

## AMENDED AND RESTATED MUTUAL ASSISTANCE AGREEMENT

THIS AMENDED AND RESTATED MUTUAL ASSISTANCE AGREEMENT, dated as of \_\_\_\_\_, \_\_, 2010, between and among JERSEY CENTRAL POWER & LIGHT COMPANY (“JCP&L”), METROPOLITAN EDISON COMPANY (“Met-Ed”), PENNSYLVANIA ELECTRIC COMPANY (“Penelec”), PENNSYLVANIA POWER COMPANY (“Penn Power”), OHIO EDISON COMPANY (“Ohio Ed”), THE CLEVELAND ELECTRIC ILLUMINATING COMPANY (“CEI”), THE TOLEDO EDISON COMPANY (“Toledo Ed”), FIRSTENERGY SERVICE COMPANY (“FESC”), [~~and~~] GPU NUCLEAR, INC.<sup>1</sup> (“GPUN”), WEST PENN POWER COMPANY (“West Penn”), MONONGAHELA POWER COMPANY (“Mon Power”), THE POTOMAC EDISON COMPANY (“Potomac Ed”), ALLEGHENY ENERGY SERVICE COMPANY (“AESC”), AND ALLEGHENY ENERGY TRANSMISSION, LLC, and its subsidiaries (“Allegheny Energy Transmission”) (each individually a “Company” or a “Party” and collectively the “Companies” or “Parties”), each a subsidiary of FirstEnergy Corp. (“FirstEnergy”), a public utility holding company under the Public Utility Holding Company Act of 2005 (the “PUHCA 2005”), and their subsidiaries.

### RECITALS

WHEREAS, on October 1, 1982, the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) at Docket No. G-820167 approved pursuant to the then Section 701.1 of the Pennsylvania Public Utility Law – now Section 2102 of the Pennsylvania Public Utility Code an agreement between Met-Ed and Penelec with respect to the exchange of services and goods by and between them and their affiliated companies such as, by way of example, (a) design, engineering, construction, operation, maintenance and fuel procurement for coal-fired generating stations, (b) other fossil fuel generation services; (c) lab testing, research and development, engineering and support services for generation, transmission and distribution, construction and maintenance; (d) microfilming; (e) records retention and storage; and (f) goods incidental to such services (the “1982 Agreement”); and

WHEREAS, on December 17, 1993, the PaPUC at Docket No. G-00930355 approved, as a supplement to the 1982 Agreement, an agreement between Met-Ed, Penelec, JCP&L, GPU Service Corporation (“GPUS”) and GPU Nuclear Corporation (collectively Met-Ed, Penelec, JCP&L, GPUS and GPU Nuclear Corporation are referred to as the “GPU Companies”) pursuant to Section 2102 of the Pennsylvania Public Utility Code, 66 Pa.C.S. §2102, with respect to the exchange of services and goods by and between them such as (a) reprographics services, (b) restoration, maintenance and repair services for generation, transmission and distribution facilities, (c) remittance processing services, (d) treasury services, (e) accounts payable services, (f) use of office, warehouse, storage and other space or facilities, (g) data processing and other computer services, (h) legal services, and (i) goods, including, electric generation, other production, transmission, distribution, office, administrative and general plant materials, supplies and equipment not “in place” or “installed” (the “1993 MAA”); and

WHEREAS, as a result of the FirstEnergy/GPU merger in November 2001 (the “FirstEnergy/GPU Merger”), FirstEnergy became a registered holding company under the Public Utility Holding Company Act of 1935 and FESC was formed to replace GPUS as the primary provider

<sup>1</sup> GPU Nuclear Corporation was renamed GPU Nuclear, Inc. in 1996.

of various corporate, managerial and administrative support services within the FirstEnergy holding company system, and the PaPUC on February 4, 2003, in Docket No. G-00020987 approved Met-Ed, Penelec and Penn Power entering into a new service agreement with FESC (the "Existing FESC Service Agreement"), which is not altered, modified or changed by this Amended and Restated Mutual Assistance Agreement; and

