

**2010 BGS Auctions**  
**UNACCEPTABLE Modifications to the Pre-Auction Letters of Credit**  
**November 4, 2009**

This document contains a set of all modifications to the Sample Pre-Auction Letters of Credit that are **NOT ACCEPTABLE** to the EDCs. 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 Pre-Auction Letters of Credit” are changes accepted by the EDCs, and any other changes are deemed unacceptable.

The Sample Pre-Auction Letters of Credit and a list of all *acceptable* modifications are posted on the “*Contract & Credit*” page of the BGS Auction website:  
<http://www.bgs-auction.com/bgs.bidinfo.cc.asp>.

*Unacceptable Modifications throughout the Pre-Auction Letter of Credit*

1. **Eastern Standard time ~~New York, New York time~~**  
→ *This change is NOT acceptable to the EDCs. “Eastern Standard Time” is incorrect during Eastern Daylight Time. “New York, New York time” is unambiguous. Please note that you may substitute the city and state of the issuing bank in place of “New York, New York”.*
  
2. **Eastern time ~~New York, New York time~~**  
→ *This change is NOT acceptable to the EDCs. “Eastern time” does not specify daylight or standard time. “New York, New York time” is unambiguous.*

**Paragraph 1 - Original**

1. We hereby establish in your favor this irrevocable Letter of Credit (this “Letter of Credit”) for the account of \_\_\_\_\_, an Applicant to the Part 2 Application process of the BGS Auction(s) who has successfully completed the Part 1 Application (the “Bidder”), in the amount of USD \$\_\_\_\_\_, effective immediately and available to you at sight upon demand by all of you at our counters at \_\_\_\_\_(Location) and expiring on \_\_\_\_\_ which is at least sixty (60) calendar days from date of issuance, unless terminated earlier in accordance with the provisions hereof or otherwise extended.

- 1.1. We hereby establish in your favor this irrevocable Letter of Credit (this “Letter of Credit”) for the account of \_\_\_\_\_, an Applicant, **we are informed,** to the Part 2 Application process of the BGS Auction(s) who has successfully completed the Part 1 Application (the “Bidder”), in the amount of USD \$\_\_\_\_\_, effective immediately and available to you at sight upon demand by all of you at our counters at \_\_\_\_\_(Location) and expiring on \_\_\_\_\_ which is at least sixty (60) calendar days from date of issuance, unless terminated earlier in accordance with the provisions hereof or otherwise extended.

→ *This change is NOT acceptable to the EDCs. This change adds ambiguity to the terms of the Pre- Auction Letter of Credit*

**Paragraph 2 - Original**

2. This Letter of Credit is issued at the request of the Bidder, and we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in Paragraph 11 hereof. This Letter of Credit may be drawn by presenting documents required in Paragraph 3 hereof and your certificate stating that the Bidder
- a) “has made a material omission or misrepresentation in the Part 1 Application or the Part 2 Application submitted to participate in the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Auction; or has violated the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Auction Rules (the “Rules”); or
  - b) “has a winning bid in the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Auction and has failed to execute the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Supplier Master Agreement within three (3) business days of the certification of the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Auction results by the New Jersey Board of Public Utilities (“Board”) as specified in the Rules”; or
  - c) “has a winning bid in the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Auction and has failed to meet the creditworthiness requirements of the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Supplier Master Agreement within three (3) business days of the certification of the \_\_\_\_\_ [BGS-FP/BGS-CIEP] Auction results by the Board as specified in the Rules.”

**Unacceptable Modifications to Paragraph 2**

- 2.1. This Letter of Credit is issued at the request of the Bidder, and we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in Paragraph 11 hereof. This Letter of Credit may be drawn by presenting **the original letter of credit and all amendments attached thereto plus** documents required in Paragraph 3 hereof and your certificate stating that the Bidder
- *This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit can be drawn by fax presentation alone; therefore, drawing may not be conditioned upon receipt of original documents.*
- 2.2. This Letter of Credit is issued at the request of the Bidder, and we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in Paragraph 11 hereof. This Letter of Credit may be drawn by presenting **the original letter of credit and all amendments attached thereto and** documents required in Paragraph 3 hereof and your certificate stating that the Bidder
- *This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit can be drawn by fax presentation alone; therefore, drawing may not be conditioned upon receipt of original documents.*

- 2.3. This Letter of Credit is issued at the request of the Bidder, and we hereby irrevocably authorize you to **jointly** draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in Paragraph 11 hereof. This Letter of Credit may be drawn by presenting documents required in Paragraph 3 hereof and your certificate stating that the Bidder
- ***This change is NOT acceptable to the EDCs. Because a draw may be paid to one or more of the EDCs, this change adds uncertainty to the standard language.***

**Paragraph 3 - Original**

3. A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering, by no later than 11:00 A.M. (New York, New York time<sup>1</sup>) on such Business Day to \_\_\_\_\_ (Bank), \_\_\_\_\_ (address), (i) a notice in the form of Annex 1 hereto executed by an Authorized Officer of each EDC and (ii) your draft in the form of Annex 2 hereto, appropriately completed and duly signed by an Authorized Officer of the EDCs. Authorized Officer shall mean President, Treasurer, any Vice President or any Assistant Treasurer.

