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Business Services
Company

September 26, 2011

VIA FEDERAL EXPRESS

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

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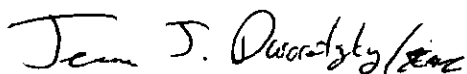
**Re: PECO Energy Company's Request For Approval Of Amended Affiliate
Interconnection Agreement, Docket No. M-2011-**

Dear Secretary Chiavetta:

Enclosed for filing are an original and three copies of the **Request For Contract Approval On Behalf Of PECO Energy Company** in the above-captioned matter.

Copies have been served as indicated on the attached Certificate of Service.

Very truly yours,



Jeanne J. Dworetzky
Counsel for PECO Energy Company

c: Per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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PA PUBLIC UTILITY COMMISSION
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PECO ENERGY COMPANY'S :
REQUEST FOR APPROVAL OF : DOCKET NO. M-_____
AMENDED AFFILIATE :
INTERCONNECTION AGREEMENT :

REQUEST FOR CONTRACT APPROVAL

PECO Energy Company ("PECO" or the "Company") requests that the Pennsylvania Public Utility Commission (the "Commission") grant approval, under 66 Pa. C.S. § 2102(b), of an Interconnection Agreement, as amended between PECO and its affiliate, Exelon Generation Company, L.L.C. ("Exelon Generation") associated with the Schuylkill Generating Station ("Schuylkill Station") located in Philadelphia, Pennsylvania.

As described herein, in the course of its regular maintenance process, PECO is retiring a substation serving customers in the Center City and University City portions of Philadelphia. As part of this project, PECO intends to reconfigure the interconnection equipment located at the Schuylkill Station to improve reliability to customers (including Exelon Generation) directly served by such equipment and indirectly interconnected to such equipment through the substation. The costs of the portion of the project related to Exelon Generation will total approximately \$2 million, all of which is to be borne by PECO under the terms of the Interconnection Agreement. The amended Interconnection Agreement for which PECO seeks approval reflects the reconfigured interconnection after the reliability improvements are completed.¹

¹ A copy of the Interconnection Agreement, which was filed with the Federal Energy Regulatory Commission on January 12, 2001 and amended by filing of May 7, 2004, is included as Attachment A. The proposed amendment (the "Second Amendment") reflecting the reconfigured interconnection is included as Attachment B. A separate

In support of its request, PECO provides the information set forth below.

1. PECO is a Pennsylvania corporation with its principal office located at 2301 Market Street, Philadelphia, Pennsylvania. PECO furnishes electric and natural gas service to customers within its certificated service territory in Southeastern Pennsylvania. PECO is a wholly-owned, indirect subsidiary of Exelon Corporation ("Exelon").

2. Exelon Generation is a limited liability company organized and existing under the laws of the Commonwealth of Pennsylvania and is an exempt generator within the meaning of 18 C.F.R. § 366.1 of the regulations of the Federal Energy Regulatory Commission ("FERC"). Exelon Generation generates and sells electricity in the wholesale market, including in Pennsylvania. Exelon Generation is a wholly-owned, indirect subsidiary of Exelon and, as such, is an affiliated interest of PECO, as defined in 66 Pa. C.S. § 2101(a).

3. The Schuylkill Station is owned and operated by Exelon Generation and consists of a 13 MW combustion turbine, a 17 MW combustion turbine, an emergency diesel generator, a 176 MW steam turbine, transformers and associated equipment.

4. In the course of its regular maintenance process, PECO has determined that an existing substation serving the Schuylkill Station should be retired in order to maintain reliable service. The Schuylkill Station is interconnected to the substation and PECO's electric distribution system through a 13 kV ring bus. As part of the maintenance process, PECO has determined to take the 13 kV ring bus out of service and reconfigure the interconnection to accommodate updated equipment.

5. In order to reconfigure the interconnection as efficiently as possible, PECO proposes to remove the 13 kV ring bus and to interconnect the customers formerly on the ring

Easement Agreement between PECO and Exelon Generation for implementation of the Interconnection Agreement is included as Attachment C.

bus – Exelon Generation and an additional, unaffiliated customer – directly to a 69 kV line. This will increase reliability for both customers.

6. The portion of the reconfiguration of the interconnection related to Exelon Generation requires approximately \$2 million of construction work and equipment. PECO has also determined that proper reconfiguration requires moving the point of interconnection from its existing location as described in Schedule A to the Interconnection Agreement to a point approximately 300 feet away, as shown in the revised Schedule A attached to the Second Amendment to the Interconnection Agreement. After the point of interconnection is moved, a 1948-era transformer that was formerly on the PECO side of the point of interconnection will now be on the Exelon Generation side. Accordingly, PECO will transfer ownership of the transformer to Exelon Generation. The value of the transformer is approximately \$1,400.00.²

7. Article 6 of the Interconnection Agreement governs modifications to the interconnected facilities. Paragraph 6.2.5 governs “voluntary modifications or operational changes by the Company.” That paragraph provides that any modifications or operational changes that PECO makes and that are not mandated by PJM Interconnection, LLC (“PJM”) or another FERC-authorized planning authority shall be done at PECO’s sole cost and expense. This change has not been ordered by PJM or another FERC authorized planning authority. Accordingly, this modification is to be done at PECO’s sole cost and expense.

8. The Interconnection Agreement, as amended, reflects the reconfigured interconnection with the reliability improvements described herein. PECO therefore requests that the Commission approve the amended Interconnection Agreement as reasonable and in the public interest.

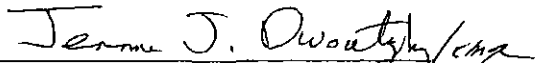
² PECO has not sought separate approval for this transfer under Section 1102(a)(3) in light of the exemption for property where the undepreciated book value does not exceed \$5,000 in the case of personalty. PECO notes that upon transfer to Exelon Generation, the transformer will no longer be used in the provision of public utility service.

9. In order to implement the Schuylkill Station upgrades in accordance with its current construction plans, PECO respectfully requests that the Commission approve this application on an expedited basis and issue an Order no later than the Public Meeting scheduled for October 28, 2011.

10. PECO has provided copies of this Request to the Bureau of Investigation and Enforcement, the Bureau of Technical Utility Services, the Law Bureau, the Office of Consumer Advocate, and the Office of Small Business Advocate and Exelon Generation. PECO will provide such other notice as the Commission may direct.

WHEREFORE, for the reasons set forth above, the Commission should find and determine that the Interconnection Agreement, as amended, complies with the requirements of 66 Pa. C.S. §§ 2102(a) and (b) and, therefore grant its approval under those provisions and any other provisions the Commission may deem applicable.

Respectfully submitted,


Jeanne J. Dworetzky (Pa. No. 62389)
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Date: September 26, 2011

Counsel for PECO Energy Company

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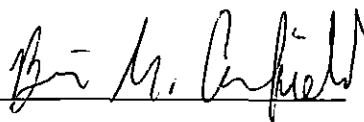
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VERIFICATION

I, BRIAN M. CAMFIELD, Manager of Regional Capacity Planning, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect PECO Energy Company to be able to prove the same at any hearing in this matter. I understand the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: September 26, 2011



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BEFORE THE
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PECO ENERGY COMPANY'S :
REQUEST FOR APPROVAL OF :
AMENDED AFFILIATE : DOCKET NO. M-2011-_____
INTERCONNECTION AGREEMENT :

CERTIFICATE OF SERVICE

I, Jeanne J. Dworetzky, hereby certify and affirm that I have this day served a true and correct copy of the **Request For Contract Approval On Behalf Of PECO Energy Company** upon the following:

VIA FEDERAL EXPRESS

Irwin Popowsky
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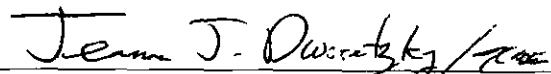
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Dated: September 26, 2011

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INTERCONNECTION AGREEMENT

SEP 26 2011

By and Between

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy Company

and

Exelon Generation Company, L.L.C.

for the

Schuylkill Generating Station

Dated as of January 12, 2001

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INTERCONNECTION AGREEMENT

This Interconnection Agreement (the "Agreement"), dated as of January 10, 2001, is entered into by and between PECO Energy Company ("Company"), a Pennsylvania corporation, and Exelon Generation Company, L.L.C. ("Producer"), a Pennsylvania limited liability company, for the purpose of setting forth the terms and conditions under which Company will provide Interconnection Service to Producer for Producer's Schuylkill Generating Station located at 2800 Christian Street, Philadelphia, PA 19146 (the "Station"). The Producer and the Company are referred to herein individually as "Party", and collectively, as "Parties".

WITNESSETH:

WHEREAS, pursuant to an Application under §203 of the Federal Power Act filed with the FERC, (the "Application), Company will be restructured and disaggregated into, among other surviving companies, Company and Producer;

WHEREAS, pursuant to the Application, Company will, on and after the Closing Date, own the transmission and distribution facilities currently owned by Company (the "PECO T&D System") and Producer will, on and after the Closing Date, own the Station;

WHEREAS, the Station currently is interconnected with the PECO T&D System and will remain interconnected with that system on and after the Closing Date when Company disaggregates, retaining ownership of said system;

WHEREAS, the Company and the Producer have agreed to execute this Agreement in order to establish the requirements, terms, and conditions for the continuing interconnection of the Station with the Company Transmission System; and

Issued By: Robert N. Spencer

Issued on: 12 April 2001

Filed to comply with Order of the Federal Energy Regulatory Commission, Docket No. ER00-803-003
issued 14 March 2001, 94 FERC ¶ 61,256

Effective: 12 January 2001

WHEREAS, the Parties agree to cooperate and execute their respective obligations and responsibilities under this Agreement in good faith.

NOW THEREFORE, in consideration of the mutual representations, covenants, and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.0 Definitions. Wherever used in this Agreement with initial capitalization, the following terms shall have the meanings specified or referred to in this Article 1.

1.01 "Affiliate" has the meaning set forth in Rule 12(b)-(2) of the General Rules and Regulations under the Securities Exchange Act of 1934.

1.02 "Agreement" shall mean this Interconnection Agreement by and between the Company and the Producer, including all schedules attached hereto and any amendments hereto.

1.03 "CFR" shall mean the Code of Federal Regulations, as they may be amended from time to time.

1.04 "Closing Date" shall mean the date on which title to the Station is transferred from Company to Producer.

1.05 "Company" shall have the meaning assigned to such term in the first paragraph of this Agreement.

1.06 [Reserved]

1.07 "Company Transmission System" shall mean the facilities owned or controlled by the Company for purposes of providing transmission service, including services under the PJM Tariff and Interconnection Service.

1.08 "Costs" shall mean costs and expenses, including, but not limited to, capital expenditures, if applicable, and the costs of financing and taxes. Costs will be calculated on a time and materials basis, including overhead.

1.09 [Reserved]

1.10 "Electricity" shall mean electric capacity and/or energy.

1.11 "Emergency" shall have the meaning customarily attributed to it in the electric utility industry in PJM and Pennsylvania, including, without limitation, a condition or situation which is deemed imminently likely to endanger public health, life, or property, or adversely affect or impair the Company Transmission System, the Station, or the electrical or transmission systems of others to which the Company Transmission System, the Parties' Secondary Systems, and the Producer's electrical system, are directly or indirectly connected.

1.12 "FERC" shall mean the Federal Energy Regulatory Commission or its successor.

1.13 "FPA" shall mean the Federal Power Act, as it may be amended from time to time.

1.14 "Good Utility Practice" shall mean any of the applicable practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment by a Party in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition, giving due regard to the requirements of governmental agencies having jurisdiction. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region as they may be applicable to Company as a transmission system operator and to Producer as a generator of electricity.

1.15 "Hazardous Substances" shall mean those substances, materials, products, or wastes which are classified as hazardous or toxic under any applicable federal, state or local law, or any regulations promulgated thereunder, effective the date of execution of this Agreement.

1.16 "Index Rate" means the Wall Street Journal Prime Rate in effect on the date such interest begins to accrue. The "Wall Street Journal Prime Rate" is the "Prime Rate" for domestic banks, as published in The Wall Street Journal in the "Money Rates" section. If more

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than one such rate is published on any given day, the highest published rate will be used to determine the Index Rate. If The Wall Street Journal ceases to publish a "Prime Rate," the Party to whom obligations subject to the Index Rate are owed may choose a reasonably equivalent substitute source for the Prime Rate, such as the publicly-announced Prime Rate for ninety (90) day commercial loans in New York City of Citibank, N.A., in effect on the date such interest begins to accrue.

