THIRD PARTY

SUPPLIER AGREEMENT

Jersey Central Power & Light Company
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THIRD PARTY
SUPPLIER AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20__, by and between Jersey Central Power & Light Company (the "Company"), a corporation and a public utility organized and existing under the laws of the State of New Jersey and _____, a _____ organized and existing under the laws of _____ , with New Jersey Taxpayer Identification Number _____ (the "Supplier"), both the Company and the Supplier hereinafter sometimes referred to collectively as the "Parties", or individually as a "Party",

WITNESSETH :

WHEREAS, the Company is currently a public utility engaged in the production, transmission, distribution and sale of electric energy with an exclusive franchise to serve Customers located within certain areas of the State of New Jersey; and

WHEREAS, certain federal and New Jersey Statutes and administrative Rules and Regulations govern the electric utility industry in New Jersey (generally, the "Applicable Legal Authorities"); and

WHEREAS, certain of the Applicable Legal Authorities provide for the restructuring of the electric industry in New Jersey from that of a regulated public utility service to allow access to the electric public utility's local distribution system by entities that have successfully completed the licensing process set forth in the Applicable Legal Authorities; and

WHEREAS, the Supplier is thus licensed to provide Competitive Energy Supply to Customers in the State of New Jersey, and has been issued Board License Number _____; and

WHEREAS, the Applicable Legal Authorities provide that with implementation of such access to the Company's local distribution system, the Company will continue to serve as the exclusive electric distribution provider within its Service Territory; and

WHEREAS, in accordance with the Applicable Legal Authorities, Customers may purchase Competitive Energy Supply from licensed suppliers; and

WHEREAS, the Supplier desires the opportunity to negotiate with Customers for the sale of Competitive Energy Supply and to make such sales; and

WHEREAS, an agreement between the Company and the Supplier is needed in order for the Supplier to engage in the provision of Competitive Energy Supply in the Company's Service Territory; and

WHEREAS, the Board has approved the form of this Agreement for the Company's use with suppliers; and

WHEREAS, the Supplier has duly executed this Agreement and submitted it to the Company to serve as the Supplier's application for a determination by the Company that the Supplier is qualified to participate in such an Agreement, and to request that the Company execute and thereby enter into this Agreement with the Supplier; and

WHEREAS, the Supplier, by its submission of this executed Agreement to the Company, hereby authorizes the Company to conduct a background credit check on the Supplier; and

WHEREAS, the Company is not required to enter into an Agreement with a supplier that has undisputed outstanding debts to the Company, or that the Company does not regard as creditworthy as described herein; and

WHEREAS, the Company's execution of this Agreement indicates that the Company has found the Supplier qualified, and that the Company therefore grants the Supplier direct access to the Company's local distribution system, subject to the terms and conditions hereof; and

WHEREAS, this Agreement sets forth the basic requirements for interactions and coordination between the Company and the Supplier necessary for allowing the delivery of Competitive Energy Supply from the Supplier to its Customers commencing with meter readings occurring on and after _____, 20__. Pursuant to this Agreement, the Supplier shall have access to the Company's local distribution system for purposes of supplying Competitive Energy Supply to Customers; and

WHEREAS, any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in Article 1.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

ARTICLE 1: DEFINITIONS

Active Load Management - the process of receiving PJM credit for a capacity resource by arranging to have firm load become interruptible in accordance with criteria established by the PJM OI.

Banking Day - any day on which the bank designated by the Company as the destination of wire transfers to the Company in payment of funds due to the Company under this Agreement is open for business.

Basic Generation Service or BGS - electric generation service that is provided pursuant to the Applicable Legal Authorities, to any Customer that is not being served by a provider of

Competitive Energy Supply. BGS is not a competitive service and is fully regulated by the Board.

Billing Month - one-twelfth of a year, or the period of approximately 30 days between two regular consecutive readings of the Company's meter or meters installed on the Customer's premises.

Board or "BPU" - the New Jersey Board of Public Utilities.

Business Day - any day on which the Company's and PJM's corporate offices are open for business.

Capacity Obligations - the generating capability requirements of the signatories to the PJM Reliability Assurance Agreement, defined below, that define the signatories' obligations to contribute to PJM's total generation requirement.

Charge - any fee, charge or other amount that is billable by the Company to the Supplier under this Agreement, including any Coordination Services Charge.

Codes of Conduct - standards for the conduct or behavior of the Parties under this Agreement that are contained in the Applicable Legal Authorities, as they are and may from time to time be amended.

Commercial Industrial Energy Pricing ("CIEP") Customer – a customer who is being served under any one of the Company's CIEP Tariffs as approved by the BPU.

Company Website - www.firstenergycorp.com

Competitive Energy Supply - unbundled energy, Unforced Capacity, and firm transmission service, including all losses on all of the aforementioned, and other products that may be provided by a supplier to fulfill its obligations to serve customer load. The provision of Competitive Energy Supply entails fulfillment of all obligations associated with service to Customers, including the obligations of a Load Serving Entity under the PJM Tariff, procedures, agreements and manuals.

Consolidated Billing - billing procedure whereby the Company provides one bill to a Customer containing all permitted Customer charges owing both to the Company and to the Supplier for electric service, as well as all regulatory information and notice requirements, or the Supplier provides one bill to a Customer containing all such charges and information of the Company and the Supplier.

Coordination Activities - all activities necessary for the provision of Coordination Services.

Coordination Obligations - all obligations identified in this Agreement and in the Applicable Legal Authorities, relating to the provision of Coordination Services.

Coordination Services - those services that permit the type of interface and coordination between suppliers and the Company in connection with the delivery of Competitive Energy Supply to serve Customers located within the Company's Service Territory, including support for PJM-related obligations as set forth in this Agreement, certain scheduling-related functions and reconciliation.

Coordination Services Charge - any fee or charge that is billable by the Company to the Supplier under this Agreement in connection with the provision of Coordination Services.

Coordinated Supplier - a supplier that has appointed a Scheduling Coordinator as its designated agent for the purpose of submitting energy schedules to the PJM OI and fulfilling PJM Load Serving Entity obligations for Competitive Energy Supply on that Supplier's behalf.

Customer - a Company customer as defined in the Company's retail tariff, who may receive Competitive Energy Supply from a supplier in accordance with the Applicable Legal Authorities at a single metered location.

Customer Supply Agreement - a contractual arrangement between a Customer of the Company and the Supplier.

Data Exchange & Protocol Working Group - designation for a specific subgroup of the Customer Processes Working Group, existing in New Jersey in 1998 and 1999 at the initiative of the Board, or its successor.

Dual Billing – billing procedure whereby Company provides a bill to Customer containing Company's charges and Supplier provides a bill to Customer containing Supplier's charges.

Emergency - (i) an abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm load, equipment damage, or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; or (ii) a fuel shortage requiring departure from normal operating procedures in order to minimize the use of such scarce fuel; or (iii) a condition that requires implementation of Emergency Operations Procedures as defined in the PJM Manual; or (iv) any other condition or situation that the Company or PJM deems imminently likely to endanger life or property or to affect or impair the Company's electrical system or the electrical systems of others to which the Company's electrical system is directly or indirectly connected (a "Connected Entity"). Such a condition or situation may include potential overloading of the Company's transmission and/or distribution circuits, PJM minimum generation ("light load") conditions, or unusual operating conditions on either the Company's or a Connected Entity's electrical system, or conditions such that the Company is unable to accept energy from the Supplier without jeopardizing the Company's electrical system or a Connected Entity's electrical system.

FERC - the Federal Energy Regulatory Commission.

Fixed Pricing ("FP") Customer – a customer who is being served under any one of the Company's FP Tariffs as approved by the BPU.

Interest Index - the average Federal Funds Effective Rate for the period of time the funds are on deposit. The Federal Funds Effective Rate is published daily on the Federal Reserve website (http://www.federalreserve.gov/releases/h15/update/).
Interval Metering - metering that is capable of reading and storing electric consumption data at discrete time intervals of one hour or less to enable the measurement of energy and demand as may be required by the Company's Tariff for Electric Service.

Kilowatt or kW - unit of measurement of useful power equivalent to 1000 watts.

Load Serving Entity or "LSE" - an entity that has been granted the authority or has an obligation pursuant to State or local law, regulation or franchise to sell Competitive Energy Supply to end-users located within the PJM Control Area as that term is defined by the PJM Reliability Assurance Agreement or its successor agreements.

Locational Marginal Price or "LMP"- the hourly integrated marginal price to serve load at individual bus locations throughout PJM or the load weighted average of such locational prices, calculated by the PJM OI, for the Company's load zone(s), or the load-weighted average of such locational prices applicable to a given Supplier's customers, as specified in the PJM Operating Agreement.

MAAC - the Mid-Atlantic Area Council of the North American Electric Reliability Council or its successor.

Megawatt or MW - one thousand kilowatts.

Meter Read Date - the date on which the Company is scheduled, in accordance with its own established procedures and practices and its own regularly-scheduled billing cycles, to read a meter for purposes of producing a Customer bill.

Meter Reading - the process whereby the Company takes notice of the information presented on a customer's meter. Such reading may be obtained manually, through telemetry, or by estimation, in accordance with the Company's established procedures and practices.

NERC - the North American Electric Reliability Council or its successor.

Network Integration Transmission Service Reservation - a reservation under the PJM Tariff of Network Integration Transmission Service, as defined by the PJM OATT.

OA - the PJM Operating Agreement.

OATT - the prevailing PJM Open Access Transmission Tariff (see "PJM Tariff", defined below).