**Unacceptable Modifications to Paragraph 3**

- 3.1. A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering, by no later than 11:00 A.M. (New York, New York time<sup>1</sup>) on such Business Day to \_\_\_\_\_ (Bank), \_\_\_\_\_ (address), (i) a notice in the form of Annex 1 hereto executed by an Authorized Officer of each EDC and (ii) your draft in the form of Annex 2 hereto, appropriately completed and duly signed by an Authorized Officer of the EDCs. Authorized Officer shall mean President, Treasurer, any Vice President or any Assistant Treasurer **and (iii) the original letter of credit and all amendments attached thereto.**  
→ *This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit can be drawn by fax presentation alone; therefore, drawing may not be conditioned upon receipt of original documents.*
- 3.2. A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering, by no later than 11:00 A.M. (New York, New York time<sup>1</sup>) on such Business Day to \_\_\_\_\_ (Bank), \_\_\_\_\_ (address), (i) a notice in the form of Annex 1 hereto **purportedly** executed by an Authorized Officer of each EDC and (ii) your draft in the form of Annex 2 hereto, appropriately completed and **purportedly** duly signed by an Authorized Officer of the EDCs. Authorized Officer shall mean President, Treasurer, any Vice President or any Assistant Treasurer.  
→ *This change is NOT acceptable to the EDCs. This change adds ambiguity to the terms of the Pre-Auction Letter of Credit.*
- 3.3. A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering, ~~by no later than 11:00 A.M. (New York, New York time<sup>1</sup>) on such Business Day~~ to \_\_\_\_\_ (Bank), \_\_\_\_\_ (address), (i) a notice in the form of Annex 1 hereto executed by an Authorized Officer of each EDC and (ii) your draft in the form of Annex 2 hereto, appropriately completed and duly signed by an Authorized Officer of the EDCs. Authorized Officer shall mean President, Treasurer, any Vice President or any Assistant Treasurer.  
→ *This change is NOT acceptable to the EDCs. This change significantly weakens the protection offered to the EDCs by the Pre-Auction Letter of Credit*

<sup>1</sup> If the issuer of the Letter of Credit is located in an area that is not in the Eastern Time zone, this time, all other times in this Letter of Credit, and the definition of a Business Day should be adjusted accordingly.

**Paragraph 4 - Original**

4. We hereby agree to honor a drawing hereunder made in compliance with the terms and conditions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such accounts at such banks in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by 3:00 P.M. (New York, NY time) on the date of such drawing if delivery of this requisite document is made prior to 11:00 A.M. (New York, NY time) on a Business Day pursuant to Paragraph 3 hereinabove, but at the opening of business on the first Business Day next succeeding the date of such drawing if delivery of the requisite documents is made on or after 11:00 A.M. (New York, NY time) on any Business Day pursuant to Paragraph 3 hereinabove.

**Unacceptable Modifications to Paragraph 4**

- 4.1. We hereby agree to honor a drawing hereunder made in compliance with the terms and conditions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such accounts at such banks in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by 3:00 P.M. (New York, NY time) on the date of such drawing if delivery of this requisite document is made prior to 11:00 A.M. (New York, NY time) on a Business Day pursuant to Paragraph 3 hereinabove, but at the opening of business on the first Business Day next succeeding the date of such drawing if delivery of the requisite documents **is-are** made on or after 11:00 A.M. (New York, NY time) on any Business Day pursuant to Paragraph 3 hereinabove.

→ ***This change is NOT acceptable to the EDCs. This change would make the sentence grammatically incorrect.***

- 4.2. We hereby agree to honor a drawing hereunder made in compliance with the terms and conditions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such accounts **s** at such banks **s** in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by 3:00 P.M. (New York, NY time) on the date of such drawing if delivery of this requisite document is made prior to 11:00 A.M. (New York, NY time) on a Business Day pursuant to Paragraph 3 hereinabove, but at the opening of business on the first Business Day next succeeding the date of such drawing if delivery of the requisite documents is made on or after 11:00 A.M. (New York, NY time) on any Business Day pursuant to Paragraph 3 hereinabove.

→ ***This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit allows for drawings paid to multiple accounts at multiple banks.***

- 4.3. We hereby agree to honor a drawing hereunder made in compliance with the terms and conditions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such accounts at such banks in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by ~~3:00 P.M., the next Business Day~~ (New York, NY time) on the date of such drawing ~~if delivery of this requisite document is made prior to 11:00 A.M. (New York, NY time) on a Business Day pursuant to Paragraph 3 hereinabove, but at the opening of business on the first Business Day next succeeding the date of such drawing if delivery of the requisite documents is made on or after 11:00 A.M. (New York, NY time) on any Business Day pursuant to Paragraph 3 hereinabove.~~
- *This change is NOT acceptable to the EDCs. This change significantly weakens the protection offered to the EDCs by the Pre-Auction Letter of Credit.*
- 4.4. We hereby agree to honor a drawing hereunder made in compliance with the terms and conditions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such accounts at such banks in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by 3:00 P.M. (New York, NY time) on the date of such drawing if delivery of this requisite document is made prior to 11:00 A.M. (New York, NY time) on a Business Day pursuant to Paragraph 3 hereinabove, but ~~at the opening of business by 11:00 A.M. (Eastern time)~~ on the first Business Day next succeeding the date of such drawing if delivery of the requisite documents is made on or after 11:00 A.M. (New York, NY time) on any Business Day pursuant to Paragraph 3 hereinabove.
- *This change is NOT acceptable to the EDCs. This change weakens the terms of the Pre-Auction Letter of Credit.*
- 4.5. We hereby agree to honor a drawing hereunder made in compliance with the terms and conditions of this Letter of Credit by transferring in immediately available funds the amount specified in the draft delivered to us in connection with such drawing to such accounts at such banks in the United States as you may specify in your draft delivered to us pursuant to Paragraph 3 hereof, by ~~3:00 P.M. (New York, NY time) on the date of such drawing if delivery of this requisite document is made prior to 11:00 A.M. (New York, NY time) on a Business Day pursuant to Paragraph 3 hereinabove, but at the opening end~~ of business on the ~~first second~~ Business Day ~~next succeeding after~~ the date of such drawing ~~if delivery of the requisite documents is made on or after 11:00 A.M. (New York, NY time) on any Business Day pursuant to Paragraph 3 hereinabove.~~
- *This change is NOT acceptable to the EDCs. This change significantly weakens the protection offered to the EDCs by the Pre-Auction Letter of Credit.*

***Paragraph 5 - Original***

5. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice (not exceeding three (3) Business Days following the date of receipt of the documents) that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons why the demand for payment was not so effected, and stating that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment to the extent that you are entitled to do so, provided, however, in such event a conforming demand for payment must be timely made in accordance with the terms of this Letter of Credit.

***Unacceptable Modifications to Paragraph 5***

- 5.1. ~~If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice (not exceeding three (3) Business Days following the date of receipt of the documents) that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons why the demand for payment was not so effected, and stating that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment to the extent that you are entitled to do so, provided, however, in such event a conforming demand for payment must be timely made in accordance with the terms of this Letter of Credit.~~
- *This change is NOT acceptable to the EDCs. This change weakens the terms of the Pre-Auction Letter of Credit*

***Paragraph 6 - Original***

6. This Letter of Credit shall automatically terminate and be delivered to us for cancellation on the earliest of (i) the making by you and payment by us of the drawings in an amount equal to the maximum amount available to be made hereunder, (ii) the date we receive from you a Certificate of Expiration in the form of Annex 3 hereto, (iii) the above-stated expiration date hereof.

***Unacceptable Modifications to Paragraph 6***

- 6.1. This Letter of Credit shall automatically terminate and be delivered to us for cancellation on the earliest of (i) the making by you and payment by us of the drawings in an amount equal to the maximum amount available to be made hereunder, (ii) the date we receive from you a Certificate of Expiration in the form of Annex 3 hereto, **and** (iii) the above-stated expiration date hereof.  
→ ***This change is NOT acceptable to the EDCs. This change creates ambiguity concerning the termination conditions.***

***Paragraph 7 - Original***

7. As used herein:

“Business Day” shall mean any day on which commercial banks are not authorized or required to close in New York, New York and any day on which payments can be effected on the Fedwire system.

