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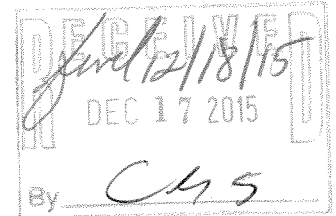
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BOARD OF PUBLIC UTILITIES
MAIL ROOM

December 15, 2015



VIA REGULAR U.S. MAIL

Irene K. Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave, 9th Floor
Trenton, New Jersey 08625-0350

RE: Merrill Creek Reservoir Project - JCP&L Sublease of a Portion of its Water Storage and Release Entitlements to Granite Water Supply Company
BPU Docket No. EM15070855

Dear Secretary Asbury:

This office represents Jersey Central Power & Light Company (“**JCP&L**” or the “**Company**”) in the above-referenced matter. In accordance with the decision and order of the New Jersey Board of Public Utilities (the “**Board**” or “**BPU**”) dated November 16, 2015 (with an effective date of November 28, 2015) in the above-referenced docket (the “**November 2015 Order**”) please accept for filing the original and five copies of this letter together with an executed copy of the Amended and Restated Sublease Agreement (the “**Renewal Sublease**”), which was approved by the November 2015 Order. The Renewal Sublease was entered into by and between JCP&L and Granite Water Supply Company, Inc. (“**Granite**”). The November 2015 Order directs the Company to file a copy of the Renewal Sublease as signed by JCP&L and Granite with the Board for administrative review. Please kindly date and time-stamp one of the enclosed copies and return it to me in the enclosed self-addressed, postage pre-paid, envelope.

If there are any questions please feel free to contact us.

Very truly yours,

Michael J. Connolly, Esq.
WINDELS MARX LANE & MITTENDORF, LLP
Attorneys for Jersey Central Power & Light
Company

MJC:km

Enclosures

cc: Alice Bator, Division of Energy
K. F. Connelly, JCP&L
Remainder of Service List (Cover Letter Only)

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IN THE MATTER OF THE LETTER PETITION OF JERSEY CENTRAL POWER AND LIGHT
COMPANY RE: MERRILL CREEK RESERVOIR PROJECT – JCP&L SUBLEASE OF A
PORTION OF ITS WATER STORAGE AND RELEASE ENTITLEMENTS TO GRANITE
WATER SUPPLY COMPANY - DOCKET NO. EM15070855

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EXECUTION COPY

AMENDED AND RESTATED SUBLEASE AGREEMENT

This AMENDED AND RESTATED SUBLEASE AGREEMENT ("*Agreement*") is made and entered into as of June 10, 2015, by and between JERSEY CENTRAL POWER & LIGHT COMPANY, c/o FirstEnergy Service Company, 76 South Main Street, Akron OH ("*Sublessor*") and GRANITE WATER SUPPLY COMPANY, INC. ("*Sublessee*").

WHEREAS, pursuant to the Amended and Restated Owners Agreement dated June 1, 1988, as amended and restated by the First Amended and Restated Owners Agreement, effective January 1, 2013 ("*Owners Agreement*"), among certain electric utilities named therein ("*Owners*"), the Owners, as tenants in common without right of partition, undertook the design and construction of the Merrill Creek Reservoir Project located in Warren County, New Jersey ("*Project*");

WHEREAS, Sublessor is the lessee of an 8.37% undivided ownership interest in the Project pursuant to the Lease Agreement dated as of June 1, 1988 between United Jersey Bank, solely in its capacity as owner trustee and Sublessor ("*Lease*");

WHEREAS, the Owners are participants in the Delaware River Basin Commission ("*DRBC*") proceeding at Docket No. D-77-110-CP ("*Docket*") and pursuant to a DRBC Order dated October 24, 1984 in the Docket, the owners of electric generating stations drawing water from the Delaware River during and under certain specific times and conditions are required to return water to the Delaware River;

WHEREAS, Sublessee is an affiliate of Logan Generating Company, L.P. ("*Logan*") and is party to that certain Water Supply Agreement, dated as of May 1, 1993, between Sublessee and Logan;

