

PPL DSPP – Full Requirements – Bid Assurance Letter of Credit
UNACCEPTABLE Modifications¹

APPENDIX 8

BID ASSURANCE LETTER OF CREDIT
DEFAULT SERVICE FULL REQUIREMENTS AND SPOT MARKET SUPPLY

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}
IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

ISSUE DATE _____ EXPIRY DATE _____
APPLICANT _____
[NAME]
[ADDRESS]

BENEFICIARY
[NAME]
[ADDRESS]

CURRENCY AMOUNT
USD *****\$ _____

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: _____ FOR THE ACCOUNT OF _____ (“APPLICANT”) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS _____ AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF _____ (“ISSUER”) (ADDRESS), EFFECTIVE _____ AND EXPIRING AT OUR COUNTERS ON _____ AT 5:00 PM NEW YORK, NEW YORK TIME, WHICH IS AT LEAST 60 DAYS FROM THE DATE OF ISSUANCE, UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THIS LETTER OF CREDIT OR OTHERWISE EXTENDED BY AMENDMENT.

¹ Please note that this document does not contain an exhaustive list of all unacceptable modifications. Only those modifications listed in the companion document titled “Acceptable Modifications to the Bid Assurance LC” are changes accepted by PPL Electric, and any other changes are deemed unacceptable.

1. May we make the following change to the Bid Assurance Letter of Credit?

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: _____ FOR THE ACCOUNT OF _____ (“APPLICANT”) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS _____ AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF _____ (“ISSUER”) (ADDRESS), EFFECTIVE _____ AND EXPIRING AT OUR COUNTERS ON _____ AT 5:00 PM NEW YORK, NEW YORK TIME, WHICH IS AT LEAST 60 DAYS FROM THE DATE OF ISSUANCE, UNLESS TERMINATED EARLIER **UPON WACHOVIA BANK, NATIONAL ASSOCIATION’S RECEIPT OF WRITTEN RELEASE FROM THE BENEFICIARY ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS** ~~IN ACCORDANCE WITH THE PROVISIONS OF THIS LETTER OF CREDIT OR OTHERWISE EXTENDED BY AMENDMENT.~~

This change is not acceptable.

2. May we make the following change to the Bid Assurance Letter of Credit?

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: _____ FOR THE ACCOUNT OF _____ (“APPLICANT”) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS _____ AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF _____ (“ISSUER”) (ADDRESS), EFFECTIVE _____ AND EXPIRING AT OUR COUNTERS ON _____ AT 5:00 PM NEW YORK, NEW YORK TIME, WHICH IS AT LEAST 60 DAYS FROM THE DATE OF ISSUANCE, UNLESS ~~TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THIS LETTER OF CREDIT OR OTHERWISE EXTENDED BY AMENDMENT.~~

This change is not acceptable.

3. May we make the following change to the Bid Assurance Letter of Credit?

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: _____ FOR THE ACCOUNT OF _____ (“APPLICANT”) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS _____ AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF _____ (“ISSUER”) (ADDRESS), EFFECTIVE _____ AND EXPIRING AT OUR COUNTERS ON _____ AT 5:00 PM NEW YORK, NEW YORK TIME, WHICH IS AT LEAST 60 DAYS FROM THE DATE OF ISSUANCE, UNLESS ~~TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THIS LETTER OF CREDIT OR OTHERWISE EXTENDED BY AMENDMENT.~~

This change is not acceptable.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

4. May we make the following change to the Bid Assurance Letter of Credit?

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS **ABOVE ADDRESS** AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

This change is not acceptable.

5. May we make the following change to the Bid Assurance Letter of Credit?

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR **CHICAGO OFFICE** COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

This change is not acceptable.