1.17 "Interconnection Points" are the points at which the Producer's ownership of Station facilities ends and Company's ownership of Company Transmission System facilities begins, as represented and described on the one-line diagram attached hereto as Schedule A.

1.18 "Interconnection Service" shall mean the services provided by the Company to interconnect the Station with the Company Transmission System pursuant to the terms of this Agreement in order to allow the flow of Electricity at the Interconnection Points.

1.19 "Investment Grade Credit Rating" shall mean with respect to any entity (i) a rating a "Baa3" or better from Moody's, "BBB-" or better from S&P or investment grade as determined by another nationally recognized rating service and (ii) a net worth of at least One Hundred Million Dollars (\$100,000,000).

1.20 "Joint Use Facilities" shall mean facilities and equipment which are owned by either the Company or the Producer and which contribute to the operational reliability of the Company Transmission System and the Station and are operated jointly by the Company and the Producer.

1.21 "MAAC" shall mean the Mid-Atlantic Area Council, a regional reliability council, or its successor.

1.22 "Meter Error Correction Period" means the actual time period of a meter's registration error, if such time period is definitely known, or, if unknown, a period equal to one half (½) the time elapsed since the last previous test of the meter, plus, if the meter has not been tested in accordance with Section 9.3 of this Agreement, the period the meter has been in service beyond the required test period.

1.23 "Meter Error Percentage" means the difference, expressed as a percentage, between actual meter registrations during testing and the registrations the meter would have made if it were neither fast nor slow, at a level that the Parties mutually agree in good faith is representative of the actual power flow during the Meter Error Correction Period.

1.24 "Metering Equipment" means all metering at Metering Points designated in Schedule D, including, without limitation, Revenue Meters but specifically excluding Retail Metering Equipment.

1.25 "Metering Points" mean the points at which the current transformers that provide input to the Metering Equipment are located.

1.26 "Modification" means any new construction, additions, design changes, or modifications made by Company to the Company Transmission System or by the Producer to the Station.

1.27 "NERC" shall mean North American Electric Reliability Council or its successor.

1.28 "Net Electric Output" means the electric output of the Station as determined pursuant to the procedures specified in Schedule C, which may be amended from time to time by the Parties' mutual agreement.

1.29 "OSHA" shall mean the Occupational Safety and Health Administration or its successor.

1.30 "PaPUC" shall mean the Pennsylvania Public Utility Commission, or its successor.

1.31 "PJM" shall mean the PJM Interconnection, L.L.C., or its successor or equivalent, an entity to which the Company has transferred responsibility to direct the operation of the Company Transmission System and to administer the PJM Tariff.

1.32 "PJM Agreement" shall mean the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. dated 2 June 1997, as it may be modified, amended, or restated from time to time.

1.33 "PJM Control Area" shall mean that certain control area recognized by NERC which encompasses the Company Transmission System, among others.

1.34 "PJM Tariff" shall mean that certain Open Access Transmission Tariff on file with FERC and designated PJM's FERC Electric Tariff Third Volume No. 1, as it may be

amended or superseded from time to time, under which transmission service is provided over the Company Transmission System and elsewhere within the PJM Control Area.

1.35 "Producer" shall have the meaning assigned to such term in the first paragraph of this Agreement.

1.36 "Regulatory Requirements" shall mean any of the applicable practices, methods and acts required by NERC, FERC, MAAC, PJM, OSHA, PaPUC, or other governmental agency or regional reliability council having jurisdiction over the Parties with regard to the subject matter of this Agreement, or the successor of any of them.

1.37 "Release" shall mean release, spill, leak, discharge, dispose of, pump, emit, empty, inject, leach, dump, or allow to escape into or through the environment.

1.37a "Retail Metering Equipment" shall mean all metering at the points designated in Schedule D which is owned by the Company and used for the measurement of Station Service Power.

1.38 "Revenue Meters" shall mean all MWH, MVARH meters, pulse isolation relays, pulse conversion relays, or transducers used by PJM, the Producer, or the Company for billing purposes, and associated totalizing equipment and appurtenances (including voltage transformers and current transformers) used to measure the transfer of Electricity and ancillary electrical products between the Parties.

1.39 "SCADA" means Supervisory Control and Data Acquisition equipment.

1.40 "Secondary Systems" shall mean control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers.

Issued By: Robert N. Spencer

Issued on: 12 April 2001

Effective: 12 January 2001

Filed to comply with Order of the Federal Energy Regulatory Commission, Docket No. ER00-803-003 issued 14 March 2001, 94 FERC ¶ 61,256

1.41 "Station" shall mean the facilities and land owned by the Producer at the location in the first recital herein above used for the production of Electricity including steam turbines, electric generators and their auxiliary equipment.

1.42 "Station Service Power" shall mean the electric energy consumed by the Station as determined pursuant to the procedures specified in Schedule C, which may be amended from time to time by the Parties' mutual agreement.

1.43 "Switching, Tagging, and Blocking Rules" shall mean the Company's, the Producer's, and the Parties' joint switching, tagging and blocking rules and procedures, as they may be amended from time to time.

ARTICLE 2 **EFFECTIVE DATE**

2.1 Effective Date. Subject to required regulatory authorizations, including, without limitation, acceptance by FERC under Section 205 of the FPA, this Agreement shall become effective when signed by the Parties, except that the obligations to provide Interconnection Service and any other services described herein shall become effective on the Closing Date.

2.2 Regulatory Filing. The Company shall tender this Agreement to FERC for filing as a rate schedule within the meaning of 18 CFR Part 35. The Producer agrees to reasonably cooperate with the Company with respect to such filing and to provide any information, including the filing of testimony, reasonably requested by the Company, to comply with applicable Regulatory Requirements.

ARTICLE 3
INTERCONNECTION SERVICE

3.1 Service.

3.1.1 The Company shall, in accordance with Good Utility Practice, provide the Producer with Interconnection Service for the Station.

3.1.2 As of the Closing Date, the Producer shall operate the Station so that the maximum Net Electric Output of the Station shall not exceed 216 MW. Maximum Net Electric Output may be modified according to the provisions of Article 6.

3.2 Services Outside Scope.

3.2.1 Transmission Arrangements. Transmission service over Company Transmission System does not fall within the scope of this Agreement. Producer, or the purchaser of Producer's capacity or energy output, shall be responsible for making any and all arrangements for transmission service with PJM.

3.2.2 Dispatching and Scheduling. Producer shall be responsible for making separate arrangements for dispatching, scheduling and data handling services which may be required by PJM or the purchaser of Producer's capacity or energy output.

3.2.3 Purchase of Station Output. Producer shall be responsible for selling the power output from the Station.

3.2.4 Station Service Power. The supply of Station Service Power does not fall within the scope of this Agreement. Producer shall be responsible for making all necessary arrangements for the procurement and delivery of Station Service Power. Notwithstanding the above, nothing in this Section 3.2.4 shall modify the obligations of the Company set forth elsewhere in this Agreement.

ARTICLE 4
OPERATIONS AND MAINTENANCE

4.1 Company Obligations. The Company shall operate and maintain the Company Transmission System subject to the procedures and directives of PJM and in accordance with Good Utility Practice.

4.2 Producer Obligations. The Producer will operate and maintain the Station in accordance with Good Utility Practice and in accordance with Company's Requirements for Parallel Operation of Generation filed with the PaPUC from time to time pursuant to PaPUC Rules and Regulations § 57.37. In case of conflict between this agreement and the Requirements for Parallel Operation of Generation, the provisions of this agreement shall govern. The Parties agree that as of the Closing Date the Station is substantially in accordance with the Company's Requirements for Parallel Operation of Generation.

4.3 Access Rights. The Parties shall adopt documents and keep them in force at all times granting each other such easements and access rights as may be necessary for either Party's performance of their respective obligations under this Agreement; provided that, notwithstanding anything stated herein, a Party performing work within the boundaries of the other Party's facilities must abide by the rules applicable to that site..

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4.4 Switching, Tagging, and Blocking Rules. The Parties shall abide by their respective Switching, Tagging and Blocking Rules for obtaining clearances for work or for switching operations on equipment. With regard to Joint Use Facilities, the Parties will follow mutually-agreeable Switching, Tagging, and Blocking Rules in order to obtain clearances for work on equipment requiring switching of both Parties' facilities. The Parties will adopt mutually-agreeable Switching, Tagging, and Blocking Rules by a date not later than the Closing Date.

4.5 Reactive Power and Voltage Schedules.

4.5.1 Voltage Schedules. Consistent with the requirements of PJM, the Company shall from time to time provide to Producer a target MVAR output at the Interconnection Points applicable at various times and under various system conditions. By agreement of the Parties, the target MVAR output may instead be specified for points other than the Interconnection Points.

4.5.2 Producer's Obligation. Within the reactive power limitations of the Station and consistent with Good Utility Practice, Producer shall, using automatic voltage regulating equipment when available, adjust the reactive power output of the Station's main generators such that the voltage at the Interconnection Points or other agreed points falls within the target voltage range or such other voltage range as PJM or the Company may request under Emergency conditions.

4.5.3 Compensation. Compensation if any to Producer for providing reactive power supply or voltage control service is outside the scope of this Agreement.

4.6 Joint Use Facilities. The Parties may by mutual agreement designate Joint Use Facilities and adopt procedures specifying which Party is to operate a particular Joint Use Facility. The Parties shall follow any such procedures which may be in effect from time to time.

4.7 [Reserved]

4.8 Preventive and Corrective Maintenance Outages.

4.8.1 Planning and Scheduling. In accordance with Good Utility Practice and in order to facilitate maintenance of reliability on the Company Transmission System and the Station, the Parties shall confer regularly to coordinate the planning and scheduling of preventive and corrective maintenance, Modifications, operational changes and facilities construction, or system expansion on a Party's facilities that might reasonably be expected to affect the operation of the other Party's facilities. A Party shall, as soon as practicable, give written notice to the other regarding the timing of any scheduled maintenance of its respective facilities that might reasonably be expected to affect the operation of the other Party's equipment. Absent an emergency or a contrary direction from PJM, the Parties shall coordinate their respective schedules for any testing, shutdown, or withdrawal of Facilities.

4.8.2 Implementation. In accordance with Good Utility Practice, the Company and/or the Producer, in close cooperation with each other, may remove their respective

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Effective: 12 January 2001

equipment from service as necessary to perform maintenance or testing or to install or replace such equipment. In accordance with Good Utility Practice, the Company and the Producer shall coordinate the implementation of any preventive and corrective maintenance, Modifications, operational changes and facilities construction or system expansion that may reasonably be expected to affect the operation of the other Parties' equipment. Consistent with Good Utility Practice, each Party shall conduct such preventive maintenance activities as planned and corrective maintenance activities as they become necessary.

4.9 [Reserved]

4.10 Inspections and Testing.

4.10.1 Company Inspections. The Company shall perform routine inspection and testing of the Company's equipment on the Company Transmission System in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Station to the Company Transmission System in a safe and reliable manner.

4.10.2 Producer Inspections. The Producer shall perform routine inspection and testing of the Producer's equipment at the Station in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Station to the Company Transmission System in a safe and reliable manner.

4.10.3 Company Right to Observe Testing. The Company shall have the right to observe the testing of any equipment at the Station, the performance of which may reasonably be expected to affect the reliability of the Company Transmission System. The Producer shall

notify the Company in advance of such testing unless, in the Producer's reasonable judgment, the testing must be performed immediately, in which case the Producer shall provide notice as soon as practicable. The Company may have a representative attend and be present during such testing.

4.10.4 Producer Right to Observe Testing. The Producer shall have the right to observe the testing of any equipment on the Company Transmission System, the performance of which may reasonably be expected to affect the reliability of the Station. The Company shall notify the Producer in advance of such testing unless, in the Company's reasonable judgment, the testing must be performed immediately, in which case the Company will provide notice as soon as practicable. The Producer may have a representative attend and be present during such testing.

4.10.5 Company Observation of Deficiencies. If the Company observes any condition it believes may be inconsistent with Good Utility Practice with respect to the Station that might reasonably be expected to adversely affect the Company Transmission System, the Company shall notify the Producer.

4.10.6 Producer Observation of Deficiencies. If the Producer observes any condition it believes may be inconsistent with Good Utility Practice with respect to the Company Transmission System that might reasonably be expected to adversely affect the Station, the Producer shall notify the Company.

4.11 Disconnection. To the extent practicable, in the event of an Emergency that requires disconnection of the Station from the Company Transmission System or the Station

from off-site power sources, the Company shall give Producer reasonable opportunity to shut down the Station in a controlled manner before the Company disconnects the Station from the Company Transmission System. Except in an Emergency or pursuant to Section 18.3, the Company shall not under any circumstance deliberately disconnect the Station from the Company Transmission System while the Station is generating power or receiving station service.

4.12 Restoration.

4.12.1 Unplanned Outage. In the event of an unplanned outage of any facility of the Company Transmission System or of the Station that adversely affects the other Party with respect to the Company Transmission System or the Station, the Party that owns or controls the facility will use efforts consistent with Good Utility Practice to promptly restore that facility to service.

4.12.2 Planned Outage. In the event of a planned outage of any facility of the Company Transmission System or of the Station that may adversely affect the other Party with respect to the Company Transmission System or the Station, the Party that owns or controls the facility will use efforts consistent with Good Utility Practice to restore that facility to service in accordance with its schedule for the work that necessitated the planned outage.

4.13 Secondary Systems Power. In accordance with Good Utility Practice, each Party shall provide the other Party with Secondary System power as has historically been provided.

ARTICLE 5
EMERGENCIES

5.1 Obligations. Each Party agrees to comply with PJM Emergency procedures and Company and Producer Emergency procedures, as applicable, for implementing NERC and MAAC rules, other Regulatory Requirements, and the Parties' operating commitments, as applicable, with respect to Emergencies, and to comply with directives issued thereunder.

5.2 Notice. The Company shall provide the Producer with oral notification that is prompt under the circumstances of an Emergency that may reasonably be expected to affect the Producer's operation of the Station or the Joint Use Facilities, to the extent the Company is aware of the Emergency. The Producer shall provide the Company with oral notification that is prompt under the circumstances of an Emergency which may reasonably be expected to affect the Company Transmission System or the Joint Use Facilities, to the extent the Producer is aware of the Emergency. To the extent the Party becoming aware of an Emergency is aware of the facts of the Emergency, such notification shall describe the Emergency, the extent of the damage or deficiency, its anticipated duration, and the corrective action taken and/or to be taken, and shall be followed as soon as practicable with written confirmation of the facts.

5.3 Immediate Action. In the event of an Emergency, the Party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, and loss.

5.4 Company Authority. The Company may, consistent with Good Utility Practice, take whatever actions or inactions the Company deems necessary during an Emergency, including, without limitation, to request and comply with directives of PJM, in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Company Transmission System; (iii) limit or prevent damage; and (iv) expedite restoration of service. The Company shall use reasonable efforts to minimize the effect of such actions or inactions on the Station.

ARTICLE 6
NEW CONSTRUCTION OR MODIFICATIONS OR OPERATIONAL CHANGES

6.1 Change Initiated by Producer

6.1.1 Generally. The Producer shall make such Modifications or operational changes to its facilities as are necessary to comply with Good Utility Practice. In addition, the Producer, subject to the remaining provisions of this Article, may choose to make Modifications or operational changes to the Station or to other property, equipment or facilities it owns on its side of the Interconnection Point. All Modifications or operational changes made in conformity with this Section shall be made at the Producer's sole cost and expense.

6.1.2 Notice to the Company. In the event the Producer plans to undertake Modifications or operational changes that reasonably may be expected to impact the Company Transmission System including without limitation Modifications or operational changes that

would result in an increase in maximum Net Electric Output, the Producer shall provide the Company with at least ninety (90) days advance notice of the desired Modifications or operational changes accompanied by the relevant drawings, plans, and specifications. The design of the Modifications, as well as the schedule of work for performing such Modifications, or the nature of the operational changes shall be subject to review and acceptance by the Company which shall not be untimely nor unreasonably withheld, but the suitability and the responsibility for the safe and adequate design, operation and maintenance of the Station shall be and remain the sole obligation of the Producer. When required by PJM and MAAC procedures, such planned Modifications or operational changes shall be submitted by Producer to PJM and MAAC as required by the PJM and MAAC procedures. Prior to making such Modifications or operational changes, Producer shall satisfy all requirements imposed pursuant to PJM and MAAC procedures.

6.1.3 [Reserved]

6.1.4 Compensation. The Producer shall compensate the Company for the reasonable costs of any Modifications or operational changes to the Company Transmission System or to any other Company-owned facility or property that are reasonably necessary as a result of Modifications or operational changes to the Station by the Producer.

6.2 Change Initiated by Company:

6.2.1 Generally. The Parties hereto recognize that the Company, according to Good Utility Practice, may determine during the term of the Agreement that certain

modifications, improvements, repairs, additions, replacements or other changes on or to the Company Transmission System are necessary to (i) accommodate changing patterns of demand and usage of electric power and energy, (ii) meet other changes in the Company's electrical system, (iii) maintain the quality of the interconnection installations necessary for the provision of Interconnection Service under this Agreement or (iv) meet Regulatory Requirements.

6.2.2 Notice to the Producer. If such modifications, improvements, repairs, additions, replacements or other changes on or to the Company Transmission System require associated Modifications or operational changes to the Station and/or the Metering Equipment, the Company shall provide the Producer at least ninety (90) days advance notice for the need for such Modifications or operational changes including the date by which such Modifications or operational changes are needed.

6.2.3 Compensation: Producer shall be responsible for costs associated with Modifications or operational changes to the Station which are required by PJM or are part of a plan approved by PJM or other FERC authorized planning authority.

6.2.4 Change Initiated by a Third Party: When Modifications or operational changes to the Station are required to accommodate a third party, Producer, or Company on behalf of Producer, will attempt to recover Producer's costs and expenses from that third party. Any Company attempt will be in a manner similar to Company's efforts to recover its own costs resulting from any change initiated by a third party. Company will pay to Producer any amount which Company collects from the third party on behalf of Producer.

6.2.5 Voluntary Modifications or Operational Changes by the Company. Where the Company makes a Modification or operational change that is not required by PJM or part of a plan approved by PJM or other FERC authorized planning authority to the Company Transmission System that consequentially requires Modifications or operational changes to the Station, such Modifications or operational changes shall be made at the sole cost and expense of the Company, unless otherwise agreed to in writing by the Parties. The Company's responsibility for such Modification or operational change costs is limited to those costs that are incremental to costs already planned to be incurred by the Producer.

6.3 Modification Drawings. Upon completion of any Modification to the Station that may reasonably be expected to affect the Company Transmission System, but no later than ninety (90) days thereafter, the Producer shall issue "as built" drawings to the Company. Upon completion of any Modification to the Company Transmission Facilities that may reasonably be expected to affect the Station, but no later than ninety (90) days thereafter, the Company shall issue "as built" drawings to the Producer.

ARTICLE 7 **SAFETY**

7.1 General. The Company and the Producer agree that all work performed by either Party that may reasonably be expected to affect the other Party shall be performed in accordance with Good Utility Practice and all applicable Regulatory Requirements pertaining to the safety of

persons or property. A Party performing work within the boundaries of the other Party's facilities must abide by the safety rules applicable to the site.

7.2 [Reserved]

7.3 Environmental Releases. Each Party shall notify the other Party, first orally and then in writing, of the release of Hazardous Substances, any asbestos, PCB, mercury or lead abatement activities, or any type of remediation activities, each of which may reasonably be expected to affect the other Party, as soon as possible but not later than twenty-four (24) hours after the Party becomes aware of the occurrence, and shall promptly furnish to the other Party copies of any reports filed with any governmental agencies addressing such events.

ARTICLE 8 **DOCUMENTATION AND INFORMATION REPORTING**

8.1 [Reserved]

8.2 Information Reporting Obligations. The Producer shall, in accordance with Good Utility Practice, promptly provide to the Company all relevant information, documents, or data regarding the Station which may reasonably be expected to pertain to the reliability of the Company Transmission System and which has been reasonably requested by the Company. The Company shall, in accordance with Good Utility Practice, promptly provide to the Producer all relevant information, documents, or data regarding the Company Transmission System which may reasonably be expected to pertain to the reliability of the Station and which has been reasonably requested by the Producer.

Issued By: Robert N. Spencer

Issued on: 12 April 2001

Effective: 12 January 2001

Filed to comply with Order of the Federal Energy Regulatory Commission, Docket No. ER00-803-003
issued 14 March 2001, 94 FERC ¶ 61,256

ARTICLE 9
METERING AND TELEMETERING

9.1 Metering Equipment.

9.1.1 Except as provided in Section 9.1.2, the Producer shall own, maintain and install all Metering Equipment and associated equipment at the Station, including potential transformers, current transformers, pulse equipment, totalizing equipment, communications equipment, and communications lines to the Company communications system.

9.1.2 When metering equipment serves as both Metering Equipment measuring Electricity for wholesale sales and Retail Metering Equipment measuring Electricity for retail sales, such metering equipment shall be owned and maintained by the Company. Regulatory Requirements for Retail Metering Equipment are determined by the PaPUC.

9.2 Installation of New Advanced Metering. The Producer, at its sole discretion and at its expense, may upgrade the Metering Equipment at the Station.

9.3 Meter Readings. Producer shall make meter readings available to the Company and to PJM. The procedures and time schedule by which such meter readings are communicated or made available to be obtained electronically shall be mutually agreeable to Producer and Company. Company shall make no further dissemination of meter reading data to third parties.

9.4 Meter Testing. Testing of the Metering Equipment shall occur as follows:

(a) At least once every two (2) years, the Producer shall verify the accuracy of the Metering Equipment by performing periodic testing thereof in conformity with applicable Regulatory Requirements.

(b) Either Party may, at any time, request in writing additional testing of the accuracy of any Metering Equipment.

(c) The Metering Equipment shall be sealed, and the Company shall be informed in advance and may have a representative present when such seals are broken or when a recording meter is inspected, tested or adjusted.

9.4.1 Records. The Parties will provide to each other accurate and detailed records of meter tests.

9.5 Meter Error. Metering Equipment shall be considered accurate if the Meter Error Percentage does not exceed plus or minus one percent, or a smaller percentage if directed by applicable Regulatory Requirements. If, as a result of an accuracy test, Metering Equipment is found to have a Meter Error Percentage in excess of that level, the Producer shall restore the Metering Equipment to a condition of accuracy or replace it. If either Party believes that there has been a Metering Equipment inaccuracy, failure or stoppage, it shall immediately notify the other Party thereof.

9.6 Meter Failure. In the event of a failure of the Metering Equipment installed at the Station, the meter readings shall be estimated jointly by the Company and the Producer, in close coordination and cooperation with each other, based on the best information available, including, but not limited to, other meters, operational logs, and real-time communications data of the meter results.

9.7 Meter Reading Adjustments. If at any time any Metering Equipment is found to have a Meter Error Percentage in excess of the level specified in Section 9.5, meter readings for

the period of the inaccuracy will be adjusted in accordance with PJM procedures insofar as the extent of the meter inaccuracy can be reasonably ascertained.

9.8 Differing Electrical Locations. The Parties agree that if the Metering Points and the Interconnection Points are not in the same location electrically, the Metering Equipment shall be adjusted to record delivery of Electricity and ancillary electrical products, as applicable and as capabilities permit, in a manner that accounts for the electrical losses occurring between the Metering Points and the Interconnection Points. All such adjustments to Metering Equipment will be made in accordance with the protocol set forth in Schedule C or in accordance with such other protocol upon which the Parties may agree, each of which will conform with applicable Regulatory Requirements.

9.9 Hourly and Monthly Meter Reading Reconciliation. The methods adopted for PJM shall be used in determining the amount and effect of any reconciliation between the sum of hourly readings for a month and readings taken at the beginning and the end of the month.

9.10 Telemetry Equipment. Producer shall furnish telemetry equipment in accordance with Good Utility Practice to interconnect with the Company's and PJM's SCADA equipment in order to satisfy applicable Regulatory Requirements.

9.11 Telemetry Inaccuracy. If either Party believes that there has been a telemetry equipment inaccuracy, failure, or stoppage, it shall immediately notify the other Party thereof.

ARTICLE 10
CHARGES

10.1 General. Unless specified elsewhere in this Agreement, or unless the Parties otherwise agree, each Party shall bear the Costs of its performance under this Agreement.

10.2 Extraordinary Action. In the event a Party requests the other Party to take extraordinary action with regard to analysis, testing, information reporting, or record keeping, the requesting Party shall pay the other Party's added Costs associated with the extraordinary action. For purposes of this provision, "extraordinary action" will be action in excess of the action the requested Party would take in the ordinary course of its business.

10.3 [Reserved]

10.4 Communications. The Parties agree to communicate regarding the scope and necessity of any work to be performed under this Agreement. In an effort to manage Costs under this Agreement, the Parties shall consult with each other on an annual basis, or more frequently as necessary, to review and agree on the scope and estimated Costs of services which one Party requests the other Party to perform under this Agreement. Should a party become aware of a material change in estimated Costs from what was previously agreed upon, the Party will communicate the changes to the other Party and the Parties shall review whether the service can or should be continued. If the Party which originally requested the services elects to withdraw its request, it shall nevertheless pay any Costs incurred by the other Party up to that time, plus any Costs needed to wind up work already undertaken.

10.5 Other Charges. To the extent required by law or regulation, each Party shall make a submission to FERC setting forth the methodology for the calculation of their respective Charges.

ARTICLE 11
PAYMENTS AND BILLING PROCEDURES

11.1 General. Within a reasonable time after the first day of each month, each Party shall prepare and deliver to the other Party an invoice for those reimbursable services provided to the other Party under this Agreement during the preceding month.

11.2 Invoice. Each invoice shall delineate the month in which the services were provided, shall fully describe the services rendered, and shall be itemized to reflect the services performed or provided.

11.3 Payment. The invoice shall be paid within thirty (30) calendar days of issuance. All payments shall be made in immediately-available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party.

11.4 Disputes. Disputed amounts shall be placed, on or before the day the amount is due, in an interest-bearing escrow account, subject to resolution of the dispute.

11.5 Waiver. Payment of an invoice shall not relieve the paying Party from any other responsibilities or obligations it has under this Agreement, nor shall such payment constitute a waiver of any claims arising hereunder.

11.6 Interest. Interest on any unpaid amounts, including amounts placed in escrow, shall be calculated using an interest rate equal to the Index Rate in effect on the date payment is due plus two percent (2%) per annum. Interest on delinquent amounts shall be calculated from the due date of the invoice to the date of payment. When payments are made by mail, invoices shall be considered as having been paid on the date of receipt by the other Party.

11.7 Payment During Dispute. In the event of a billing dispute between the Company and the Producer, each Party shall continue to provide services as long as the other Party (i) continues to make all payments not in dispute, and (ii) pays into an escrow account the portion of the invoice in dispute, pending resolution of such dispute.

ARTICLE 12

REPRESENTATIONS AND WARRANTIES

12.1 Representations of Company. Company represents and warrants to Producer as follows:

12.1.1 Organization. Company is a corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Pennsylvania, and Company has the requisite corporate power and authority to own its properties and carry on its business as of the Closing Date.

12.1.2 Authority Relative to this Agreement. Subject to FERC acceptance or approval of this Agreement, Company has the requisite corporate power and authority to execute

and deliver this Agreement and to carry out the actions required of it by this Agreement. The execution and delivery of this Agreement and the actions it contemplates have been duly and validly authorized by all necessary corporate actions required on Company's part, and no other corporate proceedings on the part of Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. The Agreement has been duly and validly executed and delivered by Company and constitutes a legal, valid and binding Agreement of Company enforceable against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

12.1.3 Regulatory Approval. Except for FERC acceptance for filing or approval of this Agreement, Company has obtained or will timely obtain all approvals of, and has given or will give all notices to, any public authority that are required for Company to execute, deliver and perform its obligations under this Agreement.

12.1.4 Compliance With Law and Agreements. Company, to the best of its knowledge, is not in violation of any applicable law, statute, order, rule, or regulation promulgated by, or any judgment, decree, writ, injunction, or award rendered by, any federal, state, or local governmental court or agency which, individually or in the aggregate, would adversely affect Company's entering into or performance of its obligations under this Agreement.

Company's entering into and performance of its obligations under this Agreement will not give rise to any default under any agreement to which it is a party.

12.2 Representations of Producer. Producer represents and warrants to Company as follows:

12.2.1 Organization. Producer is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and Producer has the requisite corporate power and authority to own its properties and carry on its business as of the Closing Date.

12.2.2 Authority Relative to this Agreement. Subject to FERC acceptance or approval of this Agreement, Producer has the requisite corporate power and authority to execute and deliver this Agreement and to carry out the actions required of it by this Agreement. The execution and delivery of this Agreement and the actions it contemplates have been duly and validly authorized by all necessary corporate actions required on Producer's part, and no other proceedings on the part of Producer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Producer and constitutes a legal, valid and binding Agreement of Producer enforceable against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

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Effective: 12 January 2001

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issued 14 March 2001, 94 FERC ¶ 61,256

12.2.3 Regulatory Approval. Producer has obtained or will timely obtain all approvals of, and given all notices to, any public authority that are required for Producer to execute, deliver and perform its obligations under this Agreement.

12.2.4 Compliance With Law and Agreements. Producer, to the best of its knowledge, is not in violation of any applicable law, statute, order, rule, or regulation promulgated by, or any judgment, decree, writ, injunction or award rendered by, any federal, state, or local governmental court or agency which, individually or in the aggregate, would adversely affect Producer's entering into or performance of its obligations under this Agreement. Producer's entering into and performance of its obligations under this Agreement will not give rise to any default under any agreement to which it is a party.

ARTICLE 13 **ASSIGNMENT**

13.1 Successors and Assigns. This Agreement, and the rights and obligations created thereby, shall bind and inure to the benefit of the successors and assigns of the Parties hereto.

13.2 Consent Required. No Party hereto may assign any rights or obligations hereunder and no assignment may occur by operation of law, without obtaining the consent of the other Party, which consent shall not unreasonably be withheld, except that no prior consent is necessary where the assignee concurrently acquires the Station or substantially all of the

Company Transmission System, and where the assignee agrees in writing to be bound by all of the terms and conditions of this Agreement.

13.3 Assignment in Event of Merger or for Financing.

13.3.1 Notwithstanding anything to the contrary herein, this Agreement may be assigned by a Party, without the consent of the other to any entity or entities in connection with a merger, consolidation, reorganization or other change in the organizational structure of the assigning Party, provided that the surviving entity(ies) agrees, in writing, to assume the assigning Party's obligations and duties under, and be bound by, the terms of this Agreement and further satisfies one of the following criteria:

- (a) the assignee has an Investment Grade Credit Rating;
- (b) the obligations of the assignee are guaranteed by a parent with an Investment Grade Credit Rating; or
- (c) the assignment is being made in connection with a merger, consolidation or sale of substantially all the assignor's assets to another party that has a credit rating at least equal to that of the assignor.

13.3.2 A Party or its permitted assignee may assign, transfer, pledge or otherwise dispose of its rights and interests hereunder to a trustee or lending institution for the purposes of financing or refinancing any of the assigning Party's facilities. Each Party hereto agrees to execute and deliver such documents at requesting Party's expense as may be reasonably

necessary to accomplish any such assignment, transfer, pledge, or other disposition of rights hereunder for purposes of the financing or refinancing.

13.4 Party to Remain Responsible. Except for assignments pursuant to Section 13.3.1, no assignment, transfer, pledge, conveyance, or disposition of rights or obligations under this Agreement by a Party will relieve that Party from liability and financial responsibility for the performance thereof after any such assignment, transfer, conveyance, pledge, or disposition unless and until the transferee or assignee agrees in writing to assume the obligations and duties of that Party under this Agreement and the non-assigning Party has consented in writing to such assumption and to a release of the assigning Party from such liability.

13.5 Termination of Corporate Existence. If a Party terminates its existence as a corporate entity by acquisition, sale, consolidation, or otherwise, or if all or substantially all of such Party's assets are transferred to another person or business entity, without complying with Section 13.2, above, the other Party will have the right, enforceable in a court of competent jurisdiction, to enjoin the Party's successor from using its facilities in any manner that interferes with, impedes, or restricts the other Party's ability to carry out its ongoing business operations, rights and obligations.

ARTICLE 14 **INSURANCE**

14.1 Obligations. Each Party shall maintain, at its own cost, fire, liability, worker's compensation, and such other forms of insurance, in such amounts and on such terms and

conditions as is customary and reasonable in the electric utility industry and in conformance with Good Utility Practice.

14.2 Proof of Coverage. The Parties agree to furnish each other with certificates of insurance evidencing the insurance coverage obtained in accordance with the preceding Section 14.1, and the Parties agree to notify each other of any amendments and to make available for the other Party's review (subject to the confidentiality requirements of Article 21) complete copies of any policies (including all amendments thereto) maintained hereunder upon written request. Each Party must notify the other Party within five (5) days of receiving notice of cancellation, change, amendment or non-renewal of any insurance policy.

ARTICLE 15 **FORCE MAJEURE**

15.1 General. Notwithstanding anything in this Agreement to the contrary, neither Party shall be considered to be in default or breach of this Agreement or liable in damages or otherwise responsible to the other Party for any delay in or failure to carry out any of its obligations under this Agreement if, and only to the extent that, it is unable to perform or is prevented from performing by an event of Force Majeure. This Exemption from liability will extend for the period of time necessitated by such event of Force Majeure. Such event of Force Majeure will not relieve either Party of its obligation to make payments hereunder.

15.2 Definition. The term "Force Majeure" as used herein means those causes beyond the reasonable control of the Party affected, which, through the exercise of Good Utility Practice

and reasonable care, that Party could not have avoided or overcome and which wholly or in part prevents such Party from performing its obligations under this Agreement, including, without limitation, the following: any act of God; labor disturbance; act of the public enemy; war; insurrection; riot; fire; storm; flood; sun spots; lightning strikes; earthquake; explosion; breakage or accident to machinery or equipment; electric system disturbance; order, regulation, or restriction imposed by governmental, military, or lawfully established civilian authorities; action of any court or governmental authority; or any other cause of a similar nature beyond a Party's reasonable control. Mere economic hardship of a Party does not constitute Force Majeure.

15.3 Limitations. In the event of Force Majeure, a Party's obligations can only be excused to the extent and for the period that the Party's inability to perform is caused by an event of Force Majeure affecting the Party and only to the extent of the duration of the same, provided that the Party claiming Force Majeure shall make all reasonable efforts to cure, mitigate or remedy the effects of the Force Majeure event. Nothing herein shall be construed to require any Party to settle a labor dispute, lockout or strike.

15.4 Notice. A Party claiming Force Majeure as a basis for being excused from performance of its obligations under this Agreement must: (i) provide oral notice that is prompt under the circumstances, followed by written notice of the occurrence of the Force Majeure event to the other Party no later than twenty (20) business days after the occurrence of the event which provides an estimate of the event's expected duration and the probable impact on the performance of the Party's obligations hereunder; (ii) exercise all reasonable efforts in

accordance with Good Utility Practice to continue to perform its obligations under this Agreement; (iii) expeditiously take reasonable action to correct or cure the Force Majeure event, provided, however, that settlement of strikes or other labor disputes is completely within the sole discretion of the Party affected by such strike or labor dispute; and (iv) provide prompt notice to the other Party of the cessation of the Force Majeure event. Failure to provide notice of the occurrence of the Force Majeure event required hereunder shall preclude such Party from relying upon Force Majeure to excuse its failure to perform or avoid breach or default as a result of such failure.

ARTICLE 16 **LIABILITY AND INDEMNIFICATION**

16.1 Limitation on Liability. Neither Company nor Producer nor their respective officers, directors, agents, employees, parent or affiliates, successors or assigns, will be liable to the other Party or its parent, subsidiaries, affiliates, officers, directors, agents, employees, successors or assigns, for claims, suits, actions or causes of action, or otherwise, including third party claims, for incidental, punitive, special, indirect, multiple or consequential damages (including attorneys' fees and other litigation costs, costs of replacement power, or claims for lost profits or revenues) connected with or resulting from any action or inaction under this Agreement, including, without limitation, any such consequential damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law, or any other theory of recovery.

16.2 Indemnification.

16.2.1 Subject to the limitations and exclusions on liability set forth in this Article (but excluding the limitation regarding litigation costs and attorneys fees), the Company and the Producer agree that each Party shall be responsible for the electricity on its respective side of the Interconnection Points and shall indemnify, save harmless and defend the other from and against any and all claims, demands, costs or expenses (including, without limitation, reasonable attorneys fees and disbursements incurred in any action or proceeding between the Parties and a third party, or between a Party and a third party) for loss or damage to property or injury or death to persons in any manner directly or indirectly arising from, connected with or growing out of the presence or use of electricity or the transmission of electricity over the wires, cables, devices or appurtenances on such Party's side of the Interconnection Point.

16.2.2 Subject to the limitation on liability set forth in this Article (excluding the limitation regarding litigation costs and attorneys fees), the Parties shall indemnify, hold harmless, and defend each other, their parents, Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invites, and successors, from and against any and all claims, liabilities, costs, damages, and expenses (including, without limitation, reasonable attorneys fees and disbursements incurred in any action or proceeding between the Parties and a third party, or between a Party and a third party) for or arising from damage or loss caused wholly or in part by any action or inaction of the indemnifying Party under this Agreement except to the extent attributable to the negligence of the Party seeking indemnification.

16.2.3 Indemnification Procedures. If either Party intends to seek indemnification under this Article 16 from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount (estimated if necessary) of the claim that has been, or may be sustained by, said Party. Such timely notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Article 16. To the extent that the indemnifying Party is or will be actually and materially prejudiced as a result of the failure to provide such timely notice, the indemnifying Party's liability shall be reduced proportionate to such prejudice. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, such consent shall not be unreasonably withheld or delayed.

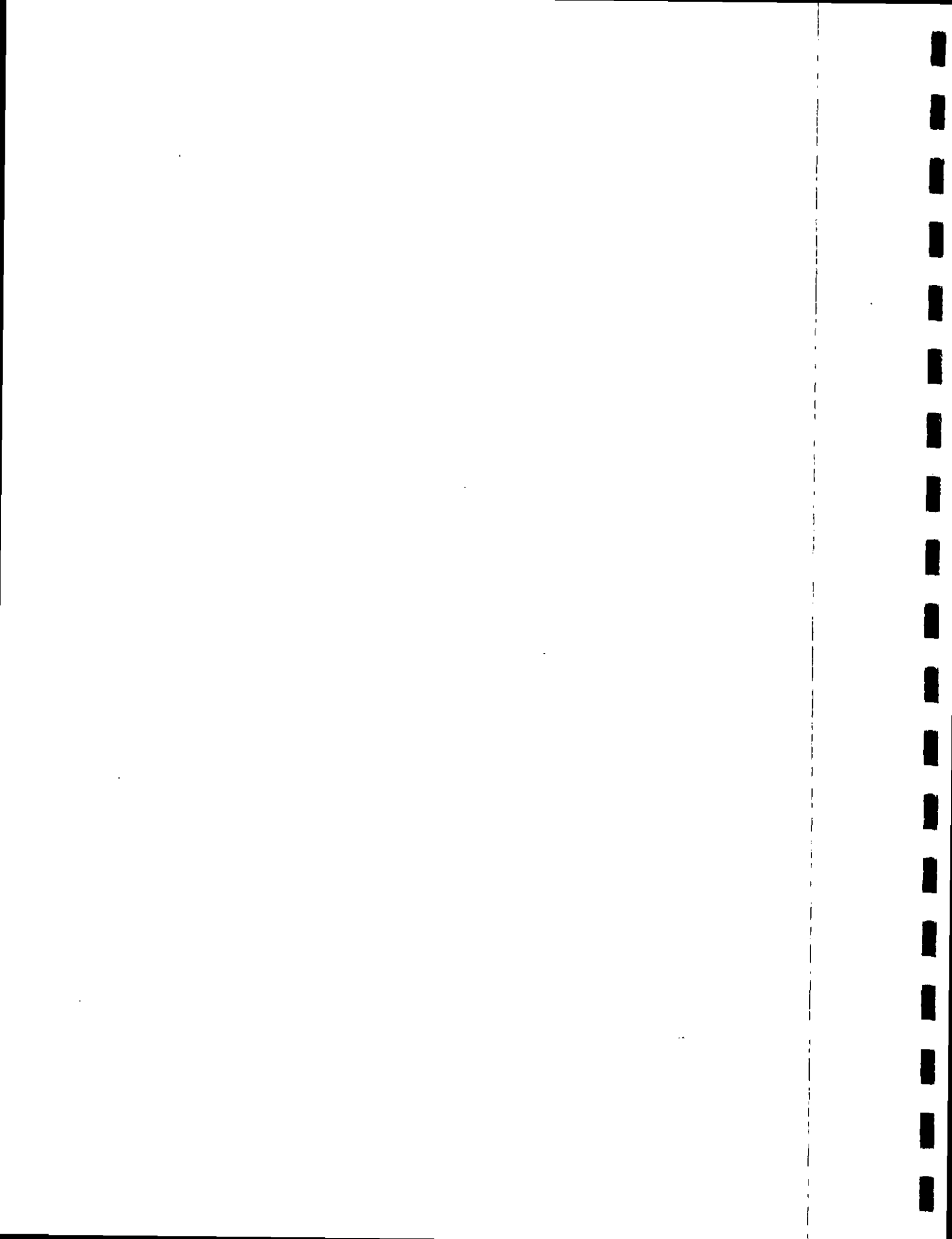
16.2.4 Notice. Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in this Article 16 may apply, the indemnified Party shall notify the indemnifying Party in writing of such fact. The indemnifying Party shall assume the defense thereof with counsel designated by such Party and reasonably satisfactory to the indemnified Party, whose consent to such designated counsel shall not be unreasonably withheld; provided, however, that if the defendants in any such action include both the indemnified Party and the

indemnifying Party and the indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the indemnifying Party, the indemnified Party shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified Party.

16.2.5 Right to Assume Defense. Should a Party be entitled to indemnification under this paragraph as a result of a claim by a third party, and the indemnifying Party fails to assume the defense of such claim, the indemnified party will at the expense of the indemnifying Party contest (or, with the prior written consent of such indemnifying Party, settle) such claim, provided that no such contest may be made, and settlement or full payment of any such claim may not be made, without consent of the indemnifying Party, which consent shall not be unreasonably withheld. In the event that a Party is obligated to indemnify and hold the other party and its successors and assigns harmless under this paragraph, the amount owing to the indemnified Party will be the amount of such Party's actual out-of-pocket loss net of any insurance proceeds received or other recovery.

16.2.6 Employees. Each Party shall comply with applicable worker's compensation laws, and the indemnification provided in this Article 13 shall be fully applicable to all claims and payments arising under such laws.

16.3 Survival. The indemnification obligations of each Party under this Article 16 shall continue in full force and effect regardless of whether this Agreement has either expired or been terminated or canceled.



ARTICLE 17
BREACH, CURE AND DEFAULT

17.1 Breach. A breach of this Agreement shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement.

17.2 Events of Breach. A breach of this Agreement shall include:

- (a) The failure to pay any amount when due;
- (b) The failure to comply with any material term or condition of this Agreement, including but not limited to any material breach of a representation, warranty or covenant made in this Agreement;
- (c) If a Party: (i) becomes insolvent; (ii) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (iii) makes a general assignment for the benefit of its creditors; or (iv) consents to the appointment of a receiver, trustee or liquidator;
- (d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- (e) Failure of either Party to provide such access rights, or a Party's attempt to revoke or terminate such access rights, as provided under this Agreement; or
- (f) Failure of either Party to provide information or data to the other Party as required under this Agreement, provided the Party entitled to the information or data under this

Agreement requires such information or data to satisfy its obligations under this Agreement or to satisfy Regulatory Requirements.

17.3 Continued Operation. In the event of a breach by either Party, the Parties shall continue to operate and maintain, as applicable, such DC power systems, protection and Metering Equipment, telemetering equipment, SCADA equipment, transformers, Secondary Systems, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for the Company to operate and maintain the Company Transmission System, or for the Producer to operate and maintain the Station, in a safe and reliable manner.

17.4 Cure and Default. Upon the occurrence of an event of breach, the Party not in breach (hereinafter the "Non-Breaching Party"), when it becomes aware of the breach, shall give written notice of the breach to the breaching Party (the "Breaching Party"). Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach. Upon receiving written notice of the breach hereunder, the Breaching Party shall have thirty (30) days to cure such breach. If the breach is such that it cannot be cured within thirty (30) days, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the breach within such thirty (30) day time period and thereafter diligently pursue such action to completion. In the event the Breaching Party fails to cure the breach, or to commence reasonable and appropriate steps to cure the breach, within thirty (30) days of becoming aware of the breach, the Breaching Party will be in "Default" of the

Agreement. Upon occurrence of Default, the Non-breaching Party may terminate this Agreement, subject to the limitations contained in Article 18 except that where a Default has been disputed by the Breaching Party, termination of this Agreement on account of such Default may not occur absent a final, binding and non-appealable decision by FERC, an arbitrator, or a court of competent authority having jurisdiction, making a determination of said Default.

17.5 Right to Compel Performance. Notwithstanding the foregoing, upon the occurrence of an event of default, the non-defaulting Party shall be entitled to: (i) commence an action to require the defaulting Party to remedy such default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, and (ii) exercise such other rights and remedies as it may have in equity or at law. The Company, if it is the non-defaulting Party, shall be entitled to make unilateral application to FERC to change the maximum Net Electrical Output specified in Section 3.1.2 to zero.

ARTICLE 18

TERMINATION OF INTERCONNECTION SERVICE

18.1 Term. This Agreement may be terminated at any time by mutual agreement. Either Party may terminate this Agreement, subject to the required regulatory approvals specified in Section 18.2, upon either of the following events:

- (a) the permanent shutdown and retirement of the Station by the Producer; or
- (b) a Default as provided in Section 17.4.

18.2 Regulatory Approvals. Before any termination hereunder becomes effective, the following condition shall be met:

(a) The Company shall tender to FERC such notification of termination of this Agreement and obtain such acceptance thereof as may be necessary to comply with applicable Regulatory Requirements.

18.3 Disconnection. Upon termination of Interconnection Service in accordance with this Article, the Company shall, in coordination with Producer, physically disconnect the Station from the Company Transmission System.

18.4 Survival of Rights. Termination of this Agreement shall not relieve either Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder.

ARTICLE 19 **LABOR RELATIONS**

19.1 The Company and the Producer agree to immediately notify the other Party, orally and then in writing, of any labor dispute or anticipated labor dispute of which its management has actual knowledge that might reasonably be expected to affect the operations of the other Party with respect to this Agreement.

ARTICLE 20
SUBCONTRACTOR

20.1 Generally. Nothing in this Agreement shall prevent a Party from utilizing the services of such subcontractors as is deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services.

20.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.3 No Third Party Beneficiary. No subcontractor is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

20.4 No Limitation by Insurance. The obligations under this Article 20 will not be limited in any way by any limitation on subcontractor's insurance.

ARTICLE 21
CONFIDENTIALITY

21.1 Nondisclosure. Neither the Company nor the Producer shall disclosure any Confidential Information of the other Party obtained pursuant to or in connection with the

performance of this Agreement to any third party without the express written consent of the other Party, except that either Party may produce Confidential Information in response to a subpoena, discovery request or other compulsory process issued by a judicial body or governmental agency upon reasonable notice to the Party whose Confidential Information it is.

21.2 Definition. "Confidential Information" means any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as Confidential by the Party supply the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this Agreement. Confidential Information shall not include information that the receiving Party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving Party; (ii) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (iii) was supplied to the receiving Party without restriction by a third Party, who, to the knowledge of the receiving Party, after due inquiry, was under no obligation to the other Party to keep such information confidential; (iv) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (v) was disclosed with the prior written approval of the disclosing Party; (vi) is, or becomes, publicly known, through no wrongful act or

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issued 14 March 2001, 94 FERC ¶ 61,256

omission of the receiving Party or breach of this Agreement; or (vii) is required, in accordance with Section 21.8 of this Agreement, to be disclosed by any federal or state government or agency or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential. Finally, for the purpose of this Agreement, information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

21.3 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as that it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination.

21.4 Use of Confidential Information. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its Regulatory Requirements.

21.5 Survival. The confidentiality provisions of this Article shall survive termination of this Agreement for a period of two (2) years.

ARTICLE 22
AUDIT RIGHTS

22.1 Subject to the requirements of confidentiality under Article 21 of the Agreement, either Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit each other's accounts and records pertaining to either Party's performance and/or satisfaction of obligations arising under this Agreement. Said audit shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement.

ARTICLE 23
DISPUTES

23.1 Submission. Any claim or dispute, which either Party may have against the other, arising out of the Agreement shall be submitted in writing to the other Party not later than sixty (60) days after the circumstances which gave rise to the claim or dispute have taken place. The submission of any claim or dispute shall include a concise statement of the question or issue in dispute, together with relevant facts and documentation to fully support the claim.

23.2 Alternative Dispute Resolution. If any such claim or dispute arises, the parties shall use their best efforts to resolve the claim or dispute, initially through good faith negotiations or upon the failure of such negotiations, through mutually agreed to alternative dispute resolution ("ADR") techniques; however, either Party may terminate its participation in ADR during any stage of ADR and proceed under Section 23.3.

23.3 Arbitration. If any claim or dispute arising hereunder is not resolved within sixty (60) days after notice thereof to the other Party, either Party may demand in writing the submission of the dispute to binding arbitration in Pennsylvania or some other mutually agreed upon location and shall be heard by one neutral arbitrator under the American Arbitration Association's Commercial Arbitration Rules.

23.4. Time Limitation. The arbitration process shall be expeditiously concluded but not later than six (6) months after the date that it is initiated and the award of the arbitrator shall be accompanied by a reasoned opinion if requested by either Party. The arbitrator shall have no authority to award punitive or treble damages or any damages inconsistent with Article 16 hereof. The arbitration shall be conducted as a common law arbitration and the decision of the arbitrator rendered in such a proceeding shall be final. Judgment may be entered upon it in any court having jurisdiction.

23.5 Procedures. The procedures for the resolution of Disputes set forth herein shall be the sole and exclusive procedures for the resolution of Disputes; provided, however, that a Party may seek a preliminary injunction or other preliminary judicial relief if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Despite such action, the Parties will continue to participate in good faith in the procedures specified herein. All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified herein are pending. The Parties will take such action, if any,

required to effectuate such tolling. Each Party is required to continue to perform its undisputed obligations under this Agreement pending final resolution of a Dispute. All negotiations pursuant to these procedures for the resolution of Disputes will be confidential, and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and State Rules of Evidence.

ARTICLE 24
NOTICES AND COMMUNICATIONS

24.1 Unless otherwise specified herein, all notices, requests, claims, demands and other communications required or permitted to be given under this Agreement must be in writing, and must be given (and will be deemed to have been duly given if so given) by hand delivery, cable, telecopy (confirmed in writing), overnight express delivery, or telex, or by mail (registered or certified, postage prepaid) to the respective Parties as follows:

To Producer:

Thomas A. Shea, Director
Generation Support Group
Exelon Generation Company, L.L.C.
200 Exelon Way
Kennett Square, PA 19348
Telephone: 610-765-5663
Facsimile: 610- 765-5467
Email: thomas.shea@exeloncorp.com

To the Company:

Robert N. Spencer, Director
Interconnection Arrangements
PECO Energy Company
2301 Market Street
Philadelphia, PA 19103
Telephone: 215-841-4236
Facsimile: 215-841-4234
Email: robertn.spencer@exeloncorp.com

Any such notice or communication will be deemed to have been given as of the date received.

24.2 Either party may change its address or designated representative for notices by notice to the other in the manner provided above.

Issued By: Robert N. Spencer
Issued on: 12 April 2001

Effective: 12 January 2001

Filed to comply with Order of the Federal Energy Regulatory Commission, Docket No. ER00-803-003
issued 14 March 2001, 94 FERC ¶ 61,256

24.3 Notwithstanding Section 24.1, any notice hereunder concerning an Emergency or other occurrence requiring prompt attention, or as necessary during day-to-day operations, may be made by telephone or in person provided that such notice is confirmed in writing promptly thereafter. Notice in an Emergency, or as necessary during day-to-day operations, shall be provided, (i) if by the Company, to the shift supervisor at the Station, and (ii) if by the Station, to the shift supervisor at the Company's Central Power Control Center.

ARTICLE 25
MISCELLANEOUS PROVISIONS

25.1 Governing Law.

(a) This Agreement and all rights and obligations of the Parties hereunder are subject to all applicable state and federal laws and all applicable duly-promulgated orders and regulations and duly-authorized actions taken by the executive, legislative, or judicial branches of government, or any of their respective agencies, departments, authorities, or other instrumentalities having jurisdiction.

(b) When not in conflict with or preempted by federal law, this Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to the conflict of law principles thereof.

(c) Except for those matters covered in this Agreement and jurisdictional to FERC or which must first go to arbitration pursuant to Article 23 herein, any action arising out of or concerning this Agreement must be brought in any state or federal court of competent

25.5 Relationship of the Parties. Nothing in this Agreement is intended to create a partnership, joint venture, or other joint legal entity making any Party jointly or severally liable for the acts of the other Party. Unless otherwise agreed to in a writing signed by both Parties, neither Party shall have any authority to create or assume in the other Party's name or on its behalf any obligation, express or implied or to act or purport to act as the other Party's agent or legally-empowered representative for any purpose whatsoever. Each Party shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons by that Party to perform under this Agreement, including all federal, state, and local income, social security, payroll and employment taxes and statutorily-mandated workers' compensation coverage. None of the persons employed by either Party shall be considered employees of the other Party for any purpose; nor shall either Party represent to any person that such persons are or shall become employees of the other Party. Except as expressly provided for herein, neither Party shall be liable to any third Party in any way for any engagement, obligation, commitment, contract, representation, or for any negligent act or omission to act of the other Party.

25.6 No Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties hereto, any rights or remedies under or by reason of the Agreement.

25.7 Waiver. Except as otherwise provided in this Agreement, a Party's compliance with any obligation, covenant, agreement, or condition herein may be waived by the Party

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entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

25.8 Amendment. Except as otherwise set forth herein, this Agreement may be amended or modified only by a writing executed by the authorized representatives of both Parties. Any amendment or modification that is not in writing and so executed shall be null and void from its inception.

25.9 Severability. If any term, condition, covenant, restriction or other provision of this Agreement is held by a court or regulatory agency of competent jurisdiction or by legislative enactment to be invalid, void or otherwise unenforceable, the remainder of the terms, conditions, covenants restrictions and other provisions of this Agreement shall remain in full force and effect unless such an interpretation would materially alter the rights and privileges of any Party hereto. If any term, condition, covenant, restriction or other provision of this Agreement is held invalid, void or otherwise unenforceable, the Parties shall attempt to negotiate an appropriate and equitable replacement, revision or adjustment to the provision of this Agreement to restore the benefits and obligations conferred under the original Agreement.

25.10 Headings and Captions. Article headings, section headings, and/or other captions are included in this Agreement for reference purposes only and shall not constitute a part of this Agreement or in any way affect the meaning or interpretation of this Agreement. Whenever used

herein the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

25.11 Further Assurances. Each Party shall do such other and further acts and things, and shall execute and deliver such instruments and documents, as the other Party reasonably requests from time to time in furtherance of the purposes of this Agreement.

25.12 Entire Agreement. This Agreement, including all schedules, appendices and other attachments hereto and made part hereof, sets forth the entire understanding and agreement of the parties as to the subject matter of this Agreement and merges and supersedes all prior written and oral understandings, offers, agreements, commitments, representations, writings, discussions or other communications of every kind between the parties pertaining to Interconnection Service for the Station and constitutes the entire agreement between the Parties with respect to its subject matter, and as to all other representations, understandings, or agreements which are not fully expressed herein

25.13 Rights Cumulative. The rights and remedies set forth in this Agreement are cumulative and non-exclusive.

25.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement as of the date first above written.

Issued By: Robert N. Spencer

Issued on: 12 April 2001

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issued 14 March 2001, 94 FERC ¶ 61,256

Effective: 12 January 2001

PECO Energy Company

Exelon Generation Company, L.L.C.

By: /s/ Ellen M. Cavanaugh

By: /s/ Christine A. Jacobs

Name: Ellen M. Cavanaugh

Name: Christine A. Jacobs

Vice President

Title: Electric Supply and Transmission

Title: SVP Exelon Generation

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SCHEDULE A
INTERCONNECTION POINTS AT SCHUYLKILL STATION

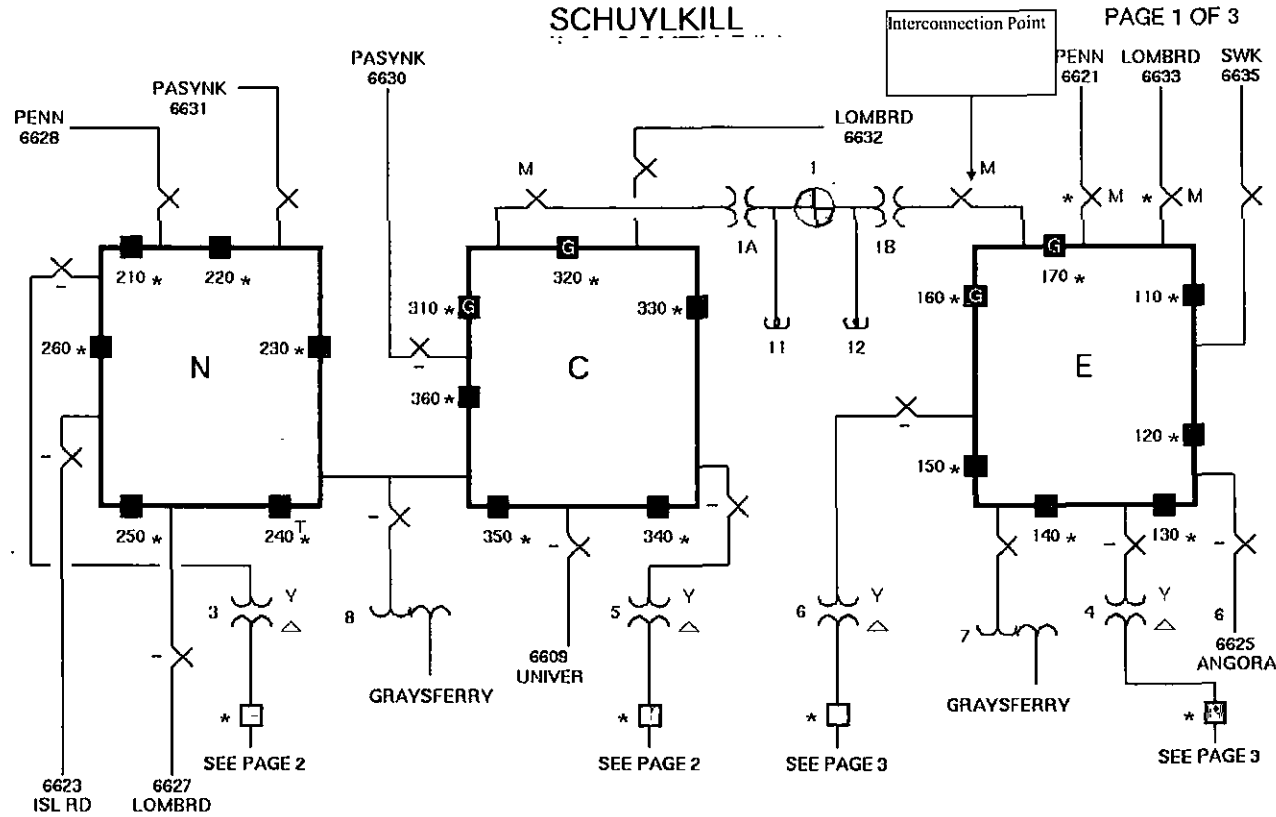
SCHEDULE A
ONE-LINE DIAGRAM AND LIST OF INTERCONNECTION
POINTS AND OTHER RELEVANT FACILITIES

A one-line diagram representing the Interconnection Points and other relevant facilities and a list of Interconnection Points and Other Relevant Facilities are attached.

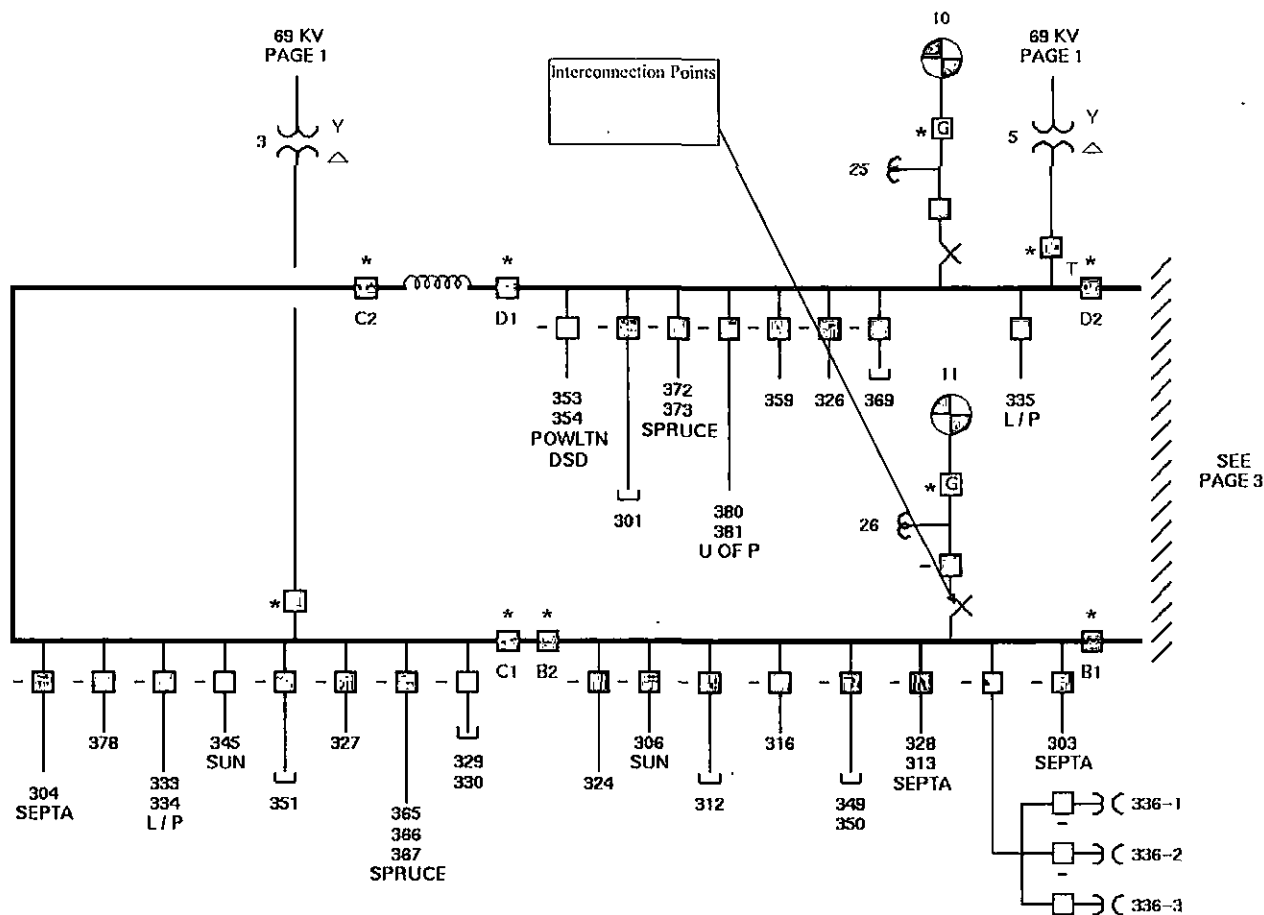
SCHEDULE A
 INTERCONNECTION POINTS AT SCHUYLKILL STATION

SCHUYLKILL

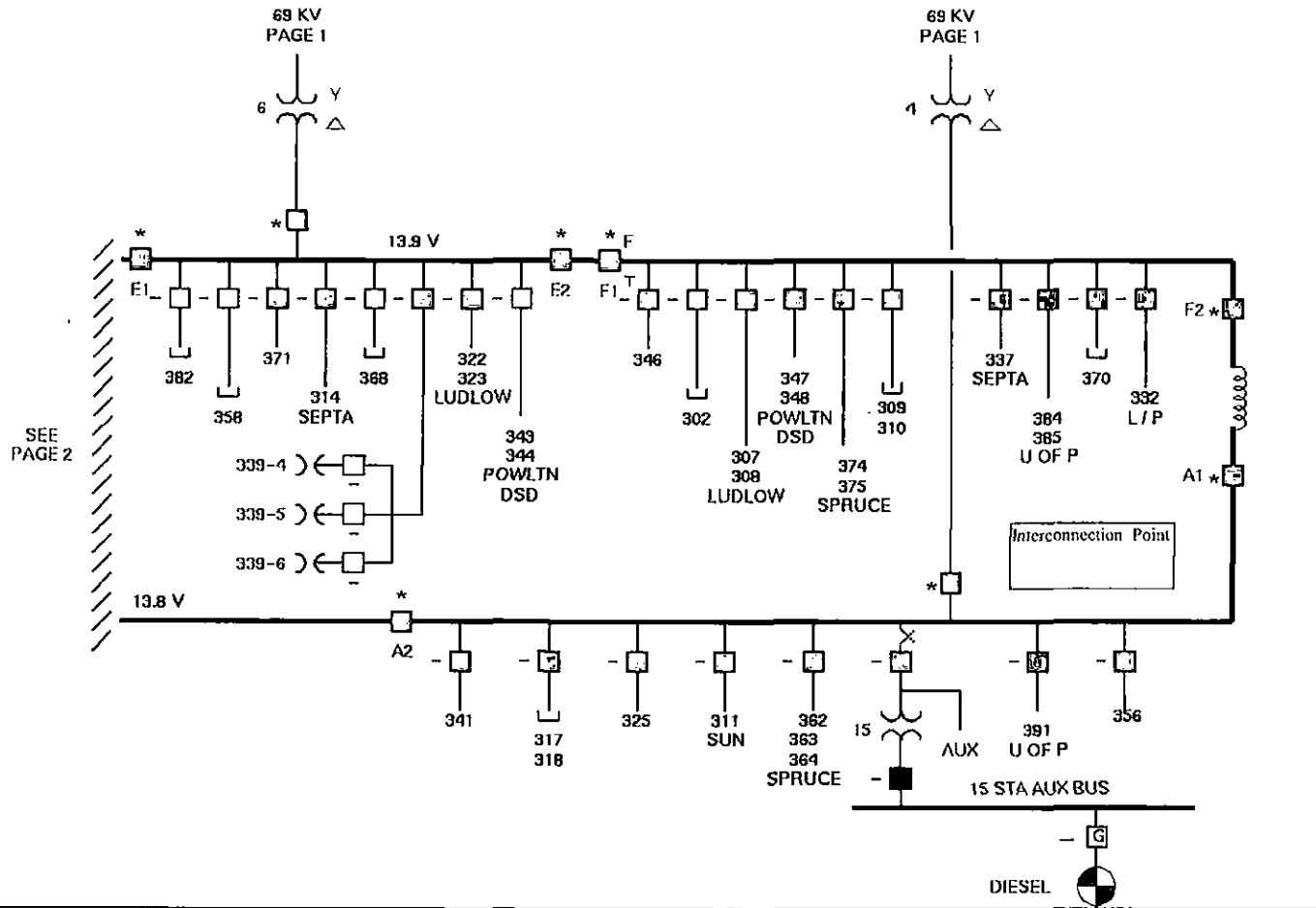
PAGE 1 OF 3



SCHEDULE A
 INTERCONNECTION POINTS AT SCHUYLKILL STATION
 SCHUYLKILL



SCHEDULE A
INTERCONNECTION POINTS AT SCHUYLKILL STATION
SCHUYLKILL



SCHEDULE A
INTERCONNECTION POINTS AT SCHUYLKILL STATION
SCHUYLKILL

Note: TSS - transmission system side

| Station / Unit | Interconnection Point Boundary of Asset Ownership |
|-------------------|--|
| Schuylkill No. 1 | (1) Transformer #1A 69kV motor operated disconnect TSS and (2) transformer #1B 69kV motor operated disconnect TSS |
| Schuylkill No. 10 | Generator No. 10 circuit breaker at 13 kV bus TSS disconnect (no unique number designation given) TSS |
| Schuylkill No. 11 | Generator No. 11 circuit breaker at 13 kV bus TSS disconnect (no unique number designation given) TSS |
| Schuylkill Diesel | Transformer #15 TSS disconnect (no unique number designation given) TSS |

SCHEDULE B

[RESERVED]

**SCHEDULE C
 PROCEDURES FOR DETERMINING
 STATION NET ELECTRIC OUTPUT
 OF THE
 SCHUYLKILL GENERATING STATION**

The Station Net Electric Output is determined from the following metering values from the Schuylkill Generating Station. Not all of these metering values are telemetered to the Energy Control System (ECS) at the System Control Center located at 2301 Market Street, Philadelphia, Pennsylvania.

| Meter Description | Meter Number | ECS Point | Calculation | Comments |
|-----------------------------------|--------------|-----------|--------------------|---|
| #1 UNIT GROSS GENERATION | 839-PC-2 | 18524 | A | |
| #10 CT GROSS GENERATION | 928-MC-21 | 18689 | B | |
| #11 CT GROSS GENERATION | 928-MC-34 | 18690 | C | |
| Station Gross Output | | | A+B+C | |
| #11 Auxiliary Power Transf. | 6B30-MWC-8 | | D | Genco will need to provide hourly readings |
| #15 Station Power Transf. | 6B30-MWC-10 | | E | Genco will need to provide hourly readings |
| Trigen Pwr(secondary circuits) | NO METER | | | 270kw comes into Schuylkill from Trigen. Genco will need to install meter |
| #25 Auxiliary Power Transformer. | | | F | |
| #26 Auxiliary Power Transformer. | | | G | |
| Station Gross Internal Use | | | D+E+F+G | |
| Station Net Output | | | (A+B+C)- (D+E+F+G) | |

In any hour, whenever the algebraic sum of the STATION NET OUTPUT is negative, that value will constitute the hourly Station Service Power as that term used in the foregoing Interconnection Agreement.

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SCHEDULE D
 LIST OF METERING EQUIPMENT
 FOR
 SCHUYLKILL STATION

| Unit | Meter Description | Meter Usage | Meter ID | Meter Factor | Unit of Meas | Type | Locations |
|-----------------------|------------------------|-------------|-------------|--------------|--------------|------------|---------------------------------|
| Unit 1 | Unit 1 Generator | W | 839-PC-2 | 1000 | KW | Gross Gen. | located in relay room |
| Unit 1 | #11 Transformer | W & R | 6B30-MWC-8 | 1000 | KW | Aux. Ld | located in relay room |
| Removed | #12 Transformer | | 6B30-MWC-9 | | KW | | Transformer removed per station |
| Diesel | Sect 98 Diesel | W | | 1000 | KW | Gross Gen. | located in control compartment |
| Diesel | #15 Transformer | W & R | 6B30-MWC-10 | 1000 | KW | Aux. Ld | located in relay room |
| Unit 10 | Unit 10 Generator | W | 928-MC-21 | 1000 | KW | Gross Gen. | located in control compartment |
| Unit 10 | #25 Transformer | W & R | ?? | | | Aux. Ld | |
| TriGen Grays Ferry | #34 Transformer | W & R | | | KW | Aux. Ld | Belongs to TriGen |
| Unit 11 | Unit 11 Generator | W | 928-MC-34 | 1000 | KW | Gross Gen. | located in control compartment |
| Unit 11 | #26 Transformer | W & R | ?? | | | Aux. Ld | |

W- Metering Equipment used to calculate Net Electric Output in Schedule C

R- Retail Metering Equipment used to calculate station service power in Schedule C

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ORIGINAL

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OFFICE OF THE
SECRETARY

Morgan Lewis
COUNSELORS AT LAW

: 2004 MAY -7 P 4: 06

Michael C. Griffin
(202) 739-5257
mgriffen@morganlewis.com

FEDERAL ENERGY
REGULATORY COMMISSION

May 7, 2004

VIA HAND DELIVERY

ER04-825-000

Hon. Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

RE: PECO Energy Company
Interconnection Agreement for Schuylkill Generating Station
Docket No. ~~ER00-803~~

Dear Ms. Salas:

PECO Energy Company ("PECO Energy") submits for filing with the Federal Energy Regulatory Commission ("FERC" or "Commission") an original and five (5) copies of revisions to its Interconnection Agreement with Exelon Generation Company, LLC ("Exelon Generation") for Exelon Generation's Schuylkill Generating Station ("Station"). The Interconnection Agreement currently is on file with FERC in Docket No. ER00-803 as PECO Energy Company First Revised Rate Schedule FERC No. 137.