WHEREAS, Sublessee may meet the obligations of DRBC Docket No. D-90-48 by drawing water from the Project to which Sublessor is entitled under the Owners Agreement ("*Make-Up Water*");

WHEREAS, Sublessor is entitled to sublease Make-Up Water from the Project in excess of Sublessor's current needs or requirements;

WHEREAS, the Sublessor and Sublessee are parties to that certain Sublease Agreement, dated as of May 1, 1993 (the "*Existing Agreement*") with the term ending on July 30, 2015, which the New Jersey Board of Public Utilities ("*Board*" or "*BPU*") approved Sublessor's engaging in the transactions contemplated by, and authorized Sublessor to enter into, that certain Sublease Agreement by and under the Board's Order dated December 30, 1992 in BPU Dkt. No. EF92111065;

WHEREAS, the Board has approved Sublessor's engaging in the transactions contemplated by the terms and conditions of this Agreement, and the Eligible Owners (as defined in the Owners Agreement) have not exercised their right of first refusal (as contemplated by Section 9.07 of the Owners Agreement);

WHEREAS, Sublessee desires to sublease from Sublessor, and Sublessor desires to sublease to Sublessee, certain storage in Merrill Creek to provide Make-Up Water for Logan and Sublessee and Sublessor wish to amend and restate the terms of the Existing Agreement on the terms and conditions set forth herein;

WHEREAS, in return for certain consideration more specifically described herein, Sublessor is willing to provide lease services to Sublessee as set forth in Article I hereof ("*Sublease Services*").

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

TERMS & CONDITIONS

ARTICLE I SUBLEASE SERVICES

- A. "*Committed Capacity*" means the 135 acre-feet of storage of Make-Up Water in the Project during the term of this Agreement.
- B. "*Additional Capacity*" means additional acre-feet of Make-Up Water in the Project that is available for sublease in any Contract Year (as defined in Article 3 below) in the amount requested by the Sublessee and agreed to by the Sublessor for such Contract Year.
- C. "*Capacity*" means, for purposes of this Agreement, the combination of Committed Capacity and Additional Capacity.
- D. Capacity shall be used solely to provide Make-Up Water to the Delaware River as required by the DRBC in connection with the operation of the Logan generating facilities (the use of Make-Up Water for such purposes being herein referred to as "*Make-Up Purposes*").
- E. Sublease.
 - i. On the terms and conditions set forth herein, Sublessor agrees to sublease to Sublessee, and Sublessee hereby subleases from Sublessor, the Committed Capacity during the Term (as defined in Article 3 below) hereof. Sublessee shall be deemed to have subleased the entire Committed Capacity in each Contract Year (as defined in Article 3 below) of the Term regardless of the actual cumulative volume of releases of Make-Up Water allocated to Sublessee in such Contract Year.

- ii. If Additional Capacity exists in any Contract Year (as defined in Article 3 below) of the Term, Sublessee may request, upon a 30-day notice to Sublessor, that Sublessor sublease such Additional Capacity to Sublessee; provided, however, that if Sublessor grants Sublessee's request for such Contract Year, Sublessee will be obligated to sublease the Additional Capacity for the entire Contract Year.
- iii. Sublessee shall be required to sublease (i) the Committed Capacity in each Contract Year (as defined in Article 3 below) of the Term and (ii) the Additional Capacity in each Contract Year for which such Additional Capacity was requested by the Sublessee.
- iv. Sublessee agrees not to sublease, purchase or otherwise utilize Make-Up Water capacity for Logan from any other Owners (other than Sublessor); provided, however, that if the Sublessee requests Additional Capacity from the Sublessor in any Contract Year and such Additional Capacity is not available, the Sublessee may sublease additional acre-feet of Make-up Water in the Project from any of the other Owners.
- v. Sublessor shall cause water to be released: (a) to the extent required under orders of the DRBC; or (b) as may be requested from time to time by Sublessee up to a maximum of 135 acre-feet per year (plus any Additional Capacity that is subleased); provided, however, that such releases shall not be inconsistent with or precluded by the orders of the DRBC or the terms of the Owners Agreement.
- vi. Sublessor shall also provide all administrative services related to providing invoices in accordance with Article 2 hereof.
- vii. For purposes hereof, Sublessor shall not discriminate between the Sublessee's Capacity and Sublessor's own water capacity and shall treat water releases for Logan as though they were for generating facilities owned by Sublessor (within the meaning of Section 1.01 of the Owners Agreement).