BENEFICIARY WILL HOLD THIS LETTER OF CREDIT UNTIL WE RECEIVE WRITTEN NOTIFICATION FROM THE BENEFICIARY THAT EITHER:

1. THE APPLICANT'S BID PROPOSAL IN THE PPL ELECTRIC DEFAULT SERVICE RFP SOLICITATION ON [INSERT DATE] (THE "SOLICITATION DATE") HAS BEEN REJECTED IN WHOLE AND THE APPLICANT HAS BEEN NOTIFIED OF SUCH REJECTION; OR
2. THE APPLICANT HAS WON TRANCHES IN THE PPL ELECTRIC DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND HAS EXECUTED THE DEFAULT SERVICE SUPPLY MASTER AGREEMENT ("SMA") AND/OR DEFAULT SERVICE SPOT MARKET SUPPLY MASTER AGREEMENT AND/OR TRANSACTION CONFIRMATIONS FOR SUCH TRANCHES.

UPON EITHER OF THE ABOVE TWO CONDITIONS, THIS LETTER OF CREDIT WILL BE RETURNED BY THE BENEFICIARY TO THE ISSUER WITHIN TWO BUSINESS DAYS. THE APPLICANT MAY REQUEST THAT THIS LETTER OF CREDIT RESIDE WITH THE BENEFICIARY THROUGH THE ENTIRE MULTI-SOLICITATION PERIOD OF THE PPL DEFAULT SERVICE RFP.

6. May we make the following change to the Bid Assurance Letter of Credit?

~~BENEFICIARY WILL HOLD THIS LETTER OF CREDIT UNTIL WE RECEIVE WRITTEN NOTIFICATION FROM THE BENEFICIARY THAT EITHER:~~

- ~~1. THE APPLICANT'S BID PROPOSAL IN THE PPL ELECTRIC DEFAULT SERVICE RFP SOLICITATION ON [INSERT DATE] (THE "SOLICITATION DATE") HAS BEEN REJECTED IN WHOLE AND THE APPLICANT HAS BEEN NOTIFIED OF SUCH REJECTION; OR~~
- ~~2. THE APPLICANT HAS WON TRANCHES IN THE PPL ELECTRIC DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND HAS EXECUTED THE DEFAULT SERVICE SUPPLY MASTER AGREEMENT ("SMA") AND/OR DEFAULT SERVICE SPOT MARKET SUPPLY MASTER AGREEMENT AND/OR TRANSACTION CONFIRMATIONS FOR SUCH TRANCHES.~~

~~UPON EITHER OF THE ABOVE TWO CONDITIONS, THIS LETTER OF CREDIT WILL BE RETURNED BY THE BENEFICIARY TO THE ISSUER WITHIN TWO BUSINESS DAYS. THE APPLICANT MAY REQUEST THAT THIS LETTER OF CREDIT RESIDE WITH THE BENEFICIARY THROUGH THE ENTIRE MULTI-SOLICITATION PERIOD OF THE PPL DEFAULT SERVICE RFP.~~

This change is not acceptable.

7. May we make the following change to the Bid Assurance Letter of Credit?

~~UPON EITHER OF THE ABOVE TWO CONDITIONS, THIS LETTER OF CREDIT WILL BE RETURNED BY THE BENEFICIARY TO THE ISSUER WITHIN TWO BUSINESS DAYS. THE APPLICANT MAY REQUEST THAT THIS LETTER OF CREDIT RESIDE WITH THE BENEFICIARY THROUGH THE ENTIRE MULTI-SOLICITATION PERIOD OF THE PPL DEFAULT SERVICE RFP.~~

This change is not acceptable.

8. May we make the following change to the Bid Assurance Letter of Credit?

FOR INFORMATION PURPOSES ONLY

[BENEFICIARY WILL HOLD THIS LETTER OF CREDIT UNTIL WE RECEIVE WRITTEN NOTIFICATION FROM THE BENEFICIARY THAT EITHER...

...

THE ENTIRE MILTI-SOLICITATION PERIOD OF THE PPL DEFAULT SERVICE RFP.]

This change is not acceptable.

9. May we make the following change to the Bid Assurance Letter of Credit?

~~UPON EITHER OF THE ABOVE TWO CONDITIONS, THIS LETTER OF CREDIT WILL BE RETURNED BY THE BENEFICIARY TO THE ISSUER WITHIN TWO BUSINESS DAYS. THE APPLICANT MAY REQUEST THAT THIS LETTER OF CREDIT RESIDE WITH THE BENEFICIARY THROUGH THE ENTIRE MULTI-SOLICITATION PERIOD OF THE PPL DEFAULT SERVICE RFP.~~

This change is not acceptable.

