

## Utility Payment (Surety) Bond

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Bond No. \_\_\_\_\_

WITNESSETH:

\_\_\_\_\_, having an address at \_\_\_\_\_, as **Principal**, and  
\_\_\_\_\_, having an address at \_\_\_\_\_, a  
corporation organized under the laws of the State of \_\_\_\_\_ and being duly authorized to  
transact the business of indemnity and suretyship in this State of [New York \_\_\_\_\_], as **Surety**,

do hereby acknowledge our indebtedness to, and are jointly and severally bound unto Long Island  
Lighting Company d/b/a LIPA, as **Obligee**, in the aggregate sum of \_\_\_\_\_ US  
Dollars (US \_\_\_\_\_) (the “*Maximum Obligation*”) for the payment of which the  
Principal and Surety bind themselves, their heirs, executors, administrators, successors, assigns or  
other legal representatives, jointly and severally.

The condition of this obligation is such, that:

WHEREAS, the Principal and/or its direct or indirect parents, subsidiaries, or affiliates (each, a  
Related Person and, collectively, the Related Persons) desire to take and pay for and/or continue  
to take and pay for electric and/or gas utility service(s) (“*Utility Services*”) from the Obligee in  
connection with the accounts identified in Annex 1 attached hereto and made a part hereof (each,  
an “*Account*” and, collectively, the “*Accounts*”); and

WHEREAS, as a condition precedent to the commencement and/or continuation of such Utility  
Services in connection with the Accounts, the Principal agrees to furnish Obligee with this surety  
bond, issued by the Surety in the amount above mentioned for the purpose of establishing credit  
and securing the payment of any and all bills for Utility Services rendered in connection with the  
Accounts; and

WHEREAS, each payment for Utility Services is to be made on or before twenty (20) days  
following the date on which the bill for such Utility Services is rendered;

NOW, THEREFORE, if Principal shall timely pay or cause to be paid to the Obligee all amounts  
that may at any time be due and owing to the Obligee from Principal or any Related Person for  
Utility Services furnished or rendered by the Obligee to Principal or any Related Person in  
connection with the Accounts, then this obligation shall be null and void, otherwise it shall  
remain in full force and effect as a continuing obligation and shall not be extinguished. Should  
the Principal or any Related Person fail to pay or cause to be paid to the Obligee all amounts that  
may at any time be due and owing to the Obligee for Utility Services furnished or rendered by the  
Obligee to Principal or any Related Person in connection with any Account or Accounts, then the  
Surety holds itself bound hereunder for the payment of all such amounts and such amounts shall  
become immediately due from the Surety upon demand by the Obligee. Any liability which  
accrues while this bond is in force and is in effect shall remain and shall not be extinguished,  
regardless of the cancellation or termination of this bond, as set forth herein. Partial payment(s)  
shall not be deemed to extinguish this bond.

Surety hereby waives all defenses with respect to (i) notice of default of payment, (ii) notice of amounts owed by Principal or any Related Person to the Oblige, (iii) demand and diligence, (iv) notice of any extension of time granted by the Oblige to Principal or any Related Person, (v) any forbearance by the Oblige in favor of Principal or any Related Person, and (vi) any errors or inaccuracies with respect to the current formal corporate name of Principal or any Related Person as appearing on any Accounts established by Oblige or in other Oblige documentation. Surety further waives any right to require that the Oblige institute suit against Principal or any Related Person for any amount owed by Principal or any Related Person to the Oblige for Utility Services furnished or rendered by the Oblige to Principal or any Related Person in connection with any Account or Accounts, it being the intent of this bond, and Surety hereby agrees, that if Principal or any Related Person fails or refuses to pay any such amount to the Oblige, Surety shall pay such amount to the Oblige upon demand by the Oblige.

Amounts paid by Surety to the Oblige hereunder shall be credited against Surety's Maximum Obligation but shall not otherwise affect Surety's obligations under this bond. Principal and Surety agree that, subject to the Maximum Obligation, in any suit successfully prosecuted on this bond by the Oblige, the Oblige shall be entitled to recover, in addition to any other amount recovered by the Oblige, the reasonable attorneys' fees incurred by the Oblige in prosecuting said suit. Principal and Surety further agree that the Oblige does not, whether by accepting this bond or accepting any payment from Surety under this bond, waive its right to discontinue, in whole or in part and without prior notice, Utility Services in connection with any Account or Accounts in the event Principal or any Related Person fails or refuses to pay any amount owed by Principal or any Related Person to the Oblige for Utility Services furnished or rendered by the Oblige to Principal or any Related Person in connection with any Account or Accounts, provided, however, the Oblige shall be under no duty to exercise such rights.