ARTICLE 2 COMPENSATION AND PAYMENT

Sublessee shall compensate Sublessor for all Sublease Services and other obligations provided for under this Agreement, in accordance with the following:

- A. Capacity Fee.
 - i. For the Sublessor's allocation of the Committed Capacity to Sublessee during a Contract Year (as defined in Article 3 below), Sublessee shall pay to Sublessor \$150,000 ("*Committed Capacity Fee*"), payable in annual installments on each January 30, or if any such date is not a business day, on the next succeeding business day (each a "*Payment Date*") in advance in consideration for Sublessor's allocation of Committed Capacity during the next succeeding Contract Year; provided, however, that the Committed Capacity Fee for the first Contract Year

shall be payable on August 31, 2015, or thirty days following the Commencement Date if the Commencement Date does not occur on July 31, 2015, and shall be prorated based on the actual number of days elapsed from the "Commencement Date" up to and including December 31, 2015. Sublessee shall be deemed to have been allocated the Committed Capacity during each Contract Year of the Sublease term, regardless of the actual cumulative volume of Make-Up Water released during such Contract Year in respect of Logan operations.

- ii. For the Sublessor's allocation of the Additional Capacity to Sublessee during a Contract Year (as defined in Article 3 below), Sublessee shall pay to Sublessor \$1,500 per acre-feet of the Additional Capacity for such Contract Year ("*Additional Capacity Fee*," and together with the Committed Capacity Fee referred to herein as "*Capacity Fee*"), payable within 15 calendar days after Sublessor notifies Sublessee that Sublessee's request for the Additional Capacity for such Contract Year has been granted.
- iii. Each payment shall be made by Sublessee by wire transfer of immediately available funds to a bank specified by Sublessor, on or before 12:00 noon, New York City time, on the Payment Date on which such payment shall be due.

B. Sublease Fee.

- i. In addition to the Capacity Fee, on an annual basis throughout the Term, Sublessor shall invoice Sublessee for the following fees (together a "*Sublease Fee*") as applicable:
 - (a) Operation & Maintenance ("*O&M*") Expense: consisting of a pass-through, without markup, of the pro-rated portion of actual O&M expenses and taxes incurred by Sublessor, which pro-rated portion shall be determined by dividing Sublessee's Committed Capacity and Additional Capacity, if any, by Sublessor's total capacity as provided in the Owners Agreement. The resulting percentage shall then be applied to the total O&M expenses actually incurred by Sublessor for Sublessor's leasehold interest in the Project under the Owner's Agreement.
 - (b) Pumping Expense: consisting of a pass-through, without markup, of the actual pumping expense incurred by Sublessor for Make-Up Water releases that are directly allocated to consumptive water usage by the Logan generating facilities.
- ii. Sublessor shall submit invoices for the Sublease Fee to Sublessee annually. Sublessor shall submit the first invoice to Sublessee for the Sublease Fee after the close of the first Contract Year in which the Commencement Date (as defined in Article 3 below) occurs. If the Commencement Date does not coincide with the beginning of a new Contract Year, the first Sublease Fee shall be prorated for that portion of the annual period from the Commencement Date to the end of the

Contract Year. Thereafter, Invoices shall be submitted annually during each Contract Year.

- iii. The Sublease Fee shall be due and payable within thirty (30) days after Sublessee's receipt of the invoice.