**WHEREAS**, as a result of the FirstEnergy/GPU Merger, FESC provides services within the FirstEnergy holding company system under the Existing FESC Service Agreement that include the following services (or the management of such services): executive services, accounting and finance, internal auditing, various treasury functions, risk management, human resources, corporate affairs, government affairs, environmental, corporate communications, operations management, supply chain, information technology, construction, maintenance, customer service, regulated commodity sourcing, FERC policy & compliance, energy efficiency, corporate real estate, records management, asset oversight, strategic planning & operations, rates & regulatory affairs, flight operations, performance management, business development, investment management and legal services; and

**WHEREAS**, as a result of the FirstEnergy/GPU Merger, Ohio Ed, CEI, Toledo Ed and Penn Power became affiliates of Met-Ed and Penelec in the same relationship, as affiliated operating companies within the FirstEnergy holding company system, that Met-Ed, Penelec and JCP&L theretofore had with each other within the GPU holding company system as public utility companies engaged in the transmission, distribution and sale of electricity to and for the public in their respective service territories; and

**WHEREAS, as a result of the merger of Allegheny Energy, Inc. and a subsidiary of FirstEnergy on [date], West Penn, Mon Power, Potomac Ed, and the Trans-Interstate Allegheny Line Company ("TrAILCo") (a subsidiary of Allegheny Energy Transmission) also became affiliated operating companies in the same relationship as other affiliated operating companies within the FirstEnergy holding system (collectively, Ohio Ed, CEI, Toledo Ed, Penn Power, JCP&L, Met-Ed[-and], Penelec, West Penn, Mon Power, Potomac Ed, and TrAILCo are referred to herein as the "Operating Companies"); and**

**WHEREAS**, from time to time, the Operating Companies may request and/or may require non-power goods and services from one or more of the other Operating Companies or from AESC; and

**WHEREAS**, from time to time, GPUN, FESC, and [~~FESC~~]Allegheny Energy Transmission may request and/or may require goods and services from the Operating Companies and, to the degree not addressed in another agreement, GPUN and Allegheny Energy Transmission may provide non-power goods and services to the Operating Companies; and

**WHEREAS**, in light of changes outlined above and because from time to time various opportunities arise for the Companies to effect economies and better utilization of available resources through transfers of a broader range of goods and services by, between and among the Companies, the Companies desire to enter into this Amended and Restated Mutual Assistance Agreement, which [~~clarifies, amends and restates the prior 1982 Agreement and the 1993 MAA between JCP&L, Met-Ed, Penelec and GPU Nuclear Corporation, and~~] supersedes any other agreements that may have existed

between the parties hereto related to the matters covered by this Amended and Restated Mutual Assistance Agreement, as applicable, for providing mutual services by and between them.

**NOW, THEREFORE,** the Companies, intending to be legally bound, agree as follows:

1. **SERVICES.** As used herein "Services" refers to the list of services set forth in Attachment I hereto. Additional services sought to be included within this Amended and Restated Mutual Assistance Agreement will first be filed with the PaPUC for Commission review.

2. **GOODS.** As used herein "Goods" refers to goods incidental to the Services, electric transmission, distribution, office, administrative and general plant materials, supplies and equipment not "in place" or "installed". As contemplated hereunder, transactions in Goods may, but need not be, incidental to the provision of Services.

3. **REQUESTS FOR GOODS AND SERVICES.** From time to time, each Company, in its sole discretion may determine, may request, or, upon the request of another Company, may furnish to such other Company, upon the terms and conditions set forth herein, one or more of the Goods or Services (including, in the case of Goods, those which at the time are inadequate, obsolete, unfit, or unnecessary or unadapted for use in the operations of the Company to which such request is made).