10. May we make the following change to the Bid Assurance Letter of Credit?

THIS LETTER OF CREDIT MAY BE CANCELLED EARLY UPON EITHER OF THE ABOVE TWO CONDITIONS FULL PAYMENT OF THE OUTSTANDING LIABILITY OF THIS LETTER OF CREDIT OR THE RETURN OF THE ORIGINAL LETTER OF CREDIT AND ANY AMENDMENTS. ~~THIS LETTER OF CREDIT WILL BE RETURNED BY THE BENEFICIARY TO THE ISSUER WITHIN TWO BUSINESS DAYS.~~

This change is not acceptable.

THIS LETTER OF CREDIT MAY ALSO BE TERMINATED PRIOR TO THE STATED EXPIRY DATE UPON BENEFICIARY'S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER'S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT.

11. May we make the following change to the Bid Assurance Letter of Credit?

~~THIS LETTER OF CREDIT MAY ALSO BE TERMINATED PRIOR TO THE STATED EXPIRY DATE UPON BENEFICIARY'S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER'S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT.~~

This change is not acceptable.

12. May we make the following change to the Bid Assurance Letter of Credit?

~~THIS LETTER OF CREDIT MAY ALSO BE TERMINATED PRIOR TO THE STATED EXPIRY DATE UPON BENEFICIARY'S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER'S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT.~~

This change is not acceptable.

13. May we make the following change to the Bid Assurance Letter of Credit?

THIS LETTER OF CREDIT WILL BE TERMINATED UPON THE ISSUER'S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT IN ACCORDANCE WITH THE PROVISIONS OF THE PPL ELECTRIC DEFAULT SERVICE RFP.

This change is not acceptable.

IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.

14. May we make the following change to the Bid Assurance Letter of Credit?

~~IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.~~

This change is not acceptable.

15. May we make the following change to the Bid Assurance Letter of Credit?

IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT. **BENEFICIARY SHALL BE ENTITLED TO DRAW UNDER THIS LETTER OF CREDIT.**

This change is not acceptable.

16. May we make the following change to the Bid Assurance Letter of Credit?

WE ARE INFORMED THAT IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.

This change is not acceptable.

17. May we make the following change to the Bid Assurance Letter of Credit?

WE HAVE BEEN INFORMED IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.

This change is not acceptable.

18. May we make the following change to the Bid Assurance Letter of Credit?

WE ARE INFORMED BY THE APPLICANT THAT IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.

This change is not acceptable.

19. May we make the following change to the Bid Assurance Letter of Credit?

IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE **BENEFICIARY MAY DRAW UNDER** ~~APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT~~ **AS OUTLINED BELOW**.

This change is not acceptable.

20. May we make the following change to the Bid Assurance Letter of Credit?

~~IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.~~

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY SINCE THE APPLICANT WAS AWARDED TRANCHE(S) IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND DID NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT.”

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

This change is not acceptable.

21. May we make the following change to the Bid Assurance Letter of Credit?

~~2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).~~

This change is not acceptable.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT.”

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

22. May we make the following change to the Bid Assurance Letter of Credit?

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT.” **THE PPL DEFAULT SERVICE RFP.**

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

This change is not acceptable.

23. May we make the following change to the Bid Assurance Letter of Credit?

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT ~~IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.~~

This change is not acceptable.

24. May we make the following change to the Bid Assurance Letter of Credit?

~~THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT~~

This change is not acceptable.

25. May we make the following change to the Bid Assurance Letter of Credit?

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY **FROM APPLICANT FOR BID ASSURANCE RELATED TO THAT CERTAIN REQUEST FOR PROPOSALS FOR PPL DEFAULT SERVICE SUPPLY MASTER AGREEMENT DATED MAY 22, 2007 (RFP)** PURSUANT TO THE ~~TERMS OF SUCH LETTER OF CREDIT.~~”

This change is not acceptable.