ARTICLE 3 TERM

A. Agreement.

- i. The term of this amendment and restatement shall commence on the Commencement Date (as hereafter defined) and shall terminate on December 31, 2024 ("*Term*"), unless otherwise terminated due to a default or as otherwise provided in Article 3B below or elsewhere in this Agreement.
- ii. As of July 31, 2015, or upon the receipt by Sublessor of the order from BPU approving this Agreement, whichever is later ("*Commencement Date*"), this Agreement amends and restates the provisions of the Existing Agreement and, except as expressly modified herein, all of the terms and provisions of the Existing Agreement shall continue to apply for the period prior to July 31, 2015. As to all periods occurring on or after the Commencement Date, the terms and conditions set forth in the Existing Agreement shall be of no further force and effect, and all obligations of the parties hereto under the Existing Agreement shall be governed by this Agreement, which shall be deemed to be a continuation of, and not a novation of, the Existing Agreement from and after the Commencement Date.
- iii. "*Contract Year*" shall mean a twelve (12) month calendar year (commencing January 1, and ending December 31), provided, however, that the first Contract Year shall mean the period from the Commencement Date to and including December 31, 2015.
- iv. The Sublease shall continue in effect from the Commencement Date until (a) the expiration on December 31, 2024 ("*Expiration Date*"), (b) the earlier termination of the Lease, or (c) earlier terminated due to a default or as otherwise provided in Article 3B below or elsewhere in this Agreement.

B. Termination.

- i. Pursuant to Section 15.1(a)(iv)(B) of the Lease, Sublessor may not enter into this Agreement if, in the reasonable opinion of Owner Participant (as defined in the Lease), this Agreement results in adverse tax consequences to Owner Participant as therein provided. Notwithstanding anything in this Agreement to the contrary, the parties hereto agree that if, in the reasonable opinion of Owner Participant, this Agreement does result in such adverse tax consequences, this Agreement shall immediately terminate.

- ii. Sublessee may terminate this Agreement in the event of a Force Majeure under the conditions provided in Article 10 hereof.
 - iii. Notwithstanding anything in this Agreement to the contrary, this Agreement shall also terminate, without liability to either party if any federal or state regulatory authority having jurisdiction over Sublessor or any of its Affiliates shall have issued an order requiring that the Capacity be made available for use by Sublessor or any such Affiliate.
 - iv. Any termination pursuant to this Article 3B shall be without obligation or liability of either party except for (a) all amounts due and unpaid to the date of such termination, and (b) damages arising from a default (as set forth in Article 5 hereof) occurring prior to, and including, the date of such termination.
- C. Renewal.
- i. This Agreement may be renewed at the end of the Term only as provided in this Section 3C.
 - ii. If Sublessee desires to renew this Agreement, Sublessee shall provide notice of its desire to renew to Sublessor not less than twelve (12) months and not more than twenty-four (24) months prior to the Expiration Date specifying the renewal term (which may not extend beyond December 31, 2032) ("*Renewal Term*") proposed by Sublessee.
 - iii. Sublessor shall have 60 days from the receipt of said notice to advise Sublessee whether any Capacity for such proposed Renewal Term is available.
 - iv. If by such 60th day, Sublessor advises Sublessee that Capacity is so available, the parties hereto shall thereupon negotiate in good faith with respect to the Renewal Term, rentals and other provisions to be included in the renewal of this Agreement to the extent of the available Capacity. If no Capacity is available, or if the parties, following good faith negotiations, fail to agree on the renewal terms by the Expiration Date, then this Agreement shall terminate on the Expiration Date without liability to any party except for the surviving obligations specified in Article 3 B(iv) hereof.

ARTICLE 4 FEDERAL INCOME TAX STATUS

Sublessee and Sublessor understand and agree that this Agreement does not constitute a "service contract" under Section 7701(e) of the Internal Revenue Code of 1986, as amended. It is intended and understood by Sublessee and Sublessor that for Federal income tax purposes, this Agreement constitutes a lease.