This bond is subject to the following additional terms, limitations and conditions:

1. The term of this bond shall commence [ \_\_\_\_\_ ] and shall be continuous.
  
2. The Surety shall have the right to terminate its liability hereunder, but only as to amounts owed by Principal and any Related Person as a result of Utility Services furnished or rendered by the Oblige in connection with the Accounts after the effective date of such termination, at any time by giving notice in writing by registered mail to the Oblige and the Principal and stating therein the effective date of such termination which date shall not be less than thirty (30) days after receipt of said notice by the Oblige. Such notice shall not limit or terminate this bond in respect to any liability for acts, omissions, or indebtedness occurring or arising prior to the effective date of such termination by the Surety. Written notice must be by certified letter, return receipt requested, and mailed to the Oblige at National Grid, Credit and Collections Department, 15 Park Drive, Melville, NY 11747 and to Principal at [ \_\_\_\_\_ ].
  
3. It is understood and agreed between the Principal and the Oblige that, upon receipt of Surety's thirty-day written notice of cancellation as provided above, the Oblige may demand from the Principal a deposit in the amount of \_\_\_\_\_ US Dollars (US \_\_\_\_\_) ("Deposit") by written notice to Principal and Principal shall deliver the Deposit to the Oblige at least ten (10) days prior to the effective date of termination or expiration of this bond. In the event that the Deposit is not made in compliance with this paragraph, the Oblige shall have the right, but not the obligation, to discontinue Utility Services in connection with any or all of the Accounts in whole or in part and without prior notice.

4. No proceeding in law or in equity may be brought under this bond unless the same shall be commenced and process served prior to the expiration of one (1) year from the effective date of cancellation of this bond.

5. Obligee may make a claim on this bond by mailing a copy hereof, along with a copy of the bill(s) or invoice(s) showing the amount owed, to:

[\_\_\_\_\_].

(Address of Surety)

6. It is understood and agreed that any person(s) having a claim under the conditions of this bond may initiate suit in any court of competent jurisdiction upon this bond.

7. Surety agrees that no change, extension of time, alteration or addition to the Utility Services to be provided in connection with any Account or Accounts shall in any way affect the obligation of this bond and it does hereby waive notice of any such change, extension of time, alteration or addition. Surety further agrees that any changes in, to, or under any contractual documents relating to the Utility Services to be provided by Obligee in connection with any Account or Accounts, and compliance or non-compliance with formalities connected with such documents or changes, shall not affect Surety's obligation under this bond, and it does hereby waive notice of any such changes, compliance or non-compliance.

8. In this bond, (i) words denoting the singular include the plural and vice versa, and (ii) words such as "hereunder", "hereto", "hereof" and "herein" and other words of similar import shall, unless the context requires otherwise, refer to this bond as a whole and not to any particular article, section, subsection, paragraph or clause hereof.

9. In no event shall the Surety's obligation exceed the Maximum Obligation.

IN WITNESS WHEREOF, the Principal and Surety have executed and delivered this bond this [\_\_\_\_] day of [\_\_\_\_], [\_\_\_\_].

(Seal) \_\_\_\_\_, as Principal

By:

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

Title:

(Seal) \_\_\_\_\_, as Surety

By:

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

Title: Attorney in Fact

Annex 1

1. This Annex 1 shall be considered part of the following Utility Payment (Surety) Bond (the “Bond”).

Bond # \_\_\_\_\_

Surety: \_\_\_\_\_

Obligee: Long Island Lighting Company d/b/a LIPA

Principal: \_\_\_\_\_

Capitalized terms used in this Annex 1 and not defined herein shall have the meaning specified in the Bond.

2. The Bond shall cover and apply to the following accounts:

Account Number	Account Deposit	Customer Name	Premises Address	Premises City & State	Premises Postal Code

3. In the event that a mailing address is shown above instead of the premises address, the premises address associated with the Account shall prevail.