4. **PRICING.**

(a) All transactions carried out pursuant hereto shall be effected as follows:

(i) if an Operating Company or AESC furnishes Goods or Services to an Operating Company or AESC (as applicable), then such furnishing Company shall be paid for such Goods or Services at cost in the case of the performance of Services (including all applicable direct and indirect costs of the furnishing Company), or cost less depreciation in the case of the sale of Goods (including all applicable direct and indirect costs of the furnishing Company); and

(ii) if an Operating Company or AESC furnishes Goods or Services to FESC or AESC (as applicable), the Operating Company shall be paid for such Goods or Services at the higher of (A) cost in the case of the performance of Services (including all applicable direct and indirect costs of the furnishing Company), or cost less depreciation in the case of the sale of Goods (including all applicable direct and indirect costs of the furnishing Company) or (B) market price; and

(iii) (A) if an Operating Company [~~furnish~~ or AESC furnishes Goods or Services to GPUN, then the furnishing company shall be paid for such Goods or Services at a price that is the higher of cost or market price; or (B) if GPUN furnishes Goods or Services to an Operating Company or AESC, then the furnishing company shall be paid for such Goods or Services at a price that is no higher than market price.

(b) Costs include, as applicable, wages and salaries of employees and related fringe benefit expenses (such as health care, life insurance, payroll taxes, pensions and other employee welfare expenses), equipment, tooling, materials, subcontract costs, overheads, cost of capital, and taxes.

5. **BILLING, PAYMENT AND ACCOUNTING.**

(a) Costs are accumulated within the Companies' integrated accounting system related to the Services and Goods provided hereunder in order to support the inter-company billing, which shall be performed monthly. Details supporting each transaction are contained within the integrated accounting system, in accordance with applicable FirstEnergy procedures and processes, as amended from time to time.

(b) Direct charges to a Company shall be made so far as charges can be identified and related to the particular transactions involved without excessive effort or expense. Whenever possible, charges for Services rendered hereunder between the Companies, including personnel and non-personnel costs and expenses and related costs and expenses that relate to a particular requesting Company, shall be billed by the providing Company directly to such requesting Company. For those charges that cannot be direct billed either because the Services giving rise to those charges are provided to, or on behalf of, more than one recipient Company or the charges themselves are not easily susceptible to precise identification with a particular or specific transaction, the providing Company shall allocate such costs in accordance with an allocation method recommended and provided by FESC from among its approved allocation methods (which is attached hereto as Attachment II) as such methods may be amended, modified or changed from time to time.

(c) To the extent a Company is required to pay cost for Goods or Services, as provided in Section 4 of this Agreement, such costs:

(i) shall not exceed a fair and equitable allocation of expenses (including the price paid for goods) plus reasonable compensation for necessary capital procured through the issuance of capital stock (or similar securities);

(ii) for Services rendered by a providing Company shall be determined and calculated based upon the time records of employees, and records of related expenses, including out-of-pocket expenses that are billed at cost;

(iii) may include taxes, interest, other overhead, and compensation for the use of capital procured by the issuance of capital stock (or similar securities), which shall be fairly and equitably allocated. Interest on borrowed capital and compensation for the use of capital shall represent a reasonable return on only the amount of capital reasonably necessary for the performance of services or construction for, or the selling of goods to, customers for whom transactions are performed at cost. Such amount shall not include the cost of assignment of, or any capitalization of, any service, sales, or construction contract; and

(iv) shall not include any expense (including the price paid for goods) incurred in a transaction with an affiliated Company of the providing Company, to the extent that it exceeds the cost of such transaction to such affiliated Company.

(d) Inter-Company billing is performed with the close of each month and will be payable within thirty days following such monthly closing. For the sale of Goods, asset transfer documentation is completed and the transaction is included in the monthly inter-company billing. The detailed records, related to the rendering of, and payment for, the Goods or Services, supporting the inter-company bills are available within the integrated system, so that the receiving Company can reasonably determine the nature and extent of the Services or Goods provided by the providing Company, including the rates, hours and related cost elements applicable to such Service or Good.

(e) Payments shall be made by cash remittance from the receiving Company to the providing Company or by appropriate accounting transfer entries on the books of both Companies, which are reconciled daily, in accordance with applicable FirstEnergy policies and procedures.

(f) Any amount remaining unpaid after thirty (30) days following receipt of the bill shall bear interest thereon from the date of the bill until payment at such rate as would apply in accordance with applicable FirstEnergy policies and procedures.

(g) Inter-Company billings hereunder shall be reconciled each month to assure that all expenses have been billed, and also in order to detect and correct over- or under-billings.

(h) The Internal Auditing Department shall periodically audit inter-Company transactions and billings hereunder. The audits shall also include an evaluation of the work order process in order to assure that transactions and charges have been properly authorized, calculated, allocated, if applicable, invoiced, recorded, paid and tracked.

(i) The supporting records and details related to all inter-company billings, including direct charges and allocated charges, and applicable allocation methods (in order to enable testing with respect to cost allocations to and from affiliates), will be retained for auditing purposes in accordance with applicable law and regulation.

6. **WAIVER.** To the extent that the Goods and Services are furnished at cost, or cost less depreciation, if any pursuant to Section 4, and to facilitate the undertaking of this Agreement, each Company expressly waives any right it may have to recover from the other Companies for any losses, damages, penalties, liabilities, claims or expenses (including damage to its own property or liabilities to third parties) for any cause whatsoever including without limitation the negligence of the other Companies, its employees and agents in connection with the provision of Goods and Services that are furnished at cost.

7. **TERMINATION.** This Amended and Restated Mutual Assistance Agreement shall be effective on the date of execution, or such later date as approved by the applicable regulatory authority, and will remain in effect until December 31, 2010. This initial term will be automatically

extended for successive periods of one year unless any Party gives sixty days' notice of termination to the other Parties prior to the end of the calendar year then in effect. Unless otherwise agreed by the Parties, such termination shall not affect or excuse the performance of transactions entered into on behalf of either Party prior to notice of termination. This Agreement shall remain in effect until all Parties have fully performed their obligations under said transactions.

8. **MODIFICATION OR AMENDMENT.** No amendment, change or modification to this Amended and Restated Mutual Assistance Agreement shall be valid, unless made in writing and signed by the Parties hereto, and upon the receipt of any required regulatory approvals as described in Paragraph 9 below.

9. **REGULATORY APPROVALS.** The provision of Goods or Services hereunder by, and for, any Operating Company hereto shall be subject to the receipt of any other regulatory approvals which may pertain to, or be necessary for, a particular Operating Company or transaction involving a particular Operating Company. In particular, and without limiting the generality of the foregoing, JCP&L shall not enter into transactions under this Amended and Restated Mutual Assistance Agreement for any management, advisory, construction or engineering service that in itself or in connection with another transaction relating to the same work, project, transaction or service involves JCP&L's expenditure of a sum exceeding \$25,000. This Amended and Restated Mutual Assistance Agreement, and any amendments thereto, shall be subject to the approval of any state commission or other regulatory body whose approval is, by the laws of said jurisdiction, a legal prerequisite to an Operating Company's execution, delivery and/or performance of this Amended and Restated Mutual Assistance Agreement for any particular Operating Company hereunder.

10. **GOVERNING LAW.** For purposes of providing Goods or Services hereunder, in the case of each transaction hereunder, this Amended and Restated Mutual Assistance Agreement shall be governed by, and construed under, the laws of the state in which are located the principal offices of the Company providing the Goods or Services hereunder, without regard to its conflict of laws provisions.

11. **ASSIGNMENT.** This Amended and Restated Mutual Assistance Agreement shall inure to the benefit and shall be binding upon the undersigned parties and their respective successors and assigns. No assignment of this Amended and Restated Mutual Assistance Agreement or of any Party's rights, interests or obligations hereunder, may be made without the other Parties' consent, which shall not be unreasonably withheld, delayed or conditioned.

12. **ENTIRE AGREEMENT.** This Amended and Restated Mutual Assistance Agreement together with its attachments, constitutes the entire understanding and agreement of the Parties with respect to its subject matter, and effective upon the execution of this Amended and Restated Mutual Assistance Agreement by the respective Parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent (a) the transactions thereunder have taken place prior to the effective date in which case such agreements will govern the terms of such transactions, and (b) the Existing FESC Service Agreement is considered an agreement with respect to this subject matter, it shall not be terminated. In the event of any conflict between the

provisions of this Agreement and the Existing FESC Agreement, the provisions of the Existing FESC Agreement will control.

13. **SEVERABILITY.** If any provision of this Amended and Restated Mutual Assistance Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the Parties have executed this Amended and Restated Mutual Assistance Agreement on of the date first above written:

JERSEY CENTRAL POWER & LIGHT COMPANY

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

METROPOLITAN EDISON COMPANY

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

PENNSYLVANIA ELECTRIC COMPANY

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

PENNSYLVANIA POWER COMPANY

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

OHIO EDISON COMPANY

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

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

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

THE TOLEDO EDISON COMPANY

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

GPU NUCLEAR, INC.

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

FIRSTENERGY SERVICE COMPANY

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

WEST PENN POWER COMPANY

By:

MONONGAHELA POWER COMPANY

By:

THE POTOMAC EDISON COMPANY

By:

ALLEGHENY ENERGY SERVICE COMPANY

By:

ALLEGHENY ENERGY TRANSMISSION, LLC

By:

**ATTACHMENT I**

**SERVICES.**

As used herein "Services" refers to the following list of services, which a Company may request, or, upon the request of another Company, may furnish to such other Company:

<b>Product or Service</b>	<b>Product / Service Description</b>	<b>Indirect Allocation Methods</b>
Engineering Services	Design, engineering, construction, operation, restoration, (corrective and preventative) maintenance, and repair services, and non-power services incidental to transmission and distribution facilities, including substation and line maintenance, and asset management services.	Multiple Factor - Utility
Engineering Support Services	Lab testing, research and development, engineering and support services for transmission and distribution, construction and maintenance facilities, functions and activities.	Multiple Factor - Utility
Use of Space	Use or lease of office, warehouse, storage and other space or facilities, and associated warehousing and storage services.	Multiple Factor - Utility
Regional Support Services	Utilize utility operations level experience to provide regional support related to utility operations functions including in connection with providing Engineering Services and related utility operations' functions.	Multiple Factor - Utility
Storm Support Services	Utilize utility operations level experience to provide storm support services including storm-related construction and reconstruction, operations and line restoration services to address storm-related conditions	Multiple Factor - Utility
Environmental Services	Provide services and assistance related to identifying, managing and remediating environmental threats or risks.	Multiple Factor - Utility

<b>Product or Service</b>	<b>Product / Service Description</b>	<b>Indirect Allocation Methods</b>
Meter Testing Services	Provide services related to maintenance, testing and repair of meters.	Multiple Factor - Utility
Transportation and Garage Services	Provide services related to transportation maintenance practices and support.	Multiple Factor - Utility
Forestry and Vegetation Management Services	Provide services related to forestry and vegetation management such as routine pruning, controlling or removing of vegetation as required to maintain line reliability, maintain access, make repairs, or restore service.	Multiple Factor - Utility
Microfilming Services	Provide services related to microfilm storage and retrieval.	Multiple Factor - Utility
Records Retention and Storage	Provide services related to records storage, records retrieval, records retention and records planning.	Multiple Factor - Utility
Reprographics Services	Provide services related to production printing, document imaging and graphic services.	Multiple Factor - Utility
Remittance Processing	Provide services related to processing customer payments and depositing funds.	Number of Payments Ratio
Transmission and Distribution Skills Training	Develop and facilitate technical and safety training for workers associated with distribution activities, including line, substation, meter, fleet, warehouse, field engineering, and dispatch. Provide support through equipment evaluation, training analyses, job assessments, and project coordination.	Number of Participating Employees – General

## ATTACHMENT II

List of FirstEnergy Service Company Allocation Methods as approved by the Securities and Exchange Commission as of as of June 1, 2003.