ARTICLE 5 DEFAULTS

- A. A party shall be in default of its obligations hereunder if;
- i. it shall fail to make any payment required by this Agreement when due, provided, however, that such failure has not been corrected within ten (10) business days after receiving written notice of such failure; or
 - ii. it fails to perform any other covenant, agreement or obligation or breaches any representation or warranty made hereunder and such failure or breach is not cured within thirty (30) days following receipt of written notice thereof from the other party hereto; or
 - iii. (a) such party commences a voluntary proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any federal or state bankruptcy, insolvency, receivership or other similar law or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or consents to any such relief or to the appointment or taking possession by any such official or agency in an involuntary case or other proceeding commenced against it, or makes a general assignment for the benefit of creditors, or takes any corporate action to authorize any of the foregoing; or (b) an involuntary proceeding is commenced against such party seeking liquidation, reorganization or other relief with respect to it or its debts under any federal or state bankruptcy, insolvency, receivership or other similar law or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official or agency of it or a substantial part of its property, and such involuntary case or other proceeding remains undismissed or unstayed for a period of ninety (90) days.
- B. Upon the occurrence of any such default, the non-defaulting party may declare this Agreement to be in default by written notice to the defaulting party (except in the case of any default specified in paragraph 5A iii above, in which case no notice shall be required), and at any time thereafter as long as the default shall be continuing the non-defaulting party may, in its sole discretion and to the extent permitted by applicable law:
- i. terminate this Agreement upon written notice to the defaulting party; and
 - ii. exercise any other right or remedy that may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof.
- C. No exercise of any remedy hereunder (including the termination of this Agreement for a default) shall relieve a defaulting party of any of its liabilities hereunder which arise prior to the termination or, if not terminated, prior to the date of default, including such defaulting party's liabilities for damages for breach of this Agreement.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

- A. Sublessor represents and warrants to Sublessee that it is the Lessor under the Lease of the Capacity and it has the right to sublease the Capacity to Sublessee for the term of the Sublease.
- B. Sublessor further represents and warrants to Sublessee that: (1) the execution, delivery and performance of this Agreement by Sublessor has been duly authorized by all necessary corporate action; (2) this Agreement has been duly executed and delivered and, assuming the due authorization, execution and delivery hereof by Sublessee, is a legal, valid and binding obligation of Sublessor enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity); (3) no consents, authorizations or approvals of any governmental agency, regulatory or other governmental body, or any other person, are required to be obtained for the execution, delivery and performance of this Agreement, other than such consents, authorizations or approvals as have already been obtained; (4) there is no action, suit, investigation or proceeding pending or, to the best knowledge of Sublessor, threatened against Sublessor or its properties before any court, arbitrator or administrative or governmental body which, individually or in the aggregate, could have a material adverse effect on the ability of Sublessor to perform its obligations hereunder; and (5) the execution, delivery and performance of this Agreement does not contravene or violate any applicable law or regulation or the certificate of incorporation or by-laws of Sublessor or constitute a violation or default under any agreement, or any judgment, injunction, order, decree or other instrument binding upon Sublessor, which contravention, violation or default, in the case of any of the foregoing, could materially impair its ability to perform its obligations hereunder.
- C. Sublessee represents and warrants to Sublessor that (1) the execution, delivery and performance of this Agreement by Sublessee has been duly authorized by all necessary organizational action; (2) this Agreement has been duly executed and delivered and, assuming the due authorization, execution and delivery hereof by Sublessor, is a legal, valid and binding obligation of Sublessee enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity); (3) no consents, authorizations or approvals of any governmental agency, regulatory or other governmental body, or any other person, are required to be obtained by Sublessee for its execution, delivery or performance of this Agreement, other than such consents, authorizations or approvals as have already been obtained; (4) there is no action, suit, investigation or proceeding pending or, to the best knowledge of Sublessee, threatened against Sublessee or its properties before any court, arbitrator or administrative or governmental body, which, individually or in the aggregate, could have a material adverse effect on the ability of Sublessee to perform its obligations hereunder; and (5) the execution, delivery and performance of this Agreement does not contravene or violate any applicable law or

regulation or the certificate of formation or operating agreement of Sublessee or constitute a violation or default under any agreement, or any judgment, injunction, order, decree or other instrument binding upon Sublessee, which contravention, violation or default, in the case of any of the foregoing, could materially impair its ability to perform its obligations hereunder.