PJM - the Pennsylvania-New Jersey-Maryland Interconnection L.L.C.PJM Control Area - that certain Control Area encompassing systems in Pennsylvania, New Jersey, Maryland, Delaware, Virginia and the District of Columbia, as may be modified from time to time, and which is recognized by the North American Electric Reliability Council as the "PJM Control Area."

PJM eSchedules System - software program administered by the PJM OI through which energy load schedules may be submitted.

PJM OI - the PJM Office of Interconnection, the system operator for the PJM Control Area.

PJM Tariff - the prevailing PJM Open Access Transmission Tariff on file with the FERC, which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area, as is in effect on the date hereof and as modified from time to time.

RAA - the PJM Reliability Assurance Agreement.

Scheduling Coordinator - an entity recognized by the PJM OI and qualified to act on behalf of Supplier in taking such actions with PJM as are necessary in order for Supplier's TPS Responsibilities to be met, including fulfillment of all obligations associated with service to Customers, and including the obligations of a Load Serving Entity under the PJM Tariff, procedures, agreements, and manuals.

Service Territory - the geographic areas of the State of New Jersey in which the Company has an exclusive franchise to serve electric Customers.

Supplier - an entity that has been licensed by the Board to sell Competitive Energy Supply to retail Customers within the State of New Jersey in accordance with the Applicable Legal Authorities and has entered into this Agreement with the Company as a Party. A supplier under this Agreement must be an LSE and shall have the obligations of an LSE under the PJM Agreements. As used in this Agreement, references to the Supplier shall also apply to the Supplier's Scheduling Coordinator, if one has been duly designated, authorized and qualified to act in the Supplier's behalf. The term "supplier" also refers generically to any such licensed entity, as opposed to the specific signatory to this Agreement, where the context makes it appropriate to do so. The distinction can be derived from the context, but is also generally reflected in the use of lower case type ("supplier") to reflect the generic usage, and an initial capital ("Supplier") to reflect the specific Party to this Agreement.

Supplier of Record - the supplier that is listed in the Company's records through the procedures outlined in this Agreement, and thereby recognized by the Company, as a particular Customer's supplier for a particular period of time.

Supplier Representative - any officer, director, employee, consultant, contractor, or other agent or representative of the Supplier in connection with the Supplier's activity solely as a Supplier. To the extent the Supplier is a division or group of a company, the term Supplier Representative does not include any person in that company who is not part of the Supplier division.

Third Party Supplier Customer Account Services Master Service Agreement ("Billing Services Agreement") – BPU-approved agreement to be executed by Company and Supplier so that Consolidated Billing by either Company or Supplier may be provided;

Tangible Net Worth ("TNW") – equals total assets less intangible assets and total liabilities. Intangible assets include benefits such as goodwill, patents, copyrights and trademarks.

Unforced Capacity - shall have the meaning ascribed thereto in the PJM Reliability Assurance Agreement in effect as of November 1998, and as may be modified from time to time.

ARTICLE 2: GENERAL TERMS AND CONDITIONS

2.1 Agreement to Govern

The Parties named in this Agreement are bound by the terms set forth herein and otherwise incorporated herein by reference. This Agreement shall govern the business relationship between the Parties hereto by which the Supplier shall provide Competitive Energy Supply to its retail customers via the Company's System. Moreover, if Supplier elects to either perform Consolidated Billing, or to receive Consolidated Billing service from Company, Supplier must execute a Billing Services Agreement with Company, which agreement shall also govern the relationship between the Parties hereto.

2.2 Conditions Precedent to Company Execution of Agreement

Before the Company executes this Agreement, the Supplier must fulfill the following requirements: (a) satisfy the creditworthiness standards of the Company; (b) obtain a license from the Board and any other governmental approvals required for participation in the New Jersey retail energy market; (c) satisfy all applicable FERC requirements; and (d) execute all appropriate PJM applications and agreements, including those that make the Supplier an LSE member of PJM.

2.3 Condition Precedent to Customer Switching

Before the Company gives effect to customer selection of the Supplier, the Supplier must demonstrate to the Company's satisfaction that the Supplier is equipped with the communication capabilities necessary to comply with Electronic Data Interchange ("EDI") standards for the exchange of information, which are set, and may from time to time be modified, by the Board, either directly or through a Working Group.

2.4 Parties' Obligations

The Company shall provide all Coordination Services, as provided herein, necessary for the delivery by the Supplier of Competitive Energy Supply to the Supplier's Customers located within the Company's Service Territory. The Parties shall exercise due diligence in meeting its obligations and deadlines under this Agreement. The Company and the Supplier will cooperate in order to ensure delivery of Competitive Energy Supply to Customers as provided for by the Applicable Legal Authorities. The Supplier must make all necessary arrangements for obtaining Competitive Energy Supply in a quantity sufficient to serve its Customers.

2.5 PJM Services and Obligations

The Supplier is responsible for procuring those services provided by the PJM OI that are necessary for the delivery of Competitive Energy Supply to its Customers. In addition, the Supplier must be an LSE and must satisfy all obligations which are imposed on LSEs in the PJM Control Area. The Supplier must make all necessary arrangements for scheduling the delivery of Competitive Energy Supply through the PJM OI. The Company and the Supplier shall coordinate with the PJM OI to determine the magnitude and location of the Supplier's actual or projected load, as required by the PJM OI, for the purpose of calculating the Supplier's appropriate firm transmission service obligation, Unforced Capacity obligation, energy

obligation, or other requirements of the Supplier under the PJM Tariff, PJM Reliability Assurance Agreement, PJM Operating Agreement and any other applicable PJM agreement (collectively, the "PJM Agreements").

The Supplier and the Company shall supply to each other all data, materials or other information that is specified in this Agreement, or that may otherwise reasonably be required by the Supplier or the Company in connection with the provision of Coordination Services, in a thorough and timely manner.

The Supplier shall meet all reliability standards established by the Mid-Atlantic Area Council of the North American Electric Reliability Council or its successor, PJM or its successor, FERC, the BPU, or any other State, regional, federal or industry body with authority to establish reliability standards.

2.6 Communications and Data Exchange

Electronic information exchange between the Supplier and the Company under this Agreement shall employ a Supplier identification number, assigned by the Company, which shall be consistent with the Supplier's Dunn & Bradstreet Business number. In addition, the Company may also assign to the Supplier identification numbers that may be required by PJM in connection with the provision of Competitive Energy Supply in the Company's Service Territory.

The Supplier must be equipped with the communications capabilities necessary to comply with the standards that are set by and may, from time to time, be modified by the Board, either directly or through a Working Group. The Supplier must have in place, and must bear the costs of putting in place and successfully testing prior to the start of customer assignment, all required information technology systems that will enable it to send and receive data to and from the

Company and PJM and to satisfy its obligations under this Agreement and all other relevant agreements.

The Company shall make available information regarding the Supplier's Customers, as prescribed by, and pursuant to, the Board-approved recommendations of the Data Exchange & Protocol Working Group.

2.7 Record Retention

The Supplier and the Company shall comply with all record retention provisions of the Applicable Legal Authorities, as they are and may, from time to time, be modified.

2.8 Codes of Conduct

The Codes of Conduct contained in the Applicable Legal Authorities are incorporated herein by reference.

2.9 Tariffs Incorporated

The Company's electric tariffs, as filed with the Board, including the Standard Terms and conditions, are incorporated herein by reference.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

3.1 Supplier's Representations and Warranties

The Supplier hereby represents, warrants and covenants as follows:

(a) the Supplier is a [corporation/partnership/_____] duly organized and validly existing under the laws of the State of New Jersey [or, if another jurisdiction, is duly registered and authorized to do business and is in good standing in the State of New Jersey];

(b) the Supplier has all requisite power and authority to execute and deliver this Agreement and to carry on the business to be conducted by it under this

Agreement and to enter into and perform its obligations hereunder, including Board licensure as a supplier and satisfaction of all applicable FERC requirements, which shall be maintained throughout the life of this Agreement, and the lack of which shall immediately result in the termination of this Agreement;

(c) the execution and delivery of this Agreement and the performance of the Supplier's obligations hereunder have been duly authorized by all necessary action on the part of the Supplier and do not and will not conflict with or result in a breach of the Supplier's charter documents or bylaws or any indenture, mortgage, other agreement or instrument or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Supplier is a Party or by which the Supplier or any of its properties is bound or subject;

(d) this Agreement is the valid and binding obligation of the Supplier, enforceable in accordance with its terms;

(e) there are no actions at law, suits in equity, proceedings or claims pending or, to the Supplier's knowledge, threatened against the Supplier before any federal, state, foreign or local court, tribunal or government agency or authority that might materially delay, prevent or hinder the Supplier's performance of its obligations hereunder;

(f) the Supplier is a member of PJM, is a signatory to all applicable PJM Agreements, and is in compliance, and will continue to comply either directly or through its Scheduling Coordinator, with all obligations, rules and regulations, as established

and interpreted by the PJM OI, that are applicable to LSEs as defined by the PJM Agreements; and

(g) the Supplier will comply with any and all information and data transfer protocols that may be adopted by the Company that are set by, and from time to time modified by, the Board. The Supplier will comply with any and all information and data transfer protocols that may be adopted by the Company from time to time, unless the Supplier exercises its reserved right to challenge any such protocols in the appropriate forum.

If the Supplier learns that any of the representations, warranties, or covenants in this Agreement have been violated, the Supplier shall immediately notify the Company via facsimile, with a hard copy of the notice delivered by overnight mail.

