



PROCESS AND SYSTEMS UPGRADE (PSU) PROGRAM
PERFORMANCE SECURITY

Tab #6
"Performance Security"

DATE OF ISSUE:	<*>
ISSUER:	<*> [INSERT LEGAL NAME OF ISSUING FINANCIAL INSTITUTION]
APPLICANT:	<*> (the "Applicant")
BENEFICIARY:	<*> [INSERT LEGAL NAME OF LDC] and its successors and permitted assigns (the "Beneficiary")
AMOUNT:	<*>
EXPIRY DATE:	<*>
EXPIRY PLACE:	Counters of the issuing financial institution in ●, Ontario
CREDIT RATING:	[Insert credit rating of issuing financial institution (which must be a Superior Rating) only if the issuer is not a financial institution listed in either Schedule I or II of the Bank Act (Canada).]
TYPE:	Irrevocable and Unconditional Standby Letter of Credit Number : <*> (the "Credit")

The Credit is issued in connection with the Participant Incentive Contract (the "Contract") made as of [INSERT DATE OF CONTRACT] between the Beneficiary and the Applicant. Capitalized terms used, but not otherwise defined herein, will have the respective meanings ascribed thereto in the Contract.

We hereby authorize the Beneficiary to draw on [INSERT NAME OF ISSUING FINANCIAL INSTITUTION AND ADDRESS], in respect of the Credit, for the account of the Applicant, up to an aggregate amount of \$<*>, in lawful money of Canada, available by the Beneficiary's draft at sight.

Drafts drawn hereunder must bear the clause "Drawn under irrevocable and unconditional Standby Letter of Credit No. <*> Issued by [INSERT NAME OF ISSUING FINANCIAL INSTITUTION] dated [INSERT ISSUE DATE]."

Partial drawings are permitted.

This letter of credit (as amended, this "Letter of Credit") will automatically extend for additional, successive terms of one year each (each, an "Additional Term"), unless we provide the Beneficiary and the Applicant with written notice, at least 60 days prior to the expiration date of the then current term, that we do not wish to extend this Letter of Credit for an Additional Term.

We engage with you that all drafts drawn under and in compliance with the terms of the Credit will be duly honoured, if presented at the counters of [INSERT NAME OF ISSUING FINANCIAL INSTITUTION AND ADDRESS] [(must be at the counters of the branch in the ● of ●)] at or before [INSERT EXPIRY TIME] (ET) on [INSERT EXPIRY DATE], as extended.

The Credit is subject to the International Standby Practices ISP 98, International Chamber of Commerce publication No. 590 and, as to matters not addressed by the ISP 98, shall be governed by the laws of the Province of Ontario and applicable Canadian federal law, and the parties hereby irrevocably agree to attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

This Credit is transferable at the written request of the Beneficiary, without the consent of the Applicant, but, if the Beneficiary is transferring to a party (such party a "Transferee") other than the Independent Electricity System Operator, subject to consent of the issuing financial institution, acting reasonably. All fees incurred by the issuing financial institution in relation to such transfer shall be on the account of the Applicant, but failure of the Applicant to pay such fees shall not restrict the ability of the Beneficiary to transfer the Credit.

In the event of a transfer of this Credit, as provided for above, the above name of the Beneficiary will be amended to reference the Transferee by way of an amendment hereto, without the consent of the Applicant, and upon receipt by the issuing financial institution of the Beneficiary's dated and signed letter addressed to <*> [[INSERT NAME OF ISSUING FINANCIAL INSTITUTION] and completed as follows:

"We, the undersigned Beneficiary to <*> [INSERT NAME OF ISSUING FINANCIAL INSTITUTION] Letter of Credit No. <*>, hereby waive all our rights under the Letter of Credit and request that the current name and address of the Beneficiary thereunder be amended to read <*> [INSERT NAME AND ADDRESS OF NEW BENEFICIARY]. We have enclosed the original Letter of Credit and any amendments (if any) thereto. Please forward the original Letter of Credit and all amendments (if any), including the current amendment, to <*> [INSERT NAME AND ADDRESS OF NEW BENEFICIARY]."

This letter of credit sets forth in full the terms of our undertaking. Reference in this letter of credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

[INSERT NAME OF ISSUING FINANCIAL INSTITUTION]

By:

Signature

Name

Title

By:

Signature

Name

Title