ARTICLE 7 DISCLAIMER OF WARRANTIES/ACKNOWLEDGMENTS OF SUBLESSEE

- A. This Agreement is expressly subject and subordinate to the provisions of the Lease and all other agreements to which the Lease is subject, including the rights of Lessor under the Lease to enforce remedies under Section 17 of the Lease if a Lease Event of Default (as defined in the Lease) shall have occurred and be continuing.
- B. SUBLESSOR SUBLEASES, AND SUBLESSEE TAKES, THE CAPACITY AS IS, AND EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, SUBLESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND SUBLESSOR HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE PROJECT OR THE CAPACITY OR ANY PART THEREOF, THE MERCHANTABILITY THEREOF OR THE FITNESS THEREOF FOR ANY PARTICULAR PURPOSE, TITLE TO THE INTEREST, THE QUALITY OF PROJECT MATERIALS OR WORKMANSHIP OR CONFORMITY THEREOF TO PLANS OR SPECIFICATIONS, OR THE PRESENCE OR ABSENCE OF ANY LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, NOR SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING TORT, CONTRACT STRICT LIABILITY OR OTHERWISE), IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN SUBLESSOR AND SUBLESSEE, ARE TO BE BORNE BY SUBLESSEE. THE PROVISIONS OF THIS PARAGRAPH 7B HAVE BEEN NEGOTIATED, AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATION OR WARRANTY BY SUBLESSOR, EXPRESS OR IMPLIED (EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ARTICLE 6 HEREOF), WITH RESPECT TO THE PROJECT, THIS AGREEMENT, THE CAPACITY OR ANY PART THEREOF, OR THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN THIS PARAGRAPH 7B SHALL BE CONSTRUED AS A WAIVER OF ANY WARRANTY OR OTHER CLAIM AGAINST ANY MANUFACTURER, SUPPLIER OR INSTALLER.
- C. Sublessee hereby acknowledges and agrees that Sublessee's obligations hereunder, including without limitation the obligation to pay the Capacity Fee; shall not be affected by (a) the failure of the Project to effect releases of Make-Up Water for Make-Up Purposes under any circumstances whatsoever that would be in violation of Sublessor's obligations under the Lease, or (b) any claim that Sublessee has or might have against

any person.

- D. It is understood and agreed that Sublessee has no rights whatsoever under the Owners Agreement, Lease or any agreements to which the Lease is subject, and that Sublessor may, in its sole discretion, take any and all actions, including agreeing to any amendments, modifications or waivers with respect thereto, without the consent of or notice to Sublessee; provided, however, that without Sublessee's consent Sublessor shall not take any such action which has a material adverse effect on Sublessee's rights hereunder.

ARTICLE 8 CONDITION TO EFFECTIVENESS.

The effectiveness of this amendment and restatement is expressly conditioned upon the approval of the BPU of this Agreement without material conditions as to Sublessor or any of its affiliates, and the determination that such condition has been satisfied shall be at the sole discretion of Sublessor.

ARTICLE 9 ASSIGNMENT

- A. Sublessee may not assign, sublease or otherwise transfer (each, a "*Transfer*") any of its rights hereunder without approval of Sublessor, which approval (subject to any other required third party consents under the Lease and/or Owners Agreement and /or regulatory consents) shall not be unreasonably withheld, or create or suffer to exist any Liens (as defined in the Lease) on or with respect to the Capacity, the Capacity Fee or the Sublessee Fee.
- B. Sublessor shall be free to Transfer any of its Project entitlements under the Owners Agreement from time to time without restriction or limitation and free and clear of any interest of Sublessee therein; provided, however, that Sublessor shall not effect any Transfer if such Transfer would cause Sublessor to be unable to provide the Capacity to Sublessee as provided herein, unless the transferee agrees to be bound by the terms hereof and has the power and authority to perform the obligations of the Sublessor hereunder.