### METHODS OF ALLOCATION

1. Multiple Factor – All

- A. FirstEnergy will bear 5% of these Indirect Allocations. The remaining Indirect Allocations will be allocated among the Utility and the Non-Utility Subsidiaries based on FirstEnergy's equity investment in the respective groups.
- B. A subsequent allocation step will then occur. Among the Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Utility" method. Among the Non-Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Non-Utility" method.

2. Multiple Factor – Utility

Based on the sum of the weighted averages of the following factors:

- A. Gross transmission and/or distribution plant
- B. Operating and maintenance expense excluding purchased power and fuel costs
- C. Transmission and/or distribution revenues, excluding transactions with affiliates

Each of the above factors will be weighted equally so that no one facet of the utility operations inordinately influences the distribution of costs

3. Multiple Factor - Non-Utility

Based upon the total assets of each Non-Utility Subsidiary, including the generating assets under operating leases to the Utility Subsidiaries.

4. Multiple Factor - Utility and Non-Utility

- A. First assign a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in the respective groups.
- B. Among the Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Utility" method. Among the Non-Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Non-Utility" method.

5. Direct Charge Ratio

The ratio of direct charges for a particular product or service to an individual Subsidiary as a percentage of the total direct charges for a particular product or service to all Subsidiaries benefiting from such services. Indirect Costs are then allocated to each Subsidiary based on the calculated ratios.

6. Number of Customers Ratio

Based on the number of Utility distribution customers for the respective Utility Subsidiary receiving the product or service divided by the total number of Utility distribution customers.

7. Number of Shopping Customers Ratio

Based on the number of shopping customers for the respective Utility Subsidiary receiving the product or service divided by the total number of shopping customers.

8. Number of Participating Employees – General

Based on the number of participating employees for the respective Subsidiary receiving the product or service divided by the total number of participating employees.

9. Number of Participating Employees - Utility and Non-Utility

A. First assign a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in the respective groups.

B. Costs are further allocated by using the number of participating employees for the respective Subsidiary divided by the total number of participating FirstEnergy employees.

10. Gigabytes Used Ratio

Based on the number of gigabytes utilized by a Subsidiary receiving the product or service divided by the total number of gigabytes used by the FirstEnergy system companies applicable to that respective product or service.

11. Number of Computer Workstations Ratio

Based on the number of computer workstations utilized by a Subsidiary receiving the product or service divided by the total number of computer workstations in use by the FirstEnergy system companies applicable to that respective product or service.

12. Number of Billing Inserts Ratio

Based on the number of billing inserts performed for a Subsidiary receiving the product or service divided by the total number of billing inserts performed for the FirstEnergy system companies applicable to that respective product or service.

13. Number of Invoices Ratio

Based on the number of invoices processed for a Subsidiary receiving the product or service divided by the total number of invoices processed for the FirstEnergy system companies applicable to that respective product or service.

14. Number of Payments Ratio

Based on the number of monthly payments processed for a Subsidiary divided by the total monthly number of payments processed for the FirstEnergy system companies applicable to that respective product or service.

15. Daily Print Volume

Based on the average daily print volume performed for a Subsidiary receiving the service divided by the total average daily print volume performed for the entire FirstEnergy system.

16. Number of Intel Servers

Based on the number of Intel servers utilized by a Subsidiary receiving the product or service divided by the total number of Intel servers utilized by the FirstEnergy system.

17. Application Development Ratio

Based on the number of application development hours budgeted for a Subsidiary receiving the service divided by the total number of budgeted application development hours for the year.

18. Server Support Composite

Based on the average ratio of UNIX gigabytes, SAP gigabytes and Intel number of servers for a Subsidiary receiving the service.

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