LETTER OF CREDIT**

[DATE PROVIDED]

IRREVOCABLE non-transferable STANDBY LETTER OF CREDIT NO.

Interconnection Reference No. [ ]

[EXPIRATION DATE]

WE DO HEREBY ISSUE THIS IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT BY ORDER OF AND FOR THE ACCOUNT OF [POSTING ENTITY OR AFFILIATE OF POSTING ENTITY ON BEHALF OF POSTING ENTITY] (“ACCOUNT PARTY”) IN FAVOR OF ISO NEW ENGLAND INC. (“ISO” OR “BENEFICIARY”) (“STANDBY LETTER OF CREDIT”).

this standby letter of credit is irrevocable and is issued, presentable and payable and we guaranty to the drawers, endorsers and bona fide holders of this standby letter of credit that drafts under and in COMPLIANCE with the terms of this standby letter of credit will be honored on presentation of this standby letter of credit.

THIS STANDBY LETTER OF CREDIT IS AVAILABLE IN ONE OR MORE DRAFTS AND MAY BE DRAWN HEREUNDER FOR THE ACCOUNT OF THE ACCOUNT PARTY UP TO AN AMOUNT NOT EXCEEDING US$ \_\_\_\_\_\_.00 (UNITED STATES DOLLARS \_\_\_\_\_\_\_\_\_\_\_\_ AND 00/100) .

THIS STANDBY LETTER OF CREDIT IS DRAWN AGAINST BY PRESENTATION TO US AT OUR OFFICE LOCATED AT THE FOLLOWING ADDRESS:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_;

Of a draft in the form of A DRAWING CERTIFICATE that is SIGNED BY A PURPORTED OFFICER OR AUTHORIZED AGENT OF THE ISO AND DATED THE DATE OF PRESENTATION CONTAINING THE FOLLOWING STATEMENT in (1) below along with the appropriate statement in (2) below:

* + - 1. “THE UNDERSIGNED HEREBY CERTIFIES TO [BANK] (“ISSUER”), WITH REFERENCE TO IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT NO. [------] (THE “STANDBY LETTER OF CREDIT”) ISSUED BY ISSUER IN FAVOR OF ISO NEW ENGLAND INC. (“ISO”), THAT
      2. [POSTING ENTITY] IS SUBJECT TO A WITHDRAWAL PENALTY FOR THE INTERCONNECTION REQUEST ASSOCIATED WITH THE LETTER OF CREDIT, , IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THE TARIFF FILED BY THE ISO, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.];**OR**

[ISSUER HAS FAILED TO MAINTAIN A MINIMUM LONG-TERM DEBT RATING FROM ANY APPLICABLE RATING AGENCY (OR, IF THE ISSUER DOES NOT HAVE A MINIMUM LONG-TERM DEBT RATING, THEN A MINIMUM CORPORATE RATING) OF “A-” BY STANDARD AND POOR’S , OR “A3” BY MOODY’S OR “A-” BY FITCH, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. **]; OR**

[**INCLUDE ONLY IN FORM IF LETTER OF CREDIT HAS A FIXED EXPIRATION DATE:]** [AS OF THE CLOSE OF BUSINESS ON \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ (FILL IN DATE WHICH IS WITHIN 30 DAYS BEFORE THE EXPIRATION DATE OF THE STANDBY LETTER OF CREDIT), [ACCOUNT PARTY] HAS FAILED TO RENEW THE STANDBY LETTER OF CREDIT IN A MANNER ACCEPTABLE TO THE ISO, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. **]; OR**

[**INCLUDE ONLY IN FORM IF LETTER OF CREDIT HAS AUTOMATIC RENEWAL LANGUAGE:]** [AS OF THE CLOSE OF BUSINESS ON \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ (FILL IN DATE WHICH IS WITHIN 30 DAYS BEFORE THE EXPIRATION DATE OF THE STANDBY LETTER OF CREDIT IF NOT AUTORENEWING), WE HAVE BEEN PROVIDED NOTICE FROM [ACCOUNT PARTY] [ISSUER] THAT THE STANDBY LETTER OF CREDIT WILL NOT BE EXTENDED FOR AN ADDITIONAL ONE (1) YEAR PERIOD, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**]**