3.2 Company's Representations and Warranties

The Company hereby represents, warrants and covenants as follows:

(a) the Company is an electric utility corporation duly organized and validly existing under the laws of the State of New Jersey;

(b) the Company has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;

(c) the execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary action on the part of the Company and do not and will not conflict with or result in a breach of the Company's charter documents or bylaws or any indenture, mortgage, other agreement or instrument or any statute or rule, regulation, order,

judgment, or decree of any judicial or administrative body to which the Company is a Party or by which the Company or any of its properties is bound or subject; and

(d) this Agreement is the valid and binding obligation of the Company, enforceable in accordance with its terms.

3.3 Survival of Obligations, Notice of Violation

All representations and warranties contained in this Article shall survive the execution of this Agreement.

ARTICLE 4: UTILIZATION OF SCHEDULING COORDINATORS

4.1 Participation Through a Scheduling Coordinator

As an alternative to interacting directly with PJM for scheduling purposes, the Supplier may become a Coordinated Supplier by engaging a Scheduling Coordinator. A Coordinated Supplier may act only through a single Scheduling Coordinator. A Scheduling Coordinator, if engaged, shall be designated to act in the Coordinated Supplier's behalf for the Supplier's obligations as a Load Serving Entity, including transmission service obligation, Unforced Capacity obligation, import capability, load scheduling, and reconciliation rights and responsibilities. All actions of the Scheduling Coordinator that relate to a Coordinated Supplier are binding on, and attributable to, said Coordinated Supplier.

4.2 Designation of a Scheduling Coordinator

To designate a Scheduling Coordinator, the Supplier must provide the Company with a completed Scheduling Coordinator Designation Form, appended hereto as Appendix A, fully executed by both the Supplier and the Scheduling Coordinator. The Scheduling Coordinator

Designation Form is not intended to supplement or replace any agency contract between the Supplier and a Scheduling Coordinator.

4.3 Change or Termination of Scheduling Coordinator

If the Supplier terminates its agreement with a Scheduling Coordinator, the Supplier must notify the Company in writing. The notice shall specify the effective calendar month of the termination. The effective day of the termination shall be the first day of the calendar month indicated in the notification letter unless notification is received by the Company less than fifteen (15) Business Days before the first day of that calendar month, in which case the effective day of the termination shall be the first day of the subsequent calendar month. The Supplier must resume the direct performance of all of its obligations under this Agreement, on a forward-going basis, immediately upon the effective termination of the Scheduling Coordinator, and until such time as the Supplier engages a replacement Scheduling Coordinator and that agreement takes effect. The Supplier agrees that the designation of the replacement Scheduling Coordinator shall not become effective until the Company receives a new Scheduling Coordinator Designation Form. Reconciliation of the transactions that occurred during the terminated Scheduling Coordinator's tenure shall proceed, in the ordinary course, with the terminated Scheduling Coordinator.

4.4 Primary Obligations of a Coordinated Supplier

Notwithstanding any designation of a Scheduling Coordinator, the Supplier remains primarily responsible for fully satisfying the requirements of this Agreement.

ARTICLE 5: COMMENCEMENT AND TERMINATION OF AGREEMENT

5.1 Commencement

The term of this Agreement shall commence on the date of execution by both Parties (the "Effective Date"). Notwithstanding the Effective Date, the Supplier acknowledges that it may commence the provision of Competitive Power Supply on the Company's System only in compliance with the Applicable Legal Authorities, after such date for instituting such service has been approved by the Board, and only after the Supplier has complied with all provisions of this Agreement and the Company's Tariff.

5.2 Termination

This Agreement shall or may be terminated as follows:

(a) **Withdrawal of the Supplier from Provision of Competitive Energy Supply.** In the event the Supplier ceases to participate in or otherwise withdraws from the provision of Competitive Energy Supply to Customers in the Company's Service Territory, and complies with the notice requirements of Article 11, this Agreement between the Supplier and the Company shall terminate thirty (30) days following the date on which the Supplier ceases to have any active Customers.

(b) **The Company's Termination Rights Upon Default by the Supplier.** In the event of a Default by the Supplier as defined herein, the Company may terminate this Agreement by providing written notice to the Supplier in Default, without prejudice to any other remedies at law or in equity available to the Company by reason of the Default.

5.3 Effect of Termination on Customers

If this Agreement should be terminated, any Customer of the Supplier within the Company's Service Territory that has not switched to another Supplier prior to termination shall receive BGS pending its selection of another Supplier.

5.4 Survival of Obligations

Termination of this Agreement for any reason shall not relieve the Company or the Supplier of any obligation accrued or accruing prior to such termination.

5.5 Material and Adverse Change in Law or Regulation

If at any time during the term of this Agreement, the FERC, the Board, another federal or New Jersey State agency, or a court of competent jurisdiction issues an order, or a federal or State law or regulation is enacted, by which a Party hereto believes that its rights and interests under the Agreement are materially and adversely affected, the Party so affected shall, within thirty (30) days of issuance or enactment of such order, law or regulation, provide the other Party with written notice setting forth in reasonable detail how such order, law or regulation has materially and adversely affected its rights and interests under the Agreement, and may terminate this Agreement, subject to any applicable regulatory requirements and after providing thirty (30) days prior written notice to the Board and the other Party, without any liability or responsibility whatsoever except for obligations arising prior to the date of termination.

ARTICLE 6: BREACH AND DEFAULT

6.1 Events of Default

An event of Default under this Agreement shall occur if either Party ("Defaulting Party") (a) is the subject of a bankruptcy, insolvency or similar proceeding; (b) makes an assignment for the benefit of its creditors; (c) applies for, seeks consent to, or acquiesces in the appointment of a

receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets; (d) violates any material federal, state or local code, regulation and /or statute applicable to the supply of energy, including by way of the failure to maintain a BPU license, failure to continually satisfy all applicable FERC and PJM requirements, or failure to maintain any other governmental approvals required for participation in the New Jersey retail energy market; or (e) fails to pay the other party ("Non-Defaulting Party") when payment is due, or to satisfy any other material obligation under this Agreement, such as fulfilling the creditworthiness requirements as set forth in Article 7 below, within the time frames set forth in the Agreement, and fails to remedy the delinquencies set forth in this section (e) within three (3) Business Days of receipt of written notice thereof from the Non-Defaulting Party. Should the Supplier's BPU license, any required status before the FERC or PJM, or any other governmental approval required for participation in the New Jersey retail energy market be revoked or forfeited, however, the Supplier will immediately be in default of this Agreement.

6.2 Rights Upon Default

In an Event of Default, the Non-Defaulting Party shall be entitled to (a) pursue any and all available legal and equitable remedies, in accordance with Article 17 below; and (b) terminate this Agreement without any liability or responsibility whatsoever except for obligations arising prior to the date of termination, by written notice to the Defaulting Party, subject to any applicable regulatory requirements.

ARTICLE 7: CREDITWORTHINESS

7.1 Standards Governing Initial Determinations of Creditworthiness

The Company will be guided by the standards that it employs in routine commercial transactions as it makes an initial determination of whether the Supplier is creditworthy or

whether the Supplier, if not creditworthy, has presented satisfactory alternative arrangements. Standards in effect in August, 2003 are summarized in Appendices B1 (for Suppliers serving CIEP customers), B2 (for Suppliers serving FP customers) and B3 (for Suppliers serving both CIEP and FP customers), and are subject to modification from time to time, by the Company. The Supplier shall have the right to submit to the Board or the FERC, as appropriate, for resolution, any dispute regarding the Company's requirements if the Supplier believes such a requirement is inappropriately based or assessed. The Company shall not be obligated to execute this Agreement until said dispute is resolved by a final, non-appealable Order of the Board or the FERC, as appropriate.

In the event that Supplier has elected to perform Consolidated Billing, Supplier will be required to satisfy the creditworthiness requirements contained in the Billing Services Agreement in addition to the creditworthiness requirements set forth herein.

7.2 Materiality of Creditworthiness

The Supplier's creditworthiness, the satisfactory nature of any alternative arrangements that may be made hereunder, and the Supplier's duty to keep the Company informed of developments that may be material to its creditworthiness or to the adequacy of any alternative arrangements in place are all material terms of this Agreement. Creditworthiness or satisfactory alternative arrangements must be maintained on an ongoing basis throughout the term of this Agreement.

7.3 Lapse of Creditworthiness

Should the Supplier's creditworthiness lapse, in the Company's sole and exclusive judgment, or should the Supplier's established alternative arrangements terminate or become unsatisfactory, in the Company's sole and exclusive judgment, the Company shall provide

written notice thereof to the Supplier and may, at its sole and exclusive discretion not sooner than three (3) days thereafter, continue to render service or elect to terminate this Agreement, subject to the Supplier's right to dispute the Company's determination before the Board or the FERC, as appropriate, as set forth below. The Company may condition the continuation of service hereunder on the establishment of new alternative arrangements, satisfactory to the Company in its sole and exclusive discretion. The Supplier shall have the right to submit to the Board or the FERC, as appropriate, for resolution any reasonable dispute regarding the Company's requirements if the Supplier believes such a requirement is inappropriately based or assessed. Submission of such dispute to the Board or the FERC, as appropriate, shall extend the aforementioned three (3) day period for notice of termination, for a period of up to thirty (30) additional days, such that the Company shall have the right to terminate this Agreement upon written notice to the Supplier if the Board or the FERC does not issue a final order resolving the dispute within thirty (30) days of the date that the Supplier first submits the dispute to the Board or the FERC, as appropriate.

7.4 Return of Deposits

Any deposit secured from the Supplier under an alternative arrangement, as defined in appendices B1 and B2, shall be returned to the Supplier with interest when the Supplier becomes creditworthy. If this Agreement is terminated, deposits will be returned with accrued interest upon payment or deduction of all Charges and other debts that the Supplier may owe the Company, including applicable late fees. A Schedule of Fees and Charges is attached hereto as Appendix C.

7.5 Interest on Deposits

The Company will allow simple interest on cash deposits calculated at the lower of the Interest Index or six (6) percent. Deposits shall cease to bear interest upon discontinuance of service by the Supplier (or, if earlier, when the Company closes the account).

7.6 Credit Information

In addition to information required otherwise hereunder, the Supplier shall be required to provide to the Company such credit information as the Company reasonably requires from time to time. The Company will report the Supplier's credit history with the Company to a national credit bureau.

7.7 No Endorsement of Supplier

By determining that the Supplier is creditworthy pursuant to the process set forth above, the Company makes no express or implied warranties or guarantees of any kind with respect to the financial or operational qualifications of the Supplier.

7.8 Credit Notices

All notices, demands or requests regarding credit requirements and credit related security or deposit transfers shall be in writing and shall be personally delivered or sent by overnight express mail, courier service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to a TPS Supplier:

If to the Company to:

Manager, Enterprise Risk Management
FirstEnergy Corp.
76 South Main Street (CAN)
Akron, OH 44308

Copy to:

Supervisor, Supplier Services
FirstEnergy Corp.
76 South Main Street (CAN)
Akron, OH 44308

or to such other person at such other address as a Party shall designate by like notice to the other Party. Notice received after the close of the Business Day shall be deemed received on the next Business Day; provided that notice by facsimile transmission shall be deemed to have been received by the recipient if the recipient confirms receipt telephonically or in writing.

ARTICLE 8: CUSTOMER ENROLLMENT AND INFORMATION PROCESS FLOW

8.1 Information to Selected Supplier

The Supplier must notify its Customers that by signing up for Competitive Energy Supply with the Supplier, the Customer is consenting to the disclosure by the Company to the Supplier of certain basic information about the Customer. At minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's Company account number, data about meter readings, service or rate classes as defined in the Company's retail tariff, and electric usage, the Customer's address(es) and telephone number, or as otherwise may be consistent with the Applicable Legal Authorities.

If the Company elects to change a Customer's Company account number, the Company will notify the Supplier via electronic file.

8.2 Procedure to Formalize Selection of Supplier

The Supplier will obtain appropriate authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's choice of the Supplier. The authorization shall include the Customer's acknowledgment that the Customer has received the

aforementioned notice. It is the Supplier's responsibility to maintain records of the Customer's authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Board.

The Company shall be notified of a Customer's initial selection of the Supplier, or decision to switch to the Supplier, by way of electronic file, containing information in accordance with the procedures established through the Data Exchange & Protocol Working Group. Said electronic file must be received by the Company at least twenty (20) days prior to the next regularly-scheduled Meter Read Date of the affected Customer. Upon receipt of the electronic file from the Supplier, the Company will automatically confirm receipt of the file. Within one (1) Business Day of receipt of the electronic file, the Company will validate the records contained in the file, and will provide an electronic validation, including appropriate control totals such as the number of records received, and the reason for any rejections (e.g., invalid account number). Such validation also shall include information the Supplier can use to identify rejected records.

The Company will send a confirmation letter to each Customer mentioned in such notification, within one (1) Business Day of receipt of the aforementioned electronic file. Included in this letter shall be appropriate notification of a fourteen (14) calendar day waiting period, beginning on the day the letter is mailed to the Customer, in which a Customer may notify the Company of an error in the supplier selection, or a Residential Customer may rescind its selection of a supplier, as appropriate. The confirmation letter shall include the Customer's Name, Address, Company Account Number, Identity of selected supplier, estimated Service Effective Date and estimated Initial Billing Date. If the fourteen (14)-day waiting period expires, and the Customer has not contacted the Company to rescind the supplier selection, the selected supplier will become the Supplier of Record on the Customer's next Meter Read Date. If the Customer elects to rescind its supplier selection, or notifies the Company of an error in supplier selection, within the fourteen (14) day waiting period, the Company will notify the rejected supplier, electronically. In the event a Customer rescinds its supplier selection or notifies the company of an error in the supplier selection, after the 14-day waiting period has ended, the Customer will be advised that the fourteen (14) day waiting period has expired and a switch must be requested via the normal supplier selection process.

8.3 Change of Supplier

If a Customer contacts a new supplier to request a change of supplier and the new supplier agrees to serve the Customer, the Customer's new supplier shall obtain appropriate authorization from the Customer or person authorized to act on the Customer's behalf indicating the Customer's choice of supplier, and shall thereupon follow the foregoing Procedure to Formalize Selection of Supplier.

Once the preceding process is complete, the Company will notify the Customer's prior Supplier that the Customer has elected to terminate service from that Supplier.

8.4 Requests to be Directed to Supplier

If a Customer contacts the Company to request initial service from a supplier, or to request a change of suppliers, the Company will inform the Customer that the supplier must be contacted directly with the request.

8.5 Switch from Supplier to BGS

If a Customer contacts the Company to request a change from the Supplier to the Company's tariffed BGS, the Company will process the request as follows. The Company will send the Customer a confirmation letter notifying the Customer of the right to rescind the request by contacting the Company within fourteen (14) days of the date on the confirmation letter. If the Customer does not rescind the request, the request will take effect, and the Company will commence the provision of BGS, on the first Meter Read Date that follows the Customer's request for a change by at least twenty (20) days. The meter reading will occur on a regularly-scheduled cycle, and will not be specially arranged mid-cycle. The Company will notify the Customer's prior Supplier of the switch.

8.6 Customer Discontinuation of Service

If electric service to a Customer is discontinued for any reason, the Company will notify the current Supplier, via electronic file, of the discontinuance of service for the account at the Customer's location. If available, the Company will provide the Supplier that served the Customer at the old location with the Customer's new mailing address or forwarding address. The Customer must directly contact any supplier to initiate service from that supplier at the new location.

8.7 Provisions relating to the Supplier's Customers

The Supplier shall be solely responsible for having all necessary and appropriate contractual or other arrangements with its Customers, consistent with the Applicable Legal Authorities and with this Agreement. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

Nothing in this Agreement is intended to prevent the Supplier and a Customer from agreeing to reallocate between them any Charges that this Agreement imposes on the Supplier, provided that any such agreement shall not change in any way the Supplier's obligation to pay such Charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the Supplier's Customer for any Charges owed to the Company by the Supplier.

8.8 Customer Obligations

Customers of the Supplier remain bound by the rules and requirements of the applicable Company tariff under which they receive service from the Company, with respect to such service, and nothing hereunder shall be construed to alter the rules and requirements of the Applicable Legal Authorities.

8.9 Indemnification

The Supplier shall defend, indemnify and hold harmless the Company from and against any and all claims and/or liabilities for losses, expenses or any other liability incurred by the Company, including reasonable attorney's fees, relating to or arising out of any action taken by the Company in reliance on the Supplier's representation that it had obtained a Customer consent required to be obtained herein, to the extent the Customer disputes the giving of such consent.

ARTICLE 9: PROCEDURES FOR ENERGY SCHEDULING, CAPACITY RESOURCE SUBMISSION AND TRANSMISSION PROCUREMENT

This Article is subject to change to reflect any relevant changes implemented by PJM.

The Supplier must adhere to any applicable operational requirements of PJM and the Company necessary to protect the integrity of the transmission system within the PJM Control Area, transmission systems of interconnected control areas, and the Company's Local Distribution System, and must satisfy any and all PJM, MAAC and NERC criteria, where applicable.

The Company and Supplier agree that the methodology used to determine customers' peak load shares should adhere to the following principles: (a) the sum of all individual customer peak load shares in a zone should equate to the zonal peak load contributions utilized in the PJM determination of the zonal obligations for capacity and Network Integration Transmission Service, adjusted for contributions associated with customer turnover, or such methodology as may change from time to time to comply with PJM rules; (b) the allocation for a particular customer should be independent of whether that customer is being served by the Company or the Supplier.

The Supplier will provide any and all necessary data required by the Company to assure integrity of the load obligation calculation process.

9.1 Load Profiling

The Company and the Supplier recognize that the hourly metering of certain Customers may not be economically feasible. In order to enhance the opportunity to sell to these types of Customers, the Company will provide the Supplier with historical load research data by rate schedule. The load research information may be updated throughout the duration of this

Agreement at the Company's sole and exclusive discretion. Updated load profiles shall be made available to the Supplier when available. Although the Company believes the information is accurate and correct to the best of the Company's knowledge and belief, for its originally-intended purposes, the Company makes no representations or warranties as to the accuracy or usefulness of the information and takes no responsibility for the Supplier's use of the information. The Company will use load research information for the purpose of determining the Supplier's obligations with respect to individual Customer Unforced Capacity, hourly energy and firm transmission requirements.

The Company's load profiling methodology was filed with the Board in In the Matter of the Energy Master Plan Phase II Proceeding to Investigate the Future Structure of the Electric Power Industry and In the Matter of the Electric Restructuring Plans Filed by Atlantic City Electric, Jersey Central Power & Light Company, Public Service Electric & Gas Company and Rockland Electric Company, Respectively, Regarding Their Electric Restructuring Plans, Docket Nos. EX94120585Y, EO97070457, EO97070460, EO97070463, EO97070466, on or about November 18, 1998. A copy of the filed methodology is attached hereto as part of Appendix D.

9.2 Updates to Typical Load Profile Data

The Company shall review periodically its load profiling methodology and algorithms, and shall update the load profile data as needed.

9.3 Load Obligations

The Company and the Supplier acknowledge that the Supplier's Customers are within the Company's metered boundaries and that metered Customer loads must be translated into Supplier load allocations in order for Load Serving Entities to meet their respective PJM obligations. These load obligations include, but are not limited to, hourly energy obligations,

Unforced Capacity obligations, and firm transmission obligations under the PJM OATT and are included in Appendix D.

