

FORM LETTER OF CREDIT

_____ Bank

(address)

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE: _____

AMOUNT U.S. \$ _____

FOR INTERNAL IDENTIFICATION PURPOSES ONLY

Our Number: _____

Beneficiary:

Applicant:

Attn: At the request of:

Ref: _____

LADIES AND GENTLEMENT;

WE HEREBY ESTABLISH THIS IRREVOCABLE, AND UNCONDITIONAL, EXCEPT AS STATED HEREIN, LETTER OF CREDIT NUMBER _____ (LETTER OF CREDIT), BY ORDER OF, FOR THE ACCOUNT OF, AND ON BEHALF OF [CUSTOMER NAME] (ACCOUNT PARTY) IN FAVOR OF UNITIL ENERGY SYSTEMS, INC. (BENEFICIARY) FOR DRAWINGS, IN ONE OF MORE DRAFTS, UP TO AN AGGREGATE AMOUNT NOT EXCEEDING U.S. \$ _____ EFFECTIVE IMMEDIATELY, THE TERM 'BENEFICIARY' INCLUDES ANY SUCCESSOR OF THE NAMED BENEFICIARY.

THIS LETTER OF CREDIT CANNOT BE AMENDED, MODIFIED OR REVOKED WITHOUT THE PRIOR WRITTEN CONSENT OF BOTH THE BANK AND THE BENEFICIARY. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS AN OFFICER OF THE BENEFICIARY SHALL HAVE SIGNED A WRITTEN WAIVER EXPRESSLY REFERENCING THE RIGHT TO BE WAIVED. NO SUCH WAIVER SHALL BE

EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOT AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.

WE HEREBY UNDERTAKE TO PROMPTLY HONOR YOUR DRAFT(S) DRAWN ON US, INDICATING OUR LETTER OF CREDIT NUMBER _____, IS ISSUED, PRESENTABLE AND PAYABLE AND WE GUARANTY TO THE DRAWERS, ENDORSERS, AND BONE FIDE HOLDERS OF THIS LETTER OF CREDIT, THAT DRAFTS UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED BY US.

SUBJECT TO THE EXPRESS TERMS AND CONDITIONS HEREIN, FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO YOU BY PRESENTATION AT OUR OFFICES LOCATED AT [_____] OF BENEFICIARY'S DRAWING CERTIFICATE ISSUED SUBSTANTIALLY IN THE FORM OF ANNEX 1 ATTACHED HERETO AND WHICH FORMS AN INTEGRAL PART HEREOF, DULY COMPLETED AND PURPORTEDLY BEARING THE ORIGINAL SIGNATURE OF AN OFFICER OF THE BENEFICIARY. PRPRESENTATION OF ANY DRAWING CERTIFICATE UNDER THIS LETTER OF CREDIT MAY BE MADE IN PERSON TO US OR MAY BE SENT TO US BY TELEX TO [_____] OR BY FACSIMILE TRANSMISSION TO FACSIMILE TELEPHONE NUMBER [_____].

ALL COMMISSIONS AND CHARGES WILL BE BORNE BY THE ACCOUNT PARTY. IF DOCUMENTS, IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, ARE RECEIVED BEFORE 10:00 AM (EASTERN TIME) ON A BUSINESS DAY, PAYMENT WILL BE EFFECTED ON OR BEFORE 5:00 PM (EASTERN TIME) ON THE NEXT BUSINESS DAY. IF DOCUMENTS, IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT ARE RECEIVED AFTER 10:00 AM ON A BUSINESS DAY, PAYMENT WILL BE EFFECTED ON OR BEFORE 5:00 PM ON THE SECOND BUSINESS DAY FOLLOWING SUCH DATE OF RECEIPT.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, CONDITION OR QUALIFICATION. THIS LETTER OF CREDIT DOES NOT INCORPORATE, AND SHALL NOT BE DEEMED MODIFIED OR AMENDED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT (A) THAT IS REFERRED TO HEREIN (EXCEPT FOR THE UNIFORM CUSTOMS, AS DEFINED BELOW), OR (B) IN WHICH THIS LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS LETTER OF CREDIT RELATES.

