

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUANCE: _____

The United Illuminating Company
180 Marsh Hill Road
Mail stop: AD-2A
Orange, CT 06477

Re: Credit No. _____

We hereby establish our Irrevocable Standby Letter of Credit in favor of The United Illuminating Company ("UI") for the account of _____ (the "Account Party"), for the aggregate amount not exceeding [amount United States Dollars (\$amount)], available to UI at sight upon demand at our counters at (Location) on or before the expiration hereof against presentation to us of the following statement, dated and signed by a representative of the UI:

"An Event of Default (as defined in the Master Wholesale Power Supply Agreement dated as of _____ between UI and Account Party, as the same may have been amended (the "Agreement")) has occurred and is continuing with respect to Account Party under the Agreement. Wherefore, UI does hereby demand payment of _____";

or

"An Early Termination Date (as defined in the Master Wholesale Power Supply Agreement dated as of _____ between UI and Account Party, as the same may have been amended (the "Agreement")) has occurred or been designated as a result of an Event of Default (as defined in the Agreement) with respect to Account Party under the Agreement. Wherefore, UI does hereby demand payment of _____";

or

"[_____] ("Issuer") has provided notice to UI that Issuer has elected not to extend the Letter of Credit, and the Master Wholesale Power Supply Agreement dated as of _____ between UI and Account Party, as the same may have been amended, remains in effect and Account Party has not provided a replacement letter of credit reasonably acceptable to UI. Wherefore, UI does hereby demand payment of _____"

The amount which may be drawn by UI under this Letter of Credit shall be automatically reduced by the amount of any drawings paid through the Issuing Bank referencing this Letter of Credit No. _____. Partial drawings are permitted hereunder.

This Letter of Credit shall be effective as of the date of issuance and shall expire one (1) year thereafter, but shall automatically extend without amendment for additional one (1) year periods from such expiration date and from subsequent expiration dates if UI has not received due notice of our intention not to extend at least ninety (90) days prior to any such expiration date. During the ninety (90) day period following such notice, UI shall have the right to draw the full amount of this Letter of Credit, unless Account Party has provided a replacement letter of credit reasonably acceptable to UI. However, in no event shall this Letter of Credit be automatically extended beyond the final expiry date of _____ at 11:59 p.m., New York Time.

Upon presentation to us in conformity with the foregoing, we will, within three (3) hours after such presentation (unless such presentation occurs after 1:00 p.m., New York Time, on the day of such presentation, in which event payment will be made within three (3) hours after the opening of business at the office specified above on the next business day), but without any other delay whatsoever, irrevocably and without reserve or condition: (a) pay to UI's order in the account at the bank designated by UI in the demand, the full amount demanded by UI in the same-day funds which are immediately available to UI, or (b) issue payment instructions to the Federal Reserve wire transfer system in proper form to transfer to the account at the bank designated by UI in the demand, the full amount demanded by UI in the same-day funds which are immediately available to UI.

Payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from the Account Party or any other person except UI, including without limitation any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the documents presented by UI; (b) the solvency, existence or condition, financial or other, of the Account Party or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment. We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related documents(s) referred to above with care so as to ascertain that on their face they appear to comply with the terms of this credit and that if such demand(s) and document(s) on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s) and this credit.

This Letter of Credit may not be amended, changed or modified without the express written consent of the UI and the Issuing Bank.

THIS LETTER OF CREDIT IS SUBJECT TO INTERNATIONAL STANDBY PRACTICES (ISP98) EXCEPT TO THE EXTENT THAT THE TERMS AS EXPRESSLY SET FORTH HEREIN ARE INCONSISTENT WITH THE PROVISIONS OF ISP98. THIS LETTER OF CREDIT SHALL BE DEEMED TO BE MADE UNDER THE LAWS OF THE STATE OF NEW YORK, INCLUDING ARTICLE 5 OF THE UNIFORM COMMERCIAL CODE, AND SHALL, AS TO MATTERS NOT GOVERNED BY ISP98, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCLUDING ANY CHOICE OF LAW PROVISIONS OR CONFLICT OF LAW PRINCIPLES WHICH WOULD REQUIRE REFERENCE TO THE LAWS OF ANY OTHER JURISDICTION.

[BANK SIGNATURE]