(a) Energy

The procedures for developing and transmitting load obligations for the Supplier's hourly energy are described in the prevailing FirstEnergy Procedure Manual for Determination of Supplier Total Hourly Energy Obligation Commencing June 1, 1999, incorporated herein by reference, as is provided by the Company, posted on the Company Website, and as may be modified by the Company from time to time at its sole and exclusive discretion. A copy of said Manual is included in Appendix D.

(b) Capacity

The procedures for developing and transmitting the Supplier's peak load contribution to be used by PJM to determine the Supplier's Unforced Capacity obligations are described in the prevailing FirstEnergy Procedure Manual for Determination of Supplier Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999, incorporated herein by reference, as is provided by the Company, posted on the Company Website, and as may be modified by the Company from time to time at its sole and exclusive discretion. A copy of said Manual is included in Appendix D.

(c) Transmission

The procedures for developing and transmitting the peak load contribution based upon which the Supplier will meet its obligations under the PJM OATT are described in the prevailing FirstEnergy Procedure Manual for Determination of Supplier Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999, incorporated herein by reference, as is provided by the Company, posted on the Company Website, and as may be modified by the

Company from time to time at its sole and exclusive discretion. A copy of said Manual is included in Appendix D.

9.4 Energy Scheduling

The Company will not provide load forecasting services. The Supplier is responsible for forecasting its customer load, and shall schedule energy resources to meet its obligations with PJM as provided for in the PJM Agreements, procedures, and manuals. The Company shall provide PJM and the Supplier with the data regarding the Supplier's energy obligations for the Supplier's customers, as described in the prevailing FirstEnergy Procedure Manual for Determination of Supplier Total Hourly Energy Obligation Commencing June 1, 1999, as is provided by the Company, posted on the Company Website, and as may be modified by the Company from time to time in its sole and exclusive discretion.

ARTICLE 10: THE ENERGY SETTLEMENT/RECONCILIATION PROCESS

The reconciliation and settlement of the Supplier's obligations as a Load Serving Entity (including energy, Unforced Capacity, and firm transmission service) shall be accomplished in accordance with the prevailing FirstEnergy Procedure Manual for Determination of Total Hourly Energy Obligation Commencing June 1, 1999 and the prevailing FirstEnergy Procedure Manual for Determination of Supplier Peak Load Share (For Capacity and Transmission Obligation Purposes) Commencing June 1, 1999, as are provided by the Company, posted on the Company Website, and as may be modified by the Company from time to time, in its sole and exclusive discretion, and also in accordance with the PJM Agreements, procedures, and manuals.

ARTICLE 11: SUPPLIER RETAIL OBLIGATIONS/SUPPLIER'S DISCONTINUANCE OF CUSTOMERS OR WITHDRAWAL FROM PROVISION OF COMPETITIVE ENERGY SUPPLY

11.1 Advance Notice to the Company and Customers

If the Supplier intends to discontinue service to one or more Customers or to withdraw altogether from the provision of Competitive Energy Supply in the Company's Service Territory, the Supplier shall provide notice to all affected Customers and electronic notice to the Company, in a manner consistent with the Applicable Legal Authorities and the provisions of this Agreement. Final notice to the Company shall be provided in an electronic form conforming to standards set by the Board or other interim standards mutually agreed to by the Parties. Such final notice shall be irrevocable.

If the Supplier intends to "drop" or discontinue service to any Customer not comprising all of the Supplier's Customers within an entire service or rate class as defined in the Company's retail tariff, the Supplier shall provide a minimum of thirty (30) calendar days' notice to the Customer. The Supplier shall provide an electronic (EDI, e-mail, other) copy of such notice to the Company if the Company has previously requested copies of all such notices, and shall provide the Company with the final notice of the Customer "drop", in electronic form, by no less than fifteen (15) days in advance of said Customer's next Meter Read Date. Discontinuation must take effect on the affected Customer's or Customers' regularly-scheduled Meter Read Date(s).

If the Supplier intends to withdraw altogether from the provision of Competitive Energy Supply in the Company's Service Territory, the Supplier shall provide the Company and the Board with a minimum of ninety (90) days' notice of the Supplier's intention. Further, the Supplier shall provide ninety (90) days' notice if it intends to "drop" or discontinue supply service

to all of its Customers from one or more of the Company's rate or service classes, as defined in the Company's retail tariff, and the Customer group being "dropped" or discontinued fulfills either formulation A or B of the test set forth below:

A. said group of Customers is comprised of at least 25 Customers

or

B. said group of Customers represents at least two (2) percent of the Company's capacity obligation for the rate or service class in question

and

said group of Customers is comprised of at least four (4) Customers.

Notice to the Company shall be both written and electronic. The electronic notice shall identify each Customer being dropped, in accordance with the notice requirements for switching. The Supplier shall also notify each affected Customer a minimum of thirty (30) days prior to the drop.

The Company shall provide electric service to the Customer on the effective date of the cancellation of the Customer Supply Agreement, in accordance with the Company's applicable and prevailing tariff rates and the Applicable Legal Authorities, unless the Customer engages another supplier. Such arrangements with another supplier would be subject to the initiation and verification procedures of the Applicable Legal Authorities and the Company's Third Party Supplier Agreement with the supplier in question.

11.2 Effective Date of Discontinuance

Any discontinuance will take effect on a Meter Read Date, and in accordance with the provisions of this Agreement that govern a Customer's changes of supplier.

11.3 Costs for Noncompliance

Should the Supplier fail to satisfy the notice requirements, the Supplier shall reimburse the Company for any costs associated with such failure that are reasonably incurred under the circumstances that prevail at the time the Company addresses the failure, including:

(i) mailings by the Company to the Supplier's Customers to inform them of the withdrawal and their options;

(ii) non-standard/manual bill calculation and production performed by the Company;

(iii) Company performance of any of the Supplier's data transfer responsibilities;

(iv) charges or penalties imposed on the Company by PJM or other third parties resulting from the Supplier's non-performance; and

(v) unplanned replacement capacity, energy, and/or transmission obligations.

11.4 Dispute Between the Supplier and its Customer

In the event of a dispute between the Supplier and a Customer as to termination of their agreement with each other, the Supplier shall remain financially responsible to the Company for energy and capacity provided to the Customer by the Company while the Supplier was the Customer's Supplier of Record, subject to and consistent with the Applicable Legal Authorities.

ARTICLE 12: SUPPLIER CHARGES, BILLING AND PAYMENT

12.1 The Supplier Payment of Obligations to the Company

The Supplier shall pay all Coordination Services Charges or any other Charges it incurs hereunder in accordance with the following provisions:

(a) Billing Procedure: Each Billing Month, the Company shall submit an invoice to the Supplier for all Charges provided under this Agreement. The Supplier shall make payment for Charges incurred on or before the due date shown on the invoice. The due date shall be

determined by the Company and shall not be less than fifteen (15) days from the date of transmittal of the invoice.

The Parties agree that the Company may, as part of the routine billing and payment process between the Company and the Supplier, "net" or offset any and all amounts which may be due and owing by the Supplier to the Company against any and all amounts which may be due and owing by the Company to the Supplier, as a result of the Company's collection of the Supplier's portion of Customer payments pursuant to Article 13 hereof, prior to rendering payment or an invoice to the Supplier.

(b) Billing Corrections: Invoices shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the Company's retail tariff and the Applicable Legal Authorities permit the Company to make adjustment with the Customer for such errors, and provided that the errors become known within the period of time in which such adjustment with the Customer is permitted by the Company's retail tariff and the Applicable Legal Authorities.

(c) Manner of Payment: The Supplier shall make payments of funds payable to the Company by electronic transfer to a bank designated by the Company.

(d) Billing Disputes: If the Company does not receive written notification from the Supplier of an objection to an invoice within twenty (20) days from the due date of the invoice in question, said invoice shall be deemed conclusive and binding on the Supplier. If a good faith dispute arises between the Company and the Supplier regarding an invoice, the disputing Party shall pay only the undisputed portion of the invoice, if any, and shall present the dispute in writing and submit supporting documentation to the non-disputing Party within twenty (20) days

from the due date of the invoice in question. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 17.

(e) Late Fee for Unpaid Balances: If payment is made to the Company after the due date shown on the invoice, a late fee will be added to the unpaid balance until the entire invoice is paid. This late fee will be 1.5% per calendar month on the unpaid balance.

12.2 Billing for Supplier's Obligations to Other Parties

The Company will assume no responsibility for billing between the Supplier and PJM, the Supplier and any energy source, the Supplier and any other third party, or a Scheduling Coordinator and any Coordinated Supplier.

ARTICLE 13: RETAIL CUSTOMER BILLING AND PAYMENT PROCEDURES

13.1 Billing Options

If Customer chooses to receive Dual Billing service, each Party will be responsible for the billing and remittance processing with respect to its own charges. If Customer chooses to receive Consolidated Billing service from either Company or Supplier, the Supplier must execute the Billing Services Agreement, which will then govern all billing and remittance issues.

13.2 Company Remittance Processing

[Heading retained for historical record purposes; section has been superseded by Billing Services Agreement]

13.3 Meter Reading

The Company is responsible for reading the Customer's meter. In the event an actual meter reading cannot be obtained, the Company shall estimate the Customer's consumption for billing purposes in accordance with its Tariff and with Board regulations.

13.4 No Supplier Termination of Service

The Supplier will not be permitted to physically terminate electric service to a Customer.

13.5 Billing Information

[Heading retained for historical record purposes; section has been superseded by Billing Services Agreement]

13.6 Third Party Supplier Accounts

[Heading retained for historical record purposes; section has been superseded by Billing Services Agreement]

13.7 Application of Payment

[Heading retained for historical record purposes; section has been superseded by Billing Services Agreement]

ARTICLE 14: RETAIL METERING SERVICES

14.1 Meters

The meters used by the Company to assess distribution charges will be the same meters used for Supplier customer billing. Only Company-owned, Company-installed and Company-read meters will be used to determine customer usage.

14.2 Measurement and Reading

Only a PJM-approved interchange meter or a Company meter and recording device will be used to measure energy supplied by the Supplier. All customers shall have their energy deliveries metered and read in accordance with applicable BPU regulations.

14.3 Tariff

Additional terms, conditions and requirements applicable to metering service are contained in the Company's prevailing Tariff for Electric Service, which is incorporated by reference herein.

ARTICLE 15: SYSTEM OPERATION

15.1 Disconnection and Curtailment

The Company shall have the right to disconnect (or otherwise curtail, interrupt or reduce service to) the Supplier and the Supplier's Customers whenever the Company reasonably determines, or when the Company is directed by PJM, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's facilities; to maintain the safety and reliability of the Company's electrical system; or due to any other reason, including Emergencies, forced outages, potential overloading of the Company's transmission and/or distribution circuits, or Force Majeure.

15.2 Reasonable Efforts

The Company shall use reasonable efforts to: (a) minimize any scheduled curtailment, interruption or reduction to the extent practicable under the circumstances; (b) provide the Supplier with prior notification of any such curtailment, interruption or reduction, to the extent practicable; and (c) resume service as promptly as practicable.

15.3 PJM Requirements

The Supplier acknowledges and agrees that, as a member of PJM, the Company is bound by all PJM operating instructions, policies and procedures as are currently set forth in the PJM Operating Manual, which are available through the Internet on the PJM Home Page (http://www.pjm.com), as may be revised from time to time, which are needed to maintain the integrity of the PJM system. The Supplier acknowledges and agrees that it will cooperate with the Company so that the Company will be in compliance with all PJM Emergency Operations Procedures, which include, but are not limited to, those procedures pertaining to minimum and maximum generation Emergencies, and measures requiring involuntary Customer participation, such as supply voltage reduction or full interruption of Customer load by either manual or automatic means.

15.4 Compliance With Governmental Directives

The Supplier also acknowledges and agrees that the Company may need to act in response to governmental or civil authority directives which may affect Customer load. The Supplier agrees to cooperate with the Company in order to comply with said directives.

ARTICLE 16: CONFIDENTIALITY OF INFORMATION

16.1 Customer-Specific Information

The Supplier shall keep all Customer-specific information supplied by the Company confidential unless the Supplier has the Customer's authorization to do otherwise.

16.2 Company Information

All Company information available to the Supplier in connection with the provision of Coordination Services, including service or rate class load profile data, and information

regarding the Company, computer systems, or communications systems shall not be disclosed to third parties without appropriate authorization and/or consent.

16.3 Non-Public Credit Support Data

All non-public financial data provided by Supplier for the purpose of making creditworthiness determinations under Appendixes B1, B2 and B3 hereunder, which financial data has been identified by Supplier as confidential, shall not be disclosed to third parties without authorization and/or consent from Supplier; provided, however, that the Company shall be entitled to make such financial data available to the BPU or the staff of the BPU without such authorization and/or consent from Supplier.

ARTICLE 17: DISPUTE RESOLUTION

17.1 Informal Resolution of Disputes

The Company and the Supplier shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Agreement and/or the conduct of Coordination Services hereunder. The Supplier's point of contact for all information, operations, questions, and problems regarding Coordination Services shall be the Company's Retail Settlement Operations Unit and the Company Website. Any dispute between the Company and the Supplier under this Agreement may be referred to a designated senior representative of each of the Parties for resolution on an informal basis as promptly as practicable.

17.2 Recourse to Agencies or Courts of Competent Jurisdiction

Nothing in this Agreement shall restrict the rights of either Party to file a complaint with the FERC under relevant provisions of the Federal Power Act ("FPA"), with the Board under relevant provisions of the Applicable Legal Authorities, with a New Jersey State court of

competent jurisdiction, or with a federal court of competent jurisdiction situated in the State of New Jersey.

ARTICLE 18: FORCE MAJEURE

The Company and the Supplier shall use due diligence to perform their respective obligations under this Agreement. However, in the event that either Party is delayed in or prevented from performing or carrying out its obligations under this Agreement by reason of an event of Force Majeure which by the exercise of due diligence and foresight the Party could not reasonably have been expected to avoid and which by the exercise of due diligence the Party is unable to overcome, such Party shall not be liable to the other Party for or on account of any loss, damage, injury or expense resulting from or arising out of such delay or prevention; provided, however, that the Party encountering such delay or prevention shall give the other Party prompt notice thereof and shall use due diligence to remove the cause or causes thereof. Events of Force Majeure include a catastrophic weather condition, flood, fire, lightning, epidemic, quarantine, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, or restraint by court order or public authority, action or non-action by or inability to obtain authorization or approval from any governmental or other authority, including PJM. The settlement of strikes and labor disturbances shall be wholly within the sole discretion of the Party experiencing that difficulty. Economic hardship of either Party shall not constitute a Force Majeure under this Agreement.

ARTICLE 19: REGULATORY AUTHORIZATIONS AND JURISDICTION

19.1 Compliance With Applicable Legal Authorities

The Company and the Supplier are subject to, and shall comply with, all existing or future applicable federal, State and local laws, all existing or future duly-promulgated orders or other

duly-authorized actions of PJM or of governmental authorities having applicable jurisdiction. The Company will not violate, directly or indirectly, or become a Party to a violation of any requirement of PJM or any applicable federal, State or local statute, regulation, rule or order in order to provide service to the Supplier. The Company's obligation to provide service is subject to the condition that all requisite governmental and regulatory approvals for the provision of such service will have been obtained and will be maintained in force during such period of service.

19.2 Change in Applicable Legal Authorities

This Agreement is subject to change in the future to reflect any FERC-approved changes in the pricing mechanism, structure and /or operations of PJM, and to reflect any relevant changes required by the Board or other New Jersey State agency having jurisdiction, or by virtue of any federal or State law of regulation, and such changes shall be deemed to be binding upon the Parties, except where the right to terminate is exercised in accordance with Article 5 herein.

19.3 FERC Jurisdiction

The inclusion of FERC-jurisdictional matters within the scope of this Agreement is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the Board. If anything stated herein is found by the FERC to conflict with or be inconsistent with any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the applicable FERC rule, regulation, order or determination shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company shall use reasonable efforts to secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to support this Agreement.

ARTICLE 20: LIMITATION OF LIABILITY

20.1 Limitation On Liability for Delivery Service

The Company does not guarantee continuous, regular and uninterrupted supply of service. Without limiting the Company's rights, the Company may, without liability, disconnect, curtail, interrupt or reduce service to the Supplier and the Supplier's Customers pursuant to Section 15.1. The Company shall have the same duties and limitations on liability for distribution service to Supplier and its customers as to those customers receiving electric energy and capacity from the Company. The Company shall not be liable to the Supplier for any loss or damage, direct or indirect, resulting from any such disconnection, curtailment, interruption or reduction.

20.2 Additional Limitations on Liability

Neither Party shall have any liability to the other Party for consequential, indirect, special or punitive damages, including lost profits or lost revenues, arising out of such Party's errors and omissions for activities under this Agreement not covered by Section 20.1. As a result, liability hereunder for such activities is limited to direct damages. Other than its duty to deliver electric energy and capacity, which is governed by Section 20.1, the Company shall have no duty or liability to the Supplier providing Competitive Energy Supply based on the rights and responsibilities that exist under the contract or other relationship between the Supplier and a Customer of the Supplier. The Company shall implement Customer selection of a Supplier consistent with the Applicable Legal Authorities and shall have no liability to the Supplier arising out of or related to Customers' decisions in switching among the Suppliers.

This Agreement does not create any duty or liability to Customers for the errors or omissions of the Company or the Supplier. If any liability for a Customer's lost savings arising out of an error or omission in customer enrollment or switching should be imposed upon a Party

by the Applicable Legal Authorities, and analysis of the EDI transaction trail for the transaction at issue demonstrates that the error or omission was caused by the other Party, the financial responsibility for that liability shall be assumed by such other Party.

20.3 Possession and Control of Electric Energy

For purposes of indemnification, the Company shall be deemed to possess and control the electric energy produced by the Supplier upon receipt thereof (at the Company's distribution facility, at the PJM bus, or at the point of receipt as it may otherwise be defined by the Applicable Legal Authorities), until the electric energy is delivered to the Customer or for the Customer's account at the point of delivery (at the Customer's meter, or at the point of delivery as it may otherwise be defined by the Applicable Legal Authorities). The Supplier shall be deemed to possess and control the electricity prior to such receipt by the Company. Subject to the provisions of this Article, the Party in possession and control (the "Indemnifying Party") will indemnify the other Party (the "Indemnified Party") for liability arising out of such possession and control.

ARTICLE 21: INDEMNIFICATION

21.1 Indemnification

Should a Party (the "Indemnified Party") become the defendant in, or obligor for, any claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person including a Party's employees or any third parties, that were caused by an act or omission of the other Party, for which that other Party has assumed liability under the terms of this Agreement (the "Indemnifying Party"), the Indemnifying Party shall defend (at the Indemnified party's option), indemnify and hold harmless the Indemnified Party from and against any and all such claims and/or liabilities, except to the extent that a court of competent jurisdiction determines

that the losses, expenses or damage were caused wholly or in part by any negligent or willful act or omission of the Indemnified Party. The Indemnified Party may, at its own expense, retain counsel and participate in the defense of any such suit or action.

21.2 Survives Agreement

The obligation of either Party to defend, indemnify, and hold harmless the other Party under this Article shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for either Party under any statutory scheme, including any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

21.3 Implementation of Change in Supplier

It is specifically understood and agreed, without limiting the Company's right to indemnification under this Article, that the Supplier shall indemnify the Company from and against all claims and/or liabilities arising out of the switching of customers to Competitive Power Supply service provided by the Supplier, under the procedures in Article 8, including but not limited to "slamming", as that term may be defined by the Board.

ARTICLE 22: MISCELLANEOUS PROVISIONS

22.1 Notices

Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail, courier service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to the Supplier to:

If to the Company to:

Supervisor, Supplier Services
FirstEnergy Corp.
76 South Main Street (CAN)
Akron, OH 44308

Copy to: Lawrence E. Sweeney
Jersey Central Power & Light Company
300 Madison Avenue
Morristown, NJ 07962

or to such other person at such other address as a Party shall designate by like notice to the other Party. Notice received after the close of the Business Day shall be deemed received on the next Business Day.

22.2 No Prejudice of Rights

The failure of either Party to insist on any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse.

22.3 Gratuities to Employees

The Company prohibits its employees from using their official positions for personal financial gain, or from accepting any personal advantage from anyone under circumstances which might reasonably be interpreted as an attempt to influence the recipients in the conduct of their official duties. The Supplier and its employees and representatives shall not, under circumstances which might reasonably be interpreted as an attempt to influence the recipients in the conduct of their duties, extend any gratuity or special favor to employees of the Company.

22.4 Assignment

Neither Party shall assign any of its rights or obligations under this Agreement without obtaining (a) any necessary regulatory approval(s); and (b) the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. Any assignment in violation of this Section shall be void. However, the Company may assign any or all of its rights and obligations under this Agreement, without the Supplier's consent, to any entity succeeding to all or substantially all of the assets of the Company, if such assignee agrees, in writing, to be bound by all of the terms and conditions hereof and if any necessary regulatory approvals are obtained.

22.5 Governing Law

To the extent not subject to the jurisdiction of the FERC, questions including those concerning the formation, validity, interpretation, execution, amendment, termination and construction of this Agreement shall be governed by the laws of the State of New Jersey, without regard to principles of conflicts of law. Any lawsuit arising in connection with this Agreement shall be brought in the state or federal courts of New Jersey.

22.6 Headings

The headings and subheadings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereunto, nor should they be used to aid in any manner in the construction of this Agreement.

22.7 Third Party Beneficiaries

This Agreement is intended solely for the benefit of the Parties hereto. Nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.

22.8 General Miscellaneous Provisions

a. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

b. Cancellation, expiration or earlier termination of this Agreement shall not relieve the Parties of obligations that by their nature survive such cancellation, expiration or termination, including warranties, remedies, promises of indemnity and confidentiality.

c. Should any provision of this Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof unless it materially changes the agreement of the Parties.

d. Each of the Parties acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. This Agreement is intended by the Parties as a final

expression of their agreement. The Parties further agree that this Agreement is the complete and exclusive statement of agreement and supersedes all proposals (oral or written), understandings, representations, conditions, warranties, covenants and all other communications between the Parties relating thereto.

22.9 Taxes

All present or future federal, state, municipal or other taxes imposed by any taxing authority by reason of a sale to the Supplier's Customers under this Agreement shall be the liability of the Supplier. The Supplier shall pay all such taxes to the applicable taxing authority to the extent required or permitted by law. If any transaction is exempt from the payment of any such taxes, the Supplier will, if requested, provide the Company with valid tax exemption certificates. Should the Company be required to remit any such taxes directly to any applicable taxing authority, other than taxes previously collected by the Company directly from the Supplier's Customers, the Supplier will defend and indemnify the Company and will pay to the Company all such tax amounts upon demand.

22.10 Use of the Word "Including"

The word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

22.11 Federal Acquisition Regulation

If any of the following clauses prescribed by the Federal Acquisition Regulation ("FAR"), 48 Code of Federal Regulations Chapter 1 should be deemed to apply to this Agreement, the

Supplier shall comply with the requirements of such clause(s), and shall include the terms or substance of such clause(s) in its subcontracts, as and to the extent required by the FAR:

1) Clean Air and Water: §52.223-2;

2) Contract Work Hours and Safety Standards Act-Overtime Compensation: §52.222-4

3) Equal Opportunity: §52.222-26;

4) Affirmative Action for and Employment Reports on Special Disabled and Vietnam Era Veterans: §52.222-35 and §52.222-37;

5) Affirmative Action for Handicapped Workers: §52.222-36;

6) Utilization of Small Business Concerns and Small Disadvantaged Business Concerns and Small Business and Small Disadvantaged Business Subcontracting Plan: §52.219-8 and §52-219-9.

In case of a conflict between the provisions of the FAR and the balance of this Agreement, the requirements of the FAR shall prevail.

22.12 Amendment

This Agreement, including the appendices hereto, cannot be amended without the approval of the Board, and requests for such approval can be initiated only upon written notice to all Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

[SUPPLIER]

ATTEST:

BY:_____
Title

_____
Secretary

JERSEY CENTRAL POWER & LIGHT COMPANY

ATTEST:

BY: _____
Title

_____
Secretary

APPENDIX A

SCHEDULING COORDINATOR DESIGNATION FORM

1.0 This Scheduling Coordinator Designation Form, dated _____, is being submitted to Jersey Central Power & Light Company (the "Company") by the following Third Party Electric Power Supplier (the "Supplier"):

_____

2.0 By submitting this form, the Supplier hereby notifies the Company that it has appointed the following entity to act as its Scheduling Coordinator in accordance with the Third Party Supplier Agreement between the Company and the Supplier, dated _____ (the "Agreement"):

_____

3.0. The Scheduling Coordinator thus appointed by the Supplier shall be responsible for the performance of all Coordination Obligations of the Supplier, including load scheduling, unforced capacity obligations, import capability, and reconciliation rights and responsibilities.

4.0. The Company may utilize the Scheduling Coordinator as the sole point of contact with the Supplier in connection with the Company's provision of Coordination Services if the Supplier so requests.

5.0 The Supplier agrees that the Company may bill the Scheduling Coordinator directly for all Coordination Services Charges attributable to the Supplier and that the Scheduling Coordinator will pay the Company such Charges on behalf of the Supplier in accordance with the terms and conditions in the Agreement.

6.0 The Supplier and its appointed Scheduling Coordinator shall comply with all terms and conditions of the Agreement, including those pertaining to Scheduling Coordinators and to payment and billing.

7.0 All inquiries, communications or notices relating to the Supplier's use of the Scheduling Coordinator designated above may be directed to the following representatives:

To the Supplier:

_____
_____
_____

Attn.: _____
Title: _____
Telephone: _____
Facsimile: _____
Internet email: _____

To the Scheduling Coordinator:

_____
_____
_____

Attn.: _____
Title: _____
Telephone: _____
Facsimile: _____
Internet email: _____

8.0 The Agreement is incorporated herein by reference and made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the Agreement.

9.0 The Supplier has executed this designation form below by its duly authorized representative as follows:

Signature: _____
Name: _____
Title: _____
Date: _____

10.0 The Supplier has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

Acknowledgment and Consent

Intending to be legally bound thereby, the duly authorized representative of the above-designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the Supplier, including the terms and conditions of the Agreement which is incorporated therein by reference.

Signature: _____
Name: _____
Title: _____
Date: _____

APPENDIX B1

CREDITWORTHINESS STANDARDS FOR SUPPLIERS SERVING CIEP CUSTOMERS

The Company will determine whether a given supplier is creditworthy.

A Supplier or its Guarantor is deemed creditworthy upon meeting the following requirements: (1) must be rated by at least two of the following rating agencies: Standard & Poor's Rating Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), or Fitch, Inc. ("Fitch"), and (2) must have a minimum senior unsecured debt rating (or, if unavailable, corporate issuer debt rating discounted one notch) of at least "BBB-" from S&P, "Baa3" from Moody's, or "BBB-" from Fitch (a "Minimum Rating"). In case of split ratings, the lowest rating will be used. In all instances, the most current senior unsecured debt rating (or, if unavailable, the most current corporate issuer debt rating discounted one notch) will be used.

A Supplier or its Guarantor that satisfies the aforementioned criteria will be granted an Unsecured Line of Credit ("ULC"). The ULC will be used by the Suppliers or its Guarantors solely to partially or fully cover the credit exposure as defined below.

The maximum level of the ULC will be determined based on the following table:

Credit Rating of the Supplier			Max. Unsecured Line of Credit
S&P	Moody's	Fitch	
A- and above	A3 and above	A- and above	16% of TNW
BBB+	Baa1	BBB+	10% of TNW

BBB	Baa2	BBB	8% of TNW
BBB-	Baa3	BBB-	6% of TNW
Below BBB-	Below Baa3	Below BBB-	0% of TNW

where TNW is the Tangible Net Worth.

The Supplier must also provide the Company with its most recent independently-audited financial statements or, if the Supplier is a publicly held firm, its most recent Form 10-K and Form 10-Q. On an ongoing basis, the Supplier must continue to provide the Company with updated versions of all of the above, as they become available. Specifically, Supplier must provide updated Form 10-Ks and updated Form 10-Qs to the Company contemporaneously upon filing with the Securities and Exchange Commission ("SEC"), and, in any event, must provide updated financial statements or Form 10-Ks and updated Form 10-Qs to the Company no later than the date that Form 10-Ks and Form 10-Qs are required to be filed with the SEC pursuant to applicable law.

The Company may make alternative credit arrangements with a Supplier that is unable to demonstrate creditworthiness by the aforementioned criteria.

Alternative credit arrangements may include any of the following:

a. a guarantee of payment, satisfactory in form and substance to the Company, from a parent Guarantor deemed by the Company to be creditworthy, using the aforementioned criteria, in an amount equal to $2,800 per MW of Capacity Obligation for the CIEP Customers served by the Supplier, as determined by the Company, which Capacity Obligations are subject to adjustment in the Company's sole and exclusive judgment;

b. an irrevocable Letter of Credit, satisfactory in form and substance to the Company, issued by a bank or other financial institution with a minimum "A" senior unsecured debt rating (or if unavailable, corporate issuer rating discounted one notch) that is acceptable to the Company, in an amount equal to $2,800 per MW of Capacity Obligation for the CIEP Customers served by the Supplier, as

determined by the Company, which Capacity Obligations are subject to adjustment in the Company's sole and exclusive judgment;

c. an advance cash deposit in an amount equal to $2,800 per MW of Capacity Obligation for the CIEP Customers served by the Supplier, as determined by the Company, which Capacity Obligations are subject to adjustment in the Company's sole and exclusive judgment.

The credit exposure will be based on the Capacity Obligations for the CIEP Customers served by the Supplier and shall be estimated by the Company as follows: the Company shall obtain a calculation from the Supplier, quantifying the Capacity Obligations for the CIEP Customers. After power has flowed for thirty days, the amount will be adjusted, so long as the new dollar amount of security represented thereby falls outside of a deadband of $5,000. Adjustments will continue to be made in this fashion, with the deadband calculated around the dollar amount of security in effect at the time of the calculation. The Company will notify the Supplier of any such needed adjustments.

Similar credit arrangements shall be made with Suppliers which meet the aforementioned creditworthiness criteria and for which the credit exposure amount exceeds the ULC. In this case, the amount covered by the credit instruments will be equal to the credit exposure amount exceeding the ULC.

APPENDIX B2

CREDITWORTHINESS STANDARDS FOR SUPPLIERS SERVING FP CUSTOMERS

The Company will determine whether a given supplier is creditworthy.

The Supplier or its Guarantor is deemed creditworthy upon meeting the following requirements: (1) must be rated by at least two of the following rating agencies: Standard & Poor's Rating Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), or Fitch, Inc. ("Fitch"), and (2) must have a minimum senior unsecured debt rating (or, if unavailable, corporate issuer debt rating discounted one notch) of at least "BBB-" from S&P, "Baa3" from Moody's, or "BBB-" from Fitch (a "Minimum Rating"). In case of split ratings, the lowest rating will be used. In all instances, the most current senior unsecured debt rating (or, if unavailable, the most current corporate issuer debt rating discounted one notch) will be used.

A Supplier or its Guarantor that satisfies the aforementioned criteria will be granted an Unsecured Line of Credit ("ULC"). The ULC will be used by the Suppliers or its Guarantors solely to partially or fully cover the credit exposure as defined below.

The maximum level of the ULC will be determined based on the following table.

Credit Rating of the TPS Supplier			Max. Unsecured Line of Credit
S&P	Moody's	Fitch	
A- and above	A3 and above	A- and above	16% of TNW
BBB+	Baa1	BBB+	10% of TNW
BBB	Baa2	BBB	8% of TNW

BBB-	Baa3	BBB-	6% of TNW
Below BBB-	Below Baa3	Below BBB-	0% of TNW

where TNW is the Tangible Net Worth.

The Supplier must also provide the Company with its most recent independently-audited financial statements or, if the Supplier is a publicly held firm, its most recent Form 10-K and Form 10-Q. On an ongoing basis, the Supplier must continue to provide the Company with updated versions of all of the above, as they become available. Specifically, Supplier must provide updated Form 10-Ks and updated Form 10-Qs to the Company contemporaneously upon filing with the Securities and Exchange Commission ("SEC"), and, in any event, must provide updated financial statements or Form 10-Ks and updated Form 10-Qs to the Company no later than the date that Form 10-Ks and Form 10-Qs are required to be filed with the SEC pursuant to applicable law.

The Company may make alternative credit arrangements with a Supplier that is unable to demonstrate creditworthiness by the aforementioned criteria. Alternative credit arrangements may include any of the following:

a. a guarantee of payment, satisfactory in form and substance to the Company, from a parent Guarantor deemed by the Company to be creditworthy, using the aforementioned criteria, in an amount equal to thirty (30) days of customer usage in the summer season, as determined by the Company and as described below, which usage is subject to adjustment in the Company's sole and exclusive judgment, multiplied by the applicable BGS rate;

b. an irrevocable Letter of Credit, satisfactory in form and substance to the Company, issued by a bank or other financial institution with a minimum "A" senior unsecured rating (or if unavailable, corporate issuer rating discounted one notch) that is acceptable to the Company, in an amount equal to thirty (30) days of customer usage in the summer season, as determined by the Company and as described below, which usage is subject to adjustment in the Company's sole and exclusive judgment, multiplied by the applicable BGS rate;

c. an advance cash deposit in an amount equal to thirty (30) days of customer usage in the summer season, as estimated by the Company and as described below, which usage is subject to adjustment in the Company's sole and exclusive judgment, multiplied by the applicable BGS rate.

Customer usage in the summer season shall be estimated by the Company as follows: the Company shall obtain a calculation from the Supplier, quantifying the initial amount of applicable usage for the FP Customers, derived by using load profiles. After power has flowed for thirty days, the amount will be adjusted, so long as the new dollar amount of security represented thereby falls outside of a deadband of $50,000. Adjustments will continue to be made in this fashion, with the deadband calculated around the dollar amount of security in effect at the time of the calculation. The Company will notify the Supplier of any such needed adjustments.

Similar credit arrangements shall be made with Suppliers which meet the aforementioned creditworthiness criteria and for which the credit exposure amount exceeds the ULC. In this case, the amount covered by the credit instruments will be equal to the credit exposure amount exceeding the ULC.

APPENDIX B3

CREDITWORTHINESS STANDARDS FOR SUPPLIERS SERVING BOTH CIEP AND FP CUSTOMERS

For Suppliers serving both CIEP and FP Customers, the total credit exposure will be calculated by adding the credit exposures for the CIEP and FP Customers served. The credit exposure for the CIEP and FP Customers will be calculated as indicated in Appendices B1 and B2, respectively.

Rules for determining the ULC, requirements to supply audited financial statements, and allowances for alternative credit arrangements are as set forth in Appendix B2. The credit exposure will take into account the total credit exposure are as set forth in the first paragraph of this Appendix.

APPENDIX C

SCHEDULE OF FEES AND CHARGES

A. Schedule of Fees to Be Charged To Third Party Suppliers

1. General Supplier Administrative Fee: $25.00 per MW of capacity obligation per month. This represents recovery of costs incurred by the Company, and not recovered through any other fees or charges, in the course of rendering necessary support and assistance to Third Party Suppliers.

2. Computer Programming Charges (to facilitate and implement Supplier rate development or Supplier rate changes): $120. per hour.

B. Technical Support And Assistance Charges

Technical support and assistance may be provided by the Company to a licensed Supplier or its agent in connection with questions and research requests presented by the Supplier in furtherance of the Supplier's Competitive Energy Supply business. The Company will use reasonable efforts to provide timely basic instruction on the Jersey Central Power and Light Electric Choice Web page and assistance with the use of the value-added network in normal business interactions and standard processing of the Supplier's data files. The Company will also maintain a regularly-updated FAQ (Frequently Asked Questions) page on its Web page. The Company is under no obligation to provide any further support or assistance, but will use its best efforts to provide further support for the fee described below, if requested, in areas such as manual verification of customer data, explanation of the Company filings or regulatory orders, or explanation of the Jersey Central Power and

Light Electric Choice Web page and network communications. The fee of $120. per hour is applicable to time spent by Company employees or consultants in connection with the Supplier inquiry, including research time, if needed. There will be no charge for the first five (5) hours per month of such time, for each Supplier that is a signatory to a Third Party Supplier Agreement with the Company.

C. Load Data Supply Charge

The Company requires Customer consent before fulfilling requests for Customer load data. Customer consent may be presented in the form of the Supplier's representation that it has obtained the Customer's written authorization for the release of such data to the Supplier.

The Company will fulfill one request per calendar year, per Customer, for Customer load information available on the Company's electronic information system. Additional or other information available from the Company's electronic information system will be provided for charges, as set forth below.

1. Paper Report Service: paper load profile reports, typically including tabular, 15-minute interval data, general for the billing period, with graphs of peak days. Service fee: $132. per year.
2. E-mail Service: monthly 15-minute interval data sent via e-mail, monthly, in LodeStar format. Service fee: $108. per year.
3. Internet Service: monthly 15-minute interval data posted to the Company Website, in LodeStar format, with the most recent six months of data remaining on the Website. Service fee: $108. per year.

One time interval data request: one time electronic report of annual 15-minute interval usage.
Service fee: $40.

APPENDIX D

DAILY DYNAMIC LOAD PROFILING METHODOLOGY

TWO FERC-FILED FIRSTENERGY PROCEDURE MANUALS, PROVIDED HEREWITH FOR REFERENCE:

DETERMINATION OF SUPPLIER TOTAL HOURLY ENERGY OBLIGATION COMMENCING JUNE 1, 1999

AND

DETERMINATION OF SUPPLIER PEAK LOAD SHARE (FOR CAPACITY AND TRANSMISSION OBLIGATION PURPOSES) COMMENCING JUNE 1, 1999