OUR OBLIGATION UNDER THIS LETTER OF CREDIT SHALL BE OUR INDIVIDUAL OBLIGATION AND IS IN NO WAY CONTINGENT UPON THE REIMBURSEMENT WITH RESPECT THERETO, OR UPON OUR ABILITY TO PERFECT ANY LIEN, SECURITY INTEREST OR ANY OTHER REIMBURSEMENT.

THIS LETTER OF CREDIT EXPIRES WITH OUR CLOSE OF BUSINESS ON [364 days from effective date]; HOWEVER, IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR 364 DAYS FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS AT LEAST SIXTY (60) DAYS BEFORE ANY SUCH EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL ADDRESSED TO:

[address of beneficiary, ATTN: _____], THAT WE ELECT NOT TO RENEW THIS LETTER FOR SUCH ADDITIONAL PERIOD.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 500. IF THIS LETTER OF CREDIT EXPIRES DURING THE INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 17 THEREOF WE HEREBY SPECIFICALLY AGREE TO EFFECT PAYMENT IF THE LETTER OF CREDIT IS DRAWN AGAINST WITHIN 30 DAYS AFTER THE RESUMPTION OF BUSINESS.

ANNEX 1 TO [BANKNAME]
IRREVOCABLE LETTER OF CREDIT NO. _____

[INSERT DATE]

[BANK NAME]
[ATTENTION]
[BANK ADDRESS 1]
[BANK ADDRESS 2]

LADIES AND GENTLEMEN:

THE UNDERSIGNED _____, A DULY ELECTED AND ACTING OFFICER OF UNITIL ENERGY SYSTEMS, INC. (THE "BENEFICIARY"), HEREBY CERTIFIES TO [INSERT BANK NAME] (THE "BANK"), WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ DATED _____, ISSUED BY THE BANK IN FAVOR OF THE BENEFICIARY (THE "LETTER OF CREDIT"), AS FOLLOWS AS OF THE DATE THEREOF:

1. THE BENEFICIARY IS A PARTY TO THAT CERTAIN [INTERCONNECTION AGREEMENT], EFFECTIVE _____, BETWEEN THE BENEFICIARY AND [CUSTOMER NAME] (THE "AGREEMENT").
2. BENEFICIARY IS MAKING A DRAWING UNDER THE LETTER OF CREDIT IN THE AMOUNT OF \$_____ BECAUSE [CHECK APPLICABLE PROVISION]:

[_____] (A) THERE CURRENTLY EXIST ONE OR MORE UNPAID AMOUNTS WHICH [CUSTOMER NAME] IS OBLIGATED TO PAY PURSUANT TO THE TERMS OF THE AGREEMENT.

[_____] (B) THE BENEFICIARY HAS RECEIVED NOTICE FROM THE BANK OF ITS INTENTION NOT TO RENEW THE LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE AND [CUSTOMER NAME] HAS FAILED, PRIOR TO THE CLOSE OF BUSINESS ON _____ [INSERT DATE WHICH IS NOT MORE THAN THIRTY (30) DAYS BEFORE THE PRESENT EXPIRATION DATE], TO DELIVER TO BENEFICIARY A REPLACEMENT LETTER OF CREDIT SATISFYING THE REQUIREMENTS OF THE AGREEMENT.

3. BASED UPON THE FOREGOING, THE BENEFICIARY HEREBY MAKES DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF U.S. DOLLARS _____ AND ____/100THS (U.S. \$_____).

4. FUNDS PAID PURSUANT TO THE PROVISIONS OF THE LETTER OF CREDIT SHALL BE WIRE TRANSFERRED TO THE BENEFICIARY IN ACCORDANCE WITH THE FOLLOWING INSTRUCTIONS:

UNLESS OTHERWISE PROVIDED HEREIN, CAPITALIZED TERMS WHICH ARE USED AND NOT DEFINED HEREIN SHALL HAVE THE MEANING GIVEN EACH SUCH TERM IN THE LETTER OF CREDIT.

IN WITNESS WHEREOF, THIS CERTIFICATE HAS BEEN DULY EXECUTED AND DELIVERED ON BEHALF OF THE BENEFICIARY BY ITS DULY ELECTED AND ACTING OFFICER AS OF THIS ____ DAY OF _____, ____.

BENEFICIARY: UNITIL ENERGY SYSTEMS, INC.

NAME:
TITLE: