

**Standard Form  
Standard Offer Guaranty**

**GUARANTY**

This Guaranty, dated \_\_\_\_\_, is made by \_\_\_\_\_ (“Guarantor”) in favor of [Maine utility] (“Beneficiary”).

WHEREAS, [Standard Offer Provider] has been designated by the Maine Public Utilities Commission (“Commission”) to provide standard offer service to certain customers of Beneficiary;

WHEREAS, Guarantor is a corporate affiliate of [Standard Offer Provider] and will receive benefits from [Standard Offer Provider] undertaking the obligation to provide standard offer service; and

WHEREAS, the execution and delivery of this Guaranty is a condition to the selection of [Standard Offer Provider] as a standard offer provider by the Commission.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees as follows:

**1. Guaranty.** This Guaranty unconditionally obligates the Guarantor to pay all obligations of [Standard Offer Provider] for the payment of the additional costs of replacement standard offer service as long as such amounts do not exceed the total amount of this Guaranty. This Guaranty is written in accordance with Chapter 301 of the rules of the Commission to ensure compliance with applicable provisions of that Chapter and of Maine statutes by [Standard Offer Provider], and to ensure the provision of standard offer service in accordance with Maine rules and statutes. This Guaranty is of payment and not of collection.

**2. Amount.** The total payment obligation of the Guarantor under this Guaranty shall be \$\_\_\_\_\_. This amount is exclusive of expenses and costs incurred by the Commission or the Beneficiary in enforcing Guarantor's payment obligations under this Guaranty as specified in paragraph 8 of this Guaranty.

**3. Payment Obligation.** The Guarantor's obligations and liability under this Guaranty shall be limited to payment obligations only and the Guarantor shall have no obligation to perform the obligations of the [Standard Offer Provider] to provide standard offer service.

**4. Term.** This Guaranty shall continue in full force and effect until \_\_\_\_\_ [30 days after standard offer term]. Such termination shall not release Guarantor from any payment obligation hereunder relating to events, acts or omissions occurring prior

to the effective date of the termination.

**5. Guaranty Absolute.** The payment obligation of the Guarantor under this Guaranty shall be absolute, unconditional and irrevocable, irrespective of: a) any lack of validity or enforceability applicable to [Standard Offer Provider] in connection with the obligation to provide standard offer service; b) any modification to the terms of the obligation to provide standard offer service; c) any failure, omission, delay, waiver or refusal by the Commission or the Beneficiary to assert any claim or demand or exercise, in whole or in part, any right or remedy against [Standard Offer Provider]; d) any change in the existence, structure or ownership of Guarantor or [Standard Offer Provider]; e) any bankruptcy, insolvency, reorganization of, or other similar proceedings involving [Standard Offer Provider]; or any other circumstance which might otherwise constitute a legal or equitable discharge of a surety or guarantor. It shall not be necessary for the Commission or Beneficiary, in order to enforce payment by the Guarantor under this Guaranty, to show any proof of [Standard Offer Provider's] default of its obligation to provide standard offer service other than a Commission finding of default. Guarantor's performance of its payment obligation hereunder shall not be affected by or conditioned upon any indemnity, contribution or reimbursement by any other party directly or indirectly liable for obligations of [Standard Offer Provider].

**6. Repaid Amounts.** Notwithstanding Article 4, if at any time, pursuant to court order or applicable law, payment of any amounts arising from or on account of the obligation to provide standard offer service are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by Beneficiary upon the insolvency, bankruptcy or reorganization of [Standard Offer Provider] or otherwise, then the Guarantor shall be liable for the amounts so repaid to the same extent as if such amounts were never received by the Beneficiary.

**7. Waiver.** Guarantor, hereby irrevocably, unconditionally and expressly waives promptness, diligence, presentment, demand, notice of acceptance and any other notice of any kind with respect to the obligation to provide standard offer service and this Guaranty, suretyship defenses generally, and any requirement that suit be brought against, or any other action by the Commission or Beneficiary be taken against [Standard Offer Provider] or any other person, or that remedies be exhausted against [Standard Offer Provider] or any other person, or that any other action be taken or not taken as a condition to Guarantor's payment obligation under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

**8. Collection Costs.** Guarantor agrees to pay on demand all collection costs, including reasonable legal fees and expenses, incurred by the Commission or the Beneficiary in enforcing Guarantor's payment obligations under this Guaranty. The payment of such costs shall not be subject to the liability amount in this Guaranty. The Guarantor shall not be liable for any costs of the Commission or Beneficiary pursuant to this provision if a court determines that [Standard Offer Provider] did not have an obligation to pay the additional costs of replacement standard offer service.

**9. Reservation of Defenses.** Guarantor agrees that except as expressly set

forth herein, it will remain bound upon this Guaranty notwithstanding any defenses which, pursuant to the laws of suretyship, would otherwise relieve a guarantor of its obligations under a guaranty. Guarantor does reserve the right to assert defenses, rights of setoff and counterclaims that [Standard Offer Provider] may have to payment arising out of the obligation to provide standard offer service other than defenses arising from the bankruptcy or insolvency of [Standard Offer Provider] and other defenses expressly waived herein.

**10. Demands and Payment.** All demands on Guarantor by Beneficiary for payment under this Guaranty shall be in writing, signed by a duly authorized representative of Beneficiary and delivered to the Guarantor by mail or facsimile to:

[Guarantor's address and fax #]

All such demands shall reference this Guaranty, the guaranteed obligations to be paid and payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such guaranteed obligations within ten (10) business days of receipt of such demand.

**11. Assignment.** This Guaranty may not be assigned without the prior written consent of the Commission.

**12. Amendment.** This Guaranty may not be amended unless the amendment is in writing and signed by the Guarantor and the Beneficiary, and approved by the Commission.

**13. Representation and Warranties.** The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power and legal right to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.

**14. GOVERNING LAW. THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MAINE.**

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty on this  
\_\_th day of \_\_\_\_\_, 200\_\_.

Guarantor: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_