



NHPUC 2APR'18PM1:56

March 29, 2018

Via Facsimile and Express Mail

Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429
Fax: (603) 271-3878

RE: Termination of \$500,000.00 Guaranty Agreement by Exelon Generation Company, LLC on behalf of Constellation Energy Services, Inc. (formerly known as Integrys Energy Services, Inc.) ("CES") in favor of the New Hampshire Public Utilities Commission ("NH PUC") dated October 27, 2017 ("Guaranty")

Dear Ms. Howland:

As you are aware, the letter attached hereto as "Exhibit 1," regarding "DM 16-869, Constellation Energy Services, Inc. Request to Withdraw Registration as a Competitive Electric Power Supplier from the NH PUC," addresses the withdrawal and termination of registration and related security obligations for CES.

In accordance therewith, Exelon Generation Company, LLC hereby notifies the NH PUC that the Guaranty Agreement attached hereto as "Exhibit 2," is terminated sixty (60) days from the first date of receipt of this letter, in accordance with the notice and termination requirements under the Guaranty.

Should you have any questions, please contact Justin Sawka at (410) 470-2395.

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'E' followed by a long horizontal line.

WPS
CNS
Loom

Exhibit 1

**DM 16-869, Constellation Energy Services, Inc. Request to Withdraw Registration as a
Competitive Electric Power Supplier from the NH PUC**

CHAIRMAN
Martin P. Honigberg

COMMISSIONERS
Kathryn M. Bailey
Michael S. Gaimo

EXECUTIVE DIRECTOR
Debra A. Howland

THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:
www.puc.nh.gov

February 5, 2018

Amy Klaviter
Legal Compliance Analyst
Constellation NewEnergy, Inc.
20 N. Wacker Drive
Chicago, IL 60606

Re: DM 16-869, Constellation Energy Services, Inc. Request to
Withdraw Registration as a Competitive Electric Power Supplier

Dear Ms. Klaviter:

By letter dated November 28, 2017, a request was filed on behalf of Constellation Energy Services, Inc. (CES) to voluntarily withdraw its registration as a competitive electric power supplier (CEPS). The request letter referenced the merger of CES with and into Constellation NewEnergy, Inc. (CNE), which became effective on September 1, 2017. The letter represented that the merger did not affect CES's customer contracts, rates, or services, as CNE continued to abide by the terms and conditions of customers' existing retail contracts.

Commission Staff (Staff) filed a memorandum on January 30, 2018, in which it recommended that CES's CEPS registration be withdrawn and terminated and its related financial security obligations released, referencing N.H. Code Admin. Rules Puc 2003.08. Staff stated that, following the merger, CES has served no customers for the past 120 days, and the Commission's Consumer Services Division has received no complaints from customers regarding CES, CNE, or the transfer of service resulting from their merger. Staff noted, however, that CES had failed to comply with the customer notification provisions of Puc 2004.05, as then in effect, prior to the merger transaction with CNE. Staff expressed concern regarding CES's failure to comply with the Commission's rules requiring notice to CEPS customers, but Staff recommended that the Commission take no action with respect to that non-compliance, based on the lack of customer complaints against either CES or CNE.

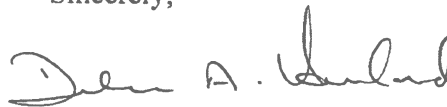
The Commission has reviewed the requested voluntary withdrawal of CES's CEPS registration and Staff's recommendation. The Commission approved the request to withdraw and terminate CES's registration as a CEPS and to release its related financial

security obligations, because CES no longer exists as a separate entity and there are no pending customer complaints against either CES or CNE.

The Commission is troubled by CES's failure to comply with the customer notification requirements of Puc 2004.05, as then in effect, prior to the merger with its affiliate, CNE. The Commission indicated it would separately determine whether to pursue an enforcement action and impose sanctions on CNE as successor to CES based on that non-compliance.

Accordingly, CES's registration as a CEPS is deemed to be withdrawn and terminated, and its related financial security obligations are released.