26. May we make the following change to the Bid Assurance Letter of Credit?

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE ~~TERMS OF SUCH LETTER OF CREDIT~~ **THE PPL DEFAULT SERVICE RFP SOLICITATION.**”

This change is not acceptable.

27. May we make the following change to the Bid Assurance Letter of Credit?

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE ~~TERMS OF SUCH LETTER OF CREDIT~~ **THE PPL ELECTRIC DEFAULT SERVICE RFP.**”

This change is not acceptable.

28. May we make the following change to the Bid Assurance Letter of Credit?

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT **THE PPL ELECTRIC PROVIDER OF LAST RESORT RFP.**”

This change is not acceptable.

29. May we make the following change to the Bid Assurance Letter of Credit?

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT.” **OR**

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY THE APPLICANT WAS AWARDED TRANCHE(S) IN THE PPL ELECTRIC DEFAULT SERVICE FULL REQUIREMENTS AND SPOT MARKET SUPPLY RFP SOLICITATION ON THE SOLICITATION DATE AND DID NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES.”

This change is not acceptable.

30. May we make the following change to the Bid Assurance Letter of Credit?

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT **BECAUSE APPLICANT HAS WON TRANCHES IN THE PPL ELECTRIC DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND HAS NOT EXECUTED THE DEFAULT SERVICE SUPPLY MASTER AGREEMENT AND/OR DEFAULT SERVICE SPOT MARKET SUPPLY MASTER AGREEMENT AND/OR TRANSACTION CONFIRMATIONS FOR SUCH TRANCHES AND HAS FAILED TO MAKE PAYMENT IN THE ABOVE STATE AMOUNT.**”

This change is not acceptable.

31. May we make the following change to the Bid Assurance Letter of Credit?

... 2. ~~THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).~~

This change is not acceptable.

32. May we make the following change to the Bid Assurance Letter of Credit?

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (INSERT NAME OF BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT. **WE CERTIFY THAT THE APPLICANT HAS BEEN AWARDED TRANCHES IN THE PPL DEFAULT SERVICE RFP SOLICITATION ON THE SOLICITATION DATE AND HAS NOT TIMELY EXECUTED THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES.**”

This change is not acceptable.

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

33. May we make the following change to the Bid Assurance Letter of Credit?

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE ~~THE NEXT~~ **THIRD FOLLOWING** BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE ~~THE SECOND~~ **FOURTH** FOLLOWING BUSINESS DAY.

This change is not acceptable.

34. May we make the following change to the Bid Assurance Letter of Credit?

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE ~~THE NEXT~~ **THIRD** BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE ~~THE SECOND~~ **FOURTH** FOLLOWING BUSINESS DAY.

This change is not acceptable.

35. May we make the following change to the Bid Assurance Letter of Credit?

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT ~~THE NEXT~~ **THIRD SUCCEEDING** BUSINESS DAY. ~~IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.~~

This change is not acceptable.

36. May we make the following change to the Bid Assurance Letter of Credit?

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK PACIFIC TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK PACIFIC TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

This change is not acceptable.

37. May we make the following change to the Bid Assurance Letter of Credit?

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) ~~AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME,~~ ISSUER SHALL SATISFY SUCH DRAWING REQUEST ~~ON THE NEXT~~ WITHIN THREE (3) BUSINESS DAYS. ~~IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.~~

This change is not acceptable.

38. May we make the following change to the Bid Assurance Letter of Credit?

THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98"). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, ~~TO THE EXTENT NOT INCONSISTENT WITH ISP98,~~ THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.

This change is not acceptable.

THE TERM "BUSINESS DAY" AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF ISSUER UNDER THIS LETTER OF CREDIT AND ISSUER SHALL REMAIN LIABLE TO BENEFICIARY UNTIL THE EXPIRATION DATE OF THIS LETTER OF CREDIT FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO BENEFICIARY NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

39. May we make the following change to the Bid Assurance Letter of Credit?

~~APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF ISSUER UNDER THIS LETTER OF CREDIT AND ISSUER SHALL REMAIN LIABLE TO BENEFICIARY UNTIL THE EXPIRATION DATE OF THIS LETTER OF CREDIT FOR THE FULL AMOUNT OF APPLICANT'S~~ **THE ISSUER'S** OBLIGATIONS HEREIN TO BENEFICIARY NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

This change is not acceptable.

40. May we make the following change to the Bid Assurance Letter of Credit?

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF ISSUER UNDER THIS LETTER OF CREDIT AND ISSUER SHALL REMAIN LIABLE TO BENEFICIARY UNTIL THE EXPIRATION DATE OF THIS LETTER OF CREDIT. ~~FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO BENEFICIARY NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.~~

This change is not acceptable.

41. May we make the following change to the Bid Assurance Letter of Credit?

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE ~~LIABILITY~~ **OBLIGATIONS** OF ISSUER UNDER THIS LETTER OF CREDIT...

This change is not acceptable.

ADDITIONAL TERMS AND CONDITIONS:

1. ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.
2. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.

3. THIS LETTER OF CREDIT IS IRREVOCABLE.

42. May we make the following change to the Bid Assurance Letter of Credit?

~~3. THIS LETTER OF CREDIT IS IRREVOCABLE.~~

This change is not acceptable.

4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.

43. May we make the following change to the Bid Assurance Letter of Credit?

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

This change is not acceptable.

44. May we make the following change to the Bid Assurance Letter of Credit?

4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, ~~INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA.~~ THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.

This change is not acceptable.

45. May we make the following change to the Bid Assurance Letter of Credit?

AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE ~~GOVERNED~~ **COVERED** BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA.

This change is not acceptable.

46. May we make the following change to the Bid Assurance Letter of Credit?

4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF ~~THE COMMONWEALTH OF PENNSYLVANIA~~ **OHIO**, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ~~THE COMMONWEALTH OF PENNSYLVANIA~~ **OHIO**. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.

This change is not acceptable.

47. May we make the following change to the Bid Assurance Letter of Credit?

4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE ~~COMMONWEALTH OF PENNSYLVANIA~~ **STATE OF NEW YORK OR OHIO**, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE ~~COMMONWEALTH OF PENNSYLVANIA~~ **STATE OF NEW YORK OR OHIO**.

This change is not acceptable.

48. May we make the following change to the Bid Assurance Letter of Credit?

5. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE ~~COMMONWEALTH OF PENNSYLVANIA~~, STATE OF OHIO/NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE ~~COMMONWEALTH OF PENNSYLVANIA~~. STATE OF OHIO/NEW YORK.

This change is not acceptable.

49. May we make the following change to the Bid Assurance Letter of Credit?

6. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE ~~COMMONWEALTH OF PENNSYLVANIA~~, STATE OF CALIFORNIA, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE ~~COMMONWEALTH OF PENNSYLVANIA~~. STATE OF CALIFORNIA.

This change is not acceptable.

5. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.

50. May we make the following change to the Bid Assurance Letter of Credit?

NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS ~~SUBSEQUENT~~ **PRIOR** TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH ~~AFTER~~ **PREDATING** THE WAIVER.

This change is not acceptable.

51. May we make the following change to the Bid Assurance Letter of Credit?

~~THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.~~

This change is not acceptable.

52. May we make the following change to the Bid Assurance Letter of Credit?

~~THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.~~

This change is not acceptable.

6. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILITY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.

53. May we make the following change to the Bid Assurance Letter of Credit?

~~6. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILITY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.~~

This change is not acceptable.

AUTHORIZED SIGNATURE: _____

TITLE: _____

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO:

[BANK NAME, ADDRESS AND PHONE NUMBER]

54. May we make the following change to the Bid Assurance Letter of Credit?

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO:

~~[BANK NAME, ADDRESS AND PHONE NUMBER]~~

[AUTHORIZED SIGNATURE/NAME/TITLE]

[AUTHORIZED SIGNATURE/NAME/TITLE]

This change is not acceptable.