PECO Energy and Exelon Generation have agreed to change a point of interconnection for the Station as designated in the Interconnection Agreement to appropriately reflect Exelon Generation's role in maintaining certain facilities on the Station's side of the interconnection points. PECO Energy and Exelon Generation have concluded that transformers #25 and #26 associated with the Station primarily serve a PECO Energy retail customer and therefore it would be more appropriate for PECO Energy to maintain and own those facilities. The change in interconnection point does not trigger the need for new or upgraded facilities, so the change does not effect any change to FERC-jurisdictional rates or charges for service.

PECO Energy submits three revised schedules to the Interconnection Agreement to reflect the changed point of interconnection. Revised Schedule A is a one-line diagram of Station facilities with the points of interconnection depicted. Revised Schedule C describes the procedures for determining Station net electric output at the points of interconnection. Revised Schedule D identifies metering equipment at the points of interconnection.

Re: JLC/OSEC

Hon. Magalie R. Salas
May 7, 2004
Page 2

Morgan Lewis
COUNSELORS AT LAW

PECO Energy submits clean and blacklined versions of each schedule and has conformed the clean versions with the requirements of FERC's rate schedule designation rules.

COMPLIANCE WITH COMMISSION FILING REQUIREMENTS

PECO Energy provides the following information in compliance with the Commission's requirements under Part 35 of its regulations:

A. List of Documents Submitted

PECO Energy submits six copies of the following documents:

1. This transmittal letter;
2. Attachment A: Revised pages of Interconnection Agreement;
3. Attachment B: Blacklined version of revised pages of Interconnection Agreement; and
4. Attachment C: Proposed notice of filing suitable for publication in the Federal Register, in paper and electronic formats.

B. Communications

PECO Energy requests that communications regarding this filing be provided to the following:

Amy F. Hamilton
 PECO Energy Company
 2301 Market Street
 Philadelphia, PA 19101
 T: (215) 841-4256
 F: (215) 568-3389
 amy.hamilton@exeloncorp.com

A. Karen Hill
 Exelon Corporation
 701 Pennsylvania Avenue, N.W., Suite 115
 Washington, D.C. 20004
 T: (202) 347-8092
 F: (202) 347-7501
 karen.hill@exeloncorp.com

Anthony A. Iannacone
 PECO Energy Company
 2301 Market Street
 Philadelphia, PA 19101
 T: (215) 841-4564
 F: (215) 841-4234
 anthony.iannacone@peco-energy.com

Michael C. Griffen
 Morgan, Lewis & Bockius LLP
 1111 Pennsylvania Avenue, N.W.
 Washington, D.C. 20004
 T: (202) 739-5257
 F: (202) 739-3001
 mgriffen@morganlewis.com

Hon. Magalie R. Salas
May 7, 2004
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Morgan Lewis
COUNSELORS AT LAW

C. Effective Date and Request for Waivers

PECO Energy requests that the revised pages of the Interconnection Agreement be accepted for filing effective as of May 10, 2004. PECO Energy requests waiver of any Commission regulations necessary to make the amendments effective as of May 10, 2004. Waiver is warranted because it will permit PECO Energy and Exelon Generation to formalize their arrangements with respect to the maintenance of interconnection-related facilities at the Station.

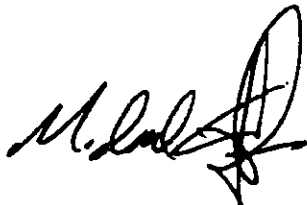
D. Federal Register Notice

A proposed notice of filing suitable for publication in the Federal Register is provided in paper and electronic formats.

CONCLUSION

For the foregoing reasons, PECO Energy requests that the Commission accept the revised pages of the Interconnection Agreement for filing effective as of May 10, 2004.

Respectfully submitted,



Michael C. Griffen
Attorney for PECO Energy Company

Attachments

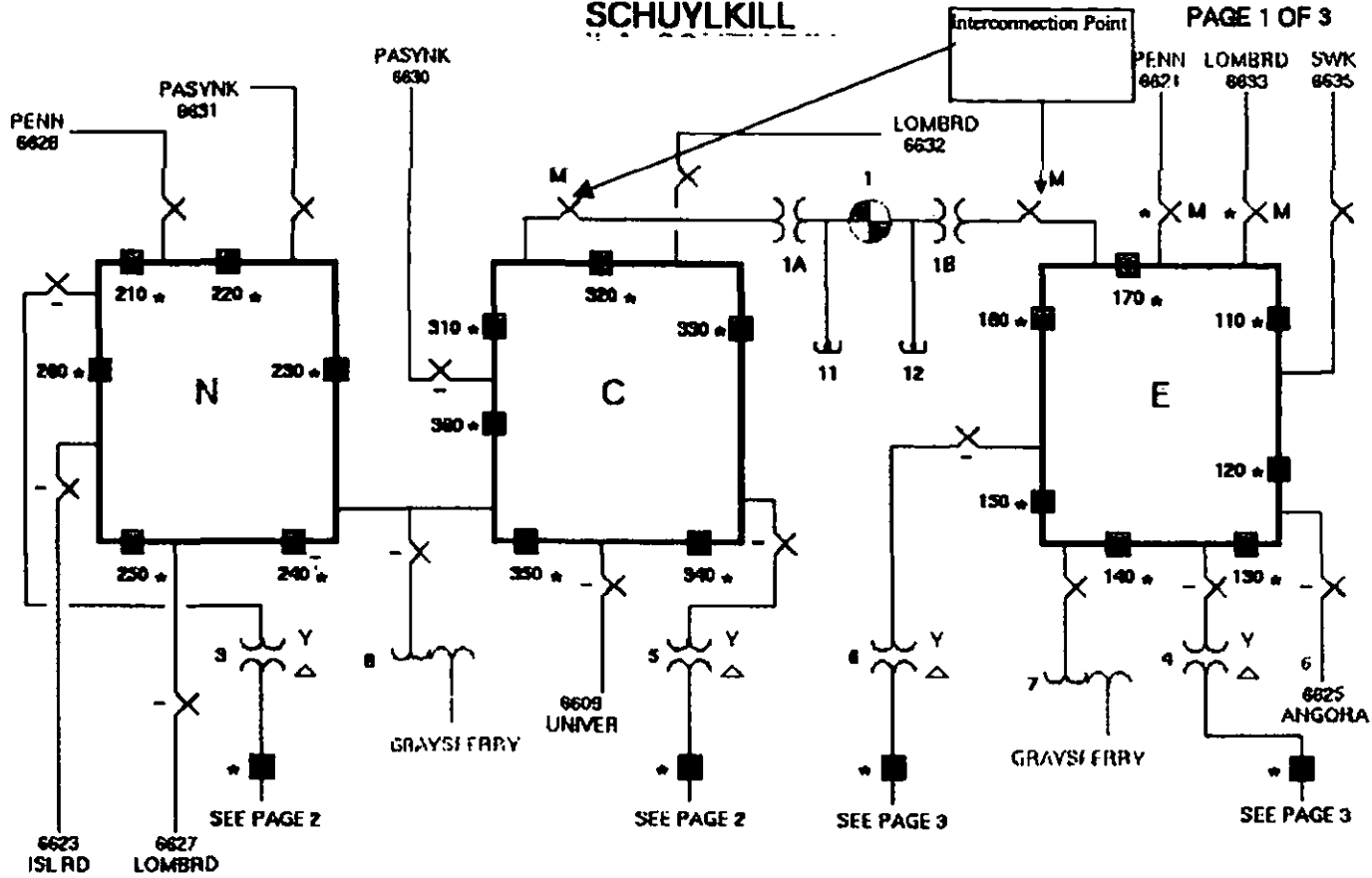
ATTACHMENT A

**PECO Energy Company
Revised Pages of Interconnection Agreement
for Schuylkill Generating Station**

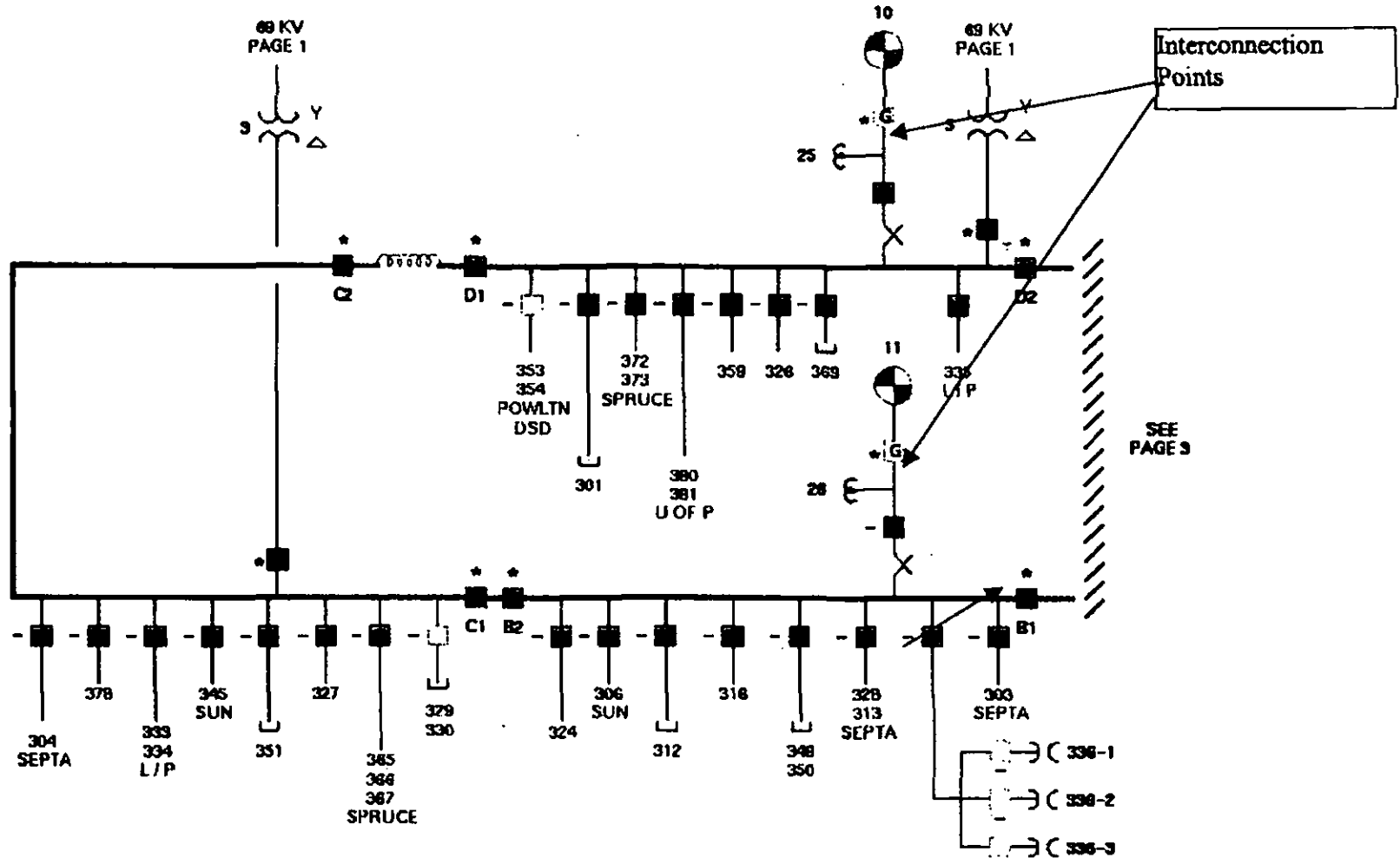
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SCHUYLKILL

PAGE 1 OF 3