***Paragraph 8 - Original***

8. This Letter of Credit is not transferable, and except as otherwise expressly stated herein, is subject to the Uniform Customs and Practices for Documentary Credits – 2007 revision, ICC Publication No. 600, or any successor publication thereto (the “UCP”). All banking charges are for the account of the Bidder. This Letter of Credit shall, as to matters not governed by the UCP, be governed and construed in accordance with New York law, without regard to principles of conflicts of law.

***Unacceptable Modifications to Paragraph 8***

8.1. This Letter of Credit is not transferable, and except as otherwise expressly stated herein, is subject to the Uniform Customs and Practices for Documentary Credits – 2007 revision, ICC Publication No. 600, or any successor publication thereto (the “UCP”). All banking charges are for the account of the **EDC, with respect to drawing fees–Bidder. All other charges are for the account of the bidder.** This Letter of Credit shall, as to matters not governed by the UCP, be governed and construed in accordance with New York law, without regard to principles of conflicts of law.

→ ***This change is NOT acceptable to the EDCs. This change significantly weakens the protection offered to the EDCs by the Pre-Auction Letter of Credit.***

***Paragraph 9 - Original***

9. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, changed, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Annexes 1 through 3 hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

***Paragraph 10 - Original***

10. We certify that as of \_\_\_\_\_(date) we \_\_\_\_\_ (“Bank”) satisfy the senior unsecured debt rating of “A” from Standard & Poor’s or “A2” from Moody’s.

***Unacceptable Modifications to Paragraph 10***

10.1. ~~We certify that as of \_\_\_\_\_(date) we \_\_\_\_\_ (“Bank”) satisfy the senior unsecured debt rating of “A” from Standard & Poor’s or “A2” from Moody’s.~~

→ *This change is NOT acceptable to the EDCs. The bank issuing the Pre-Auction Letter of Credit must meet the minimum rating as defined in this paragraph.*

***Paragraph 11 - Original***

11. The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid through us referencing this Letter of Credit No. \_\_\_\_.  
Partial drawings are permitted hereunder.

**Paragraph 12 - Original**

12. Faxed document(s) are acceptable. Presentation by fax must be made to fax number \_\_\_\_\_. Presentation by fax must be confirmed by telephone to our Standby Letter of Credit Unit at \_\_\_\_\_; provided, however, that should this telephone number change or become invalid such that the Standby Letter of Credit Unit cannot be reached by you at the above number at the time of fax presentation, the requirement of telephonic confirmation shall be waived and the faxed document(s) shall be considered operative and valid without such confirmation.

**Unacceptable Modifications to Paragraph 12**

12.1 ~~Faxed document(s) are presentation is~~ acceptable. Presentation by fax must be made to fax number \_\_\_\_\_ **or such other fax number identified by \_\_\_\_\_ in a written notice to you. To the extent a presentation is made by fax transmission, you must provide telephone notification thereof to [bank] at [phone number] prior to or simultaneously with the sending of such fax transmission and send the original of presentation to [bank] [address].** ~~Presentation by fax must be confirmed by telephone to our Standby Letter of Credit Unit at \_\_\_\_\_; provided, however, that should this telephone number change or become invalid such that the Standby Letter of Credit Unit cannot be reached by you at the above number at the time of fax presentation, the requirement of telephonic confirmation shall be waived and the faxed document(s) shall be considered operative and valid without such confirmation.~~

→ *This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit can be drawn by fax presentation alone; therefore, drawing may not be conditioned upon receipt of original documents.*

12.2 Faxed document(s) are acceptable. Presentation by fax must be made to fax number \_\_\_\_\_. Presentation by fax must be confirmed by telephone to our Standby Letter of Credit Unit at \_\_\_\_\_; provided, however, that should this telephone number change or become invalid such that the Standby Letter of Credit Unit cannot be reached by you at the above number at the time of fax presentation, the requirement of telephonic confirmation shall be waived and the faxed document(s) shall be considered operative and valid without such confirmation. **In the event of a fax presentation, the original drawing documents must be simultaneously forwarded to us by overnight courier service, provided further that the failure of the courier service to timely deliver shall not effect the efficacy of the demand.**

→ *This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit can be drawn by fax presentation alone; therefore, drawing may not be conditioned upon receipt of original documents.*

12.3 Faxed document(s) are acceptable. Presentation by fax must be made to fax number \_\_\_\_\_. Presentation by fax must be confirmed by telephone to our Standby Letter of Credit Unit at \_\_\_\_\_; provided, however, that should this telephone number change or become invalid such that the Standby Letter of Credit Unit cannot be reached by you at the above number at the time of fax presentation, the requirement of telephonic confirmation shall be waived and the faxed document(s) shall be considered operative and valid without such confirmation. **In the event of a full or final drawing, the original standby letter of credit must be returned to us by overnight courier at time of fax presentation.**