IF PRESENTATION OF ANY DRAWING CERTIFICATE IS MADE ON A BUSINESS DAY AND SUCH PRESENTATION IS MADE AT OUR COUNTERS ON OR BEFORE 10:00 A.M. \_\_\_\_\_\_\_\_\_ TIME, WE SHALL SATISFY SUCH DRAWING REQUEST ON THE SAME BUSINESS DAY. IF THE DRAWING CERTIFICATE IS RECEIVED AT OUR COUNTERS AFTER 10:00 A.M. \_\_\_\_\_\_\_\_\_\_\_ TIME, WE WILL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. FOR THE PURPOSES OF THIS SECTION, A BUSINESS DAY MEANS A DAY, OTHER THAN A SATURDAY OR SUNDAY, ON WHICH THE FEDERAL RESERVE BANK OF NEW YORK IS NOT AUTHORIZED OR REQUIRED TO BE CLOSED. DISBURSEMENTS SHALL BE IN ACCORDANCE WITH THE INSTRUCTIONS OF THE ISO.

THE FOLLOWING TERMS AND CONDITIONS APPLY:

THIS STANDBY LETTER OF CREDIT SHALL EXPIRE AT THE CLOSE OF BUSINESS [DATE]

[**INCLUDE ONLY IF LETTER OF CREDIT HAS A FIXED EXPIRATION DATE:]** [IF [ACCOUNT PARTY] HAS FAILED TO RENEW THIS STANDBY LETTER OF CREDIT IN A MANNER ACCEPTABLE TO THE ISO, YOU MAY DRAW ON THIS STANDBY LETTER OF CREDIT WITHIN THE THIRTY (30) DAYS PRIOR TO THE EXPIRY DATE BY PRESENTING YOUR ONE OR MORE PAYMENT DEMANDS TO US FOR AN AGGREGATE AMOUNT UP TO THE UNUSED BALANCE OF THIS STANDBY LETTER OF CREDIT.]

[**INCLUDE ONLY IF LETTER OF CREDIT IS TO HAVE AUTOMATIC RENEWAL LANGUAGE:]** [IT IS A CONDITION OF THIS STANDBY Letter of Credit THAT IT WILL be automatically extended without an amendment for a (1) year period beginning on the INITIAL EXPIRATION date hereof and upon each anniversary of such date, unless at least [THIRTY (30) **OR** sixty (60) **OR** NINETY (90)] days prior to any such expirATION date we have sent you, or the account party has sent you, written notice by regular and registered mail or courier service that we or the account party elect not to permit this Letter of Credit to be so extended, and THAT THIS LETTER OF CREDIT will expire on its then current EXPIRATION date.  UPON RECEIPT OF SUCH NOTICE, YOU MAY DRAW ON THIS STANDBY LETTER OF CREDIT WITHIN THE THIRTY (30) DAYS PRIOR TO THE THEN RELEVANT EXPIRY DATE BY PRESENTING YOUR ONE OR MORE PAYMENT DEMANDS TO US FOR AN AGGREGATE AMOUNT UP TO THE UNUSED BALANCE OF THIS STANDBY LETTER OF CREDIT.]

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT WE SHALL MAINTAIN A MINIMUM LONG-TERM DEBT RATING (OR, IF WE DO NOT HAVE A MINIMUM LONG-TERM DEBT RATING, THEN A MINIMUM CORPORATE RATING) OF “A-” BY STANDARD AND POOR’S, OR “A3” BY MOODY’S OR “A-” BY FITCH. IN THE EVENT THAT WE ARE RATED BY MULTIPLE RATING AGENCIES, IF ANY APPLICABLE RATING FROM THE RATING AGENCIES FALLS BELOW THE LEVELS LISTED, THEN WE SHALL NOT BE CONSIDERED TO HAVE SATISFIED THIS CONDITION. IN THE EVENT THAT WE DO NOT SATISFY THE CONDITION REQUIRED BY THIS PARAGRAPH, YOU MAY DEMAND PAYMENT FROM US AT THE ADDRESS ABOVE, BY PRESENTING YOUR ONE OR MORE PAYMENT DEMANDS TO US FOR AN AGGREGATE AMOUNT UP TO THE UNUSED BALANCE OF THIS STANDBY LETTER OF CREDIT.