Sincerely,

A handwritten signature in dark ink, appearing to read "Debra A. Howland". The signature is fluid and cursive, with the first name "Debra" being more prominent.

Debra A. Howland
Executive Director

cc: Service List
Docket File

Exhibit 2
Guaranty Agreement

GUARANTY AGREEMENT

This Guaranty Agreement (the “**Guaranty**”) is made by **Exelon Generation Company, LLC** (“**Guarantor**”), a Pennsylvania limited liability company, in favor of the New Hampshire Public Utilities Commission (“**Commission**”).

1. **Guaranty.** Guarantor hereby unconditionally and absolutely guarantees the punctual payment when-due of the payment obligations of its subsidiary, Constellation Energy Services, Inc. (“**Constellation**”) to the Commission pursuant to Commission order or applicable law or rule (collectively, the “**Guaranteed Obligations**”); ***provided, however, that*** the total liability of Guarantor hereunder is limited to five hundred thousand dollars (\$500,000) (“**Liability Cap**”). Guarantor's obligations and liability under this Guaranty shall be limited to payment obligations only.

By acceptance of this Guaranty, the Commission agrees that this Guaranty replaces, supersedes and renders null and void any prior guaranty provided to support Constellation's obligations to the Commission including, without limitation, the guaranty dated as of December 20, 2016, by Exelon Generation Company, LLC.

2. **Guaranty Absolute.** The obligations of the Guarantor hereunder are several from Constellation or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein. It shall not be necessary for the Commission, in order to enforce payment by Guarantor under this Guaranty, to show any proof of Constellation's default, to exhaust its remedies against Constellation, any other guarantor, or any other person liable for the payment or performance of the Guaranteed Obligations.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by the Commission upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Constellation or any other guarantor, or upon or as a result of the appointment of a receiver or conservator of, or trustee for Constellation or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by the Commission in reliance hereon or in connection herewith;

- (b) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest or any other notice with respect to the Guaranteed Obligations; and
- (c) any requirement that suit be brought against, or any other action by the Commission be taken against, or any notice of default or other notice be given to, or any demand be made on Constellation or any other person, or that any other action be taken or not taken as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

4. **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 which Constellation may have to payment of any Guaranteed Obligation other than defenses arising from the bankruptcy or insolvency of Constellation and other defenses expressly waived hereby.

5. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon receipt, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, facsimile or personally delivered. Notices shall be sent to the following addresses:

If to the Commission:

Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429
Fax: (603) 271-3878

If to Guarantor:

Exelon Generation Company, LLC
10 South Dearborn Street, 52nd Floor
Chicago, Illinois 60603
Attn: Treasurer and Assistant Treasurer
Fax: (312) 394-8867

with a copy to:

Exelon Generation Company, LLC
1310 Point Street, 11th Floor
Baltimore, MD 21231
Attn: Credit Department
Phone: 410-470-5200
Fax: 410-468-3828

6. **Demand and Payment.** Any demand by the Commission for payment hereunder shall be in writing, signed by a duly authorized representative of the Commission and delivered to the Guarantor pursuant to *Section 5* hereof, and shall (a) reference this Guaranty, (b) specifically identify Constellation, the nature of the default, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions, including bank name, routing number and bank account number. 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.

7. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of the Commission to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

8. **Term: Termination.** This Guaranty may be terminated at any time by the Guarantor by providing at least sixty (60) days' prior written notice to the Commission; provided, however, Guarantor agrees that the obligations and liabilities hereunder shall continue in full force and effect with respect to any Guaranteed Obligations based on claims, actions or circumstances arising on or prior to the date of such termination.

9. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.

10. **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 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.

- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the Commission's rights and to general equity principles.

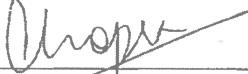
11. Limitation by Law. All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

12. GOVERNING LAW. THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW HAMPSHIRE.

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer effective as of this 27 day of October, 2016.7

Guarantor: Exelon Generation Company, LLC

By: 
Name: SHRAVAN CHOPRA
Title: TREASURER

HP/UR
10/26/17