→ *This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit can be drawn by fax presentation alone; therefore, drawing may not be conditioned upon receipt of original documents.*

12.4 Faxed document(s) are acceptable, **provided, that, the original of such documents are delivered to us by next day delivery service.** Presentation by fax must be made to fax number \_\_\_\_\_. Presentation by fax must be confirmed by telephone to our Standby Letter of Credit Unit at \_\_\_\_\_; provided, however, that should this telephone number change or become invalid such that the Standby Letter of Credit Unit cannot be reached by you at the above number at the time of fax presentation, the requirement of telephonic confirmation shall be waived and the faxed document(s) shall be considered operative and valid without such confirmation.

→ *This change is NOT acceptable to the EDCs. The Pre-Auction Letter of Credit can be drawn by fax presentation alone; therefore, drawing may not be conditioned upon receipt of original documents.*

***Paragraph 13 - Original***

13. In the event of act of God, riot, civil commotion, insurrection, war, terrorism or by any strikes or lock outs, or any cause beyond our control, that interrupts our business, and causes the place for presentation of this Letter of Credit to be closed for business on the last day of presentation, the expiration date of this Letter of Credit shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

***Unacceptable Modifications to Paragraph 13***

- 13.1. In the event of act of God, riot, civil commotion, insurrection, war, terrorism or by any strikes or lock outs, or any cause beyond our control, that interrupts our business, and causes the place for presentation of this Letter of Credit to be closed for business on the last day of presentation, the expiration date of this Letter of Credit shall be automatically extended without amendment to a date ~~thirty~~ fifteen (3015) calendar days after the place for presentation reopens for business.  
→ ***This change is NOT acceptable to the EDCs. This change significantly weakens the protection offered to the EDCs under the Pre-Auction Letter of Credit.***

***Paragraph 14 - Original***

14. This original Letter of Credit has been sent to NERA, the BGS Auction Manager, at One Gateway Center, Suite 720, Newark, NJ 07102 (as per Bidder's instructions, the BGS Auction Manager holds the Letter of Credit for the benefit of all EDCs). The aggregate amount paid to the EDCs during the validity of this Letter of Credit will not exceed the amount of this Letter of Credit. Any demands or communications in the form of the attached Annexes or other communications directed to us under this Letter of Credit must be signed by an Authorized Officer of each of the EDCs. Acceptance or rejection of any amendments to this Letter of Credit must be signed by an Authorized Representative of the BGS Auction Manager on behalf of the EDCs. An Authorized Representative of the BGS Auction Manager means any Vice President or Senior Vice President of NERA.

***Unacceptable Modifications to Paragraph 14***

14.1. This original Letter of Credit has been sent to NERA, the BGS Auction Manager, at One Gateway Center, Suite 720, Newark, NJ 07102 (as per Bidder's instructions, the BGS Auction Manager holds the Letter of Credit for the benefit of all EDCs). The aggregate amount paid to the EDCs during the validity of this Letter of Credit will not exceed the amount of this Letter of Credit. Any demands or communications in the form of the attached Annexes or other communications directed to us under this Letter of Credit must be **purportedly** signed by an Authorized Officer of each of the EDCs. Acceptance or rejection of any amendments to this Letter of Credit must be **purportedly** signed by an Authorized Representative of the BGS Auction Manager on behalf of the EDCs. An Authorized Representative of the BGS Auction Manager means any Vice President or Senior Vice President of NERA.

→ ***This change is NOT acceptable to the EDCs. This change adds ambiguity to the terms of the Pre-Auction Letter of Credit.***

DRAWING UNDER LETTER OF CREDIT NO. \_\_\_\_\_

\_\_\_\_\_, 20\_\_

ON [Business Day pursuant to Paragraph 4]

**PAY TO: EDC (ACE or JCP&L or PSE&G or RECO)**

Attn:

\$ \_\_\_\_\_

For credit to the account of \_\_\_\_\_.

FOR VALUE RECEIVED AND CHARGE TO ACCOUNT OF LETTER OF CREDIT NO.  
\_\_\_\_\_ OF

(Bank)  
(Address)

EDC (ACE or JCP&L or PSE&G or RECO)

By \_\_\_\_\_

Name:

Title:

***Unacceptable Modifications to Annex 2***

**A2.1.**

**AT SIGHT** ON [Business Day pursuant to Paragraph 4]

→ *This change is NOT acceptable to the EDCs. This change adds ambiguity to the terms of the Pre-Auction Letter of Credit.*