THE AMOUNT WHICH MAY BE DRAWN BY YOU UNDER THIS STANDBY LETTER OF CREDIT SHALL BE AUTOMATICALLY REDUCED BY THE AMOUNT OF ANY DRAWINGS HEREUNDER AT OUR COUNTERS. ANY NUMBER OF PARTIAL DRAWINGS ARE PERMITTED FROM TIME TO TIME HEREUNDER.

ALL COMMISSIONS AND CHARGES WILL BE BORNE BY THE ACCOUNT PARTY.

THIS STANDBY LETTER OF CREDIT IS NOT TRANSFERABLE OR ASSIGNABLE. THIS STANDBY LETTER OF CREDIT DOES NOT INCORPORATE AND SHALL NOT BE DEEMED MODIFIED, AMENDED OR AMPLIFIED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT (A) THAT IS REFERRED TO HEREIN (EXCEPT FOR THE ISP, AS DEFINED BELOW) OR (B) IN WHICH THIS STANDBY LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS STANDBY LETTER OF CREDIT RELATES.

THIS STANDBY LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNATIONAL STANDBY PRACTICES (“ISP98”) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590, INCLUDING ANY AMENDMENTS, MODIFICATIONS, OR REVISIONS THEREOF (THE “ISP”), EXCEPT TO THE EXTENT THAT THE TERMS HEREOF ARE INCONSISTENT WITH THE PROVISIONS OF THE ISP, IN WHICH CASE THE TERMS OF THIS STANDBY LETTER OF CREDIT SHALL GOVERN. THIS STANDBY LETTER OF CREDIT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS TO THE EXTENT THAT THE TERMS ARE NOT GOVERNED BY THE ISP.

THIS STANDBY LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE ISO AND ISSUER.

WE HEREBY ENGAGE WITH YOU THAT DOCUMENTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT SHALL BE DULY HONORED UPON PRESENTATION AS SPECIFIED AND WE REPRESENT THAT THE ACCOUNT PARTY IS NOT AN AFFILIATE OF THE ISSUER.

PRESENTATION OF ANY DRAWING CERTIFICATE UNDER THIS STANDBY LETTER OF CREDIT MAY BE SENT TO US BY COURIER, CERTIFIED MAIL, REGISTERED MAIL, OR FACSIMILE (WITH A CONFIRMING COPY OF SUCH FACSIMILE SENT AFTER THE DRAWING BY CERTIFIED MAIL TO THE ADDRESS SET FORTH BELOW; PROVIDED HOWEVER, THAT THE CONFIRMING COPY SHALL NOT BE A PREREQUISITE FOR US TO HONOR ANY PRESENTATION OTHERWISE MADE IN ACCORDANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT), OR SUCH OTHER ADDRESS AS MAY HEREAFTER BE FURNISHED BY US. OTHER NOTICES CONCERNING THIS STANDBY LETTER OF CREDIT MAY BE SENT BY SIMILAR COMMUNICATIONS FACILITY TO THE RESPECTIVE ADDRESSES SET FORTH BELOW. ALL SUCH NOTICES AND COMMUNICATIONS SHALL BE EFFECTIVE UPON RECEIPT BY THE INTENDED RECIPIENT PARTY.

IF TO THE BENEFICIARY OF THIS STANDBY LETTER OF CREDIT:

ISO NEW ENGLAND INC.

ATTENTION: CREDIT DEPARTMENT

1 SULLIVAN RD. HOLYOKE, MA 01040

FAX: 413-540-4569

EMAIL: CREDITDEPARTMENT@ISO-NE.COM

IF TO THE ACCOUNT PARTY:

[NAME]

[ADDRESS]

[FAX]

[PHONE]

IF TO ISSUER:

[NAME]

[ADDRESS]

[FAX]

[PHONE]

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[SIGNATURE] [SIGNATURE]