ARTICLE 10 FORCE MAJEURE

For purposes hereof, the term Force Majeure shall mean any act of God (including but not limited to earthquakes, lightning or floods); warlike acts of any kind such as riot, rebellion or revolution; acts or omissions of any government or agency thereof, court orders or judgments; strikes or labor disputes; fire, explosion or other casualty, or any other cause beyond the reasonable control and without the fault or negligence of the party claiming the benefit of a Force Majeure, whether foreseeable or not, which affects Logan's operation of its generating facilities or the Project.

Whenever either party become aware of any event of Force Majeure which delays or threatens to delay the timely performance of its obligations under this Agreement, that party shall promptly give written notice thereof, including all relevant information with respect thereto, to the other party. Neither party to this Agreement shall be liable for a delay or failure to perform

pursuant to the terms of this Agreement (provided that in no event shall a party's payment obligations hereunder be excused or delayed due to a Force Majeure) if and to the extent such delay and/or failure to perform is due to any event of Force Majeure, provided that:

- A. Neither party may claim the benefit of a Force Majeure unless the delay and/or failure to perform are due to causes beyond its reasonable control and without its fault or negligence.
- B. Any delay and/or failure to perform by a supplier, contractor or subcontractor at any tier of either party shall not be excusable unless such delay and/or failure to perform arises out of causes beyond the reasonable control of the party claiming the benefit of a Force Majeure, and the supplies or services to be furnished by that party's supplier, contractor or subcontractor are not obtainable from other sources at comparable costs in sufficient time to permit its obligations to be met pursuant to this Agreement.
- C. Any party claiming the benefit of a Force Majeure shall use all reasonable diligence to remove the cause of delay and/or failure to perform as promptly as practicable but shall not be required to settle strikes or other labor difficulties against its best judgment.
- D. In all cases, the time extension permitted to a party to perform as a result of a Force Majeure shall be held to a minimum but under no circumstances shall it exceed the actual time lost due to a Force Majeure event.

This Agreement may be terminated by Sublessee upon the occurrence of an event of Force Majeure which renders Sublessor unable for 90 consecutive days to provide Sublessee with Make-Up Water pursuant to this Agreement.

ARTICLE 11 GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the State of New Jersey applicable to contracts made and to be performed in that State but without giving effect to the application of any choice of law principles thereof.

ARTICLE 12 NOTICES

All notices and other communications under this Agreement shall be in writing and shall be deemed effective and received five (5) days after mailing by first-class registered or certified mail return receipt requested, postage prepaid, or when received by personal delivery, overnight courier services or facsimile or electronic transmission, addressed as follows:

if to the Sublessor, to:

FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308

Attention: Business Development Department

with a copy to:

FirstEnergy Service Company
76 South Main Street
Akron, Ohio 44308
Attention: Vice President and General Counsel

if to the Sublessee, to:

Granite Water Supply Company, Inc.
c/o Power Plant Management Services, LLC
10710 Sikes Place, Suite 300
Charlotte, NC 28227

with a copy to:

Attn: Joseph A. Fernandez, Esq.
Moore & Van Allen PLLC
100 North Tryon Street
Suite 4700
Charlotte, NC 28202-4003

or, in each case, to such person or at such address as either party may have most recently advised the other party hereto in writing.

ARTICLE 13 AMENDMENT

This Agreement may be amended only by a written instrument signed by both parties hereto.

ARTICLE 14 ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any prior understandings and agreements between them with respect thereto.

ARTICLE 15 NEGOTIATED AGREEMENT

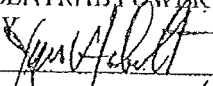
This Agreement shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against either party as a result of the preparation, substitution or other event or negotiation, drafting or execution hereof.

ARTICLE 16 COUNTERPARTS

This Agreement may be executed by the parties hereto in several counterparts, each of which when so executed and delivered shall be an original, but all of which taken together shall be one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as set forth below.

JERSEY CENTRAL POWER & LIGHT
COMPANY

By: 

Name: James Fabull R16

Title: President

GRANITE WATER SUPPLY COMPANY,
INC.

By: 

Name: Robert D. Franzen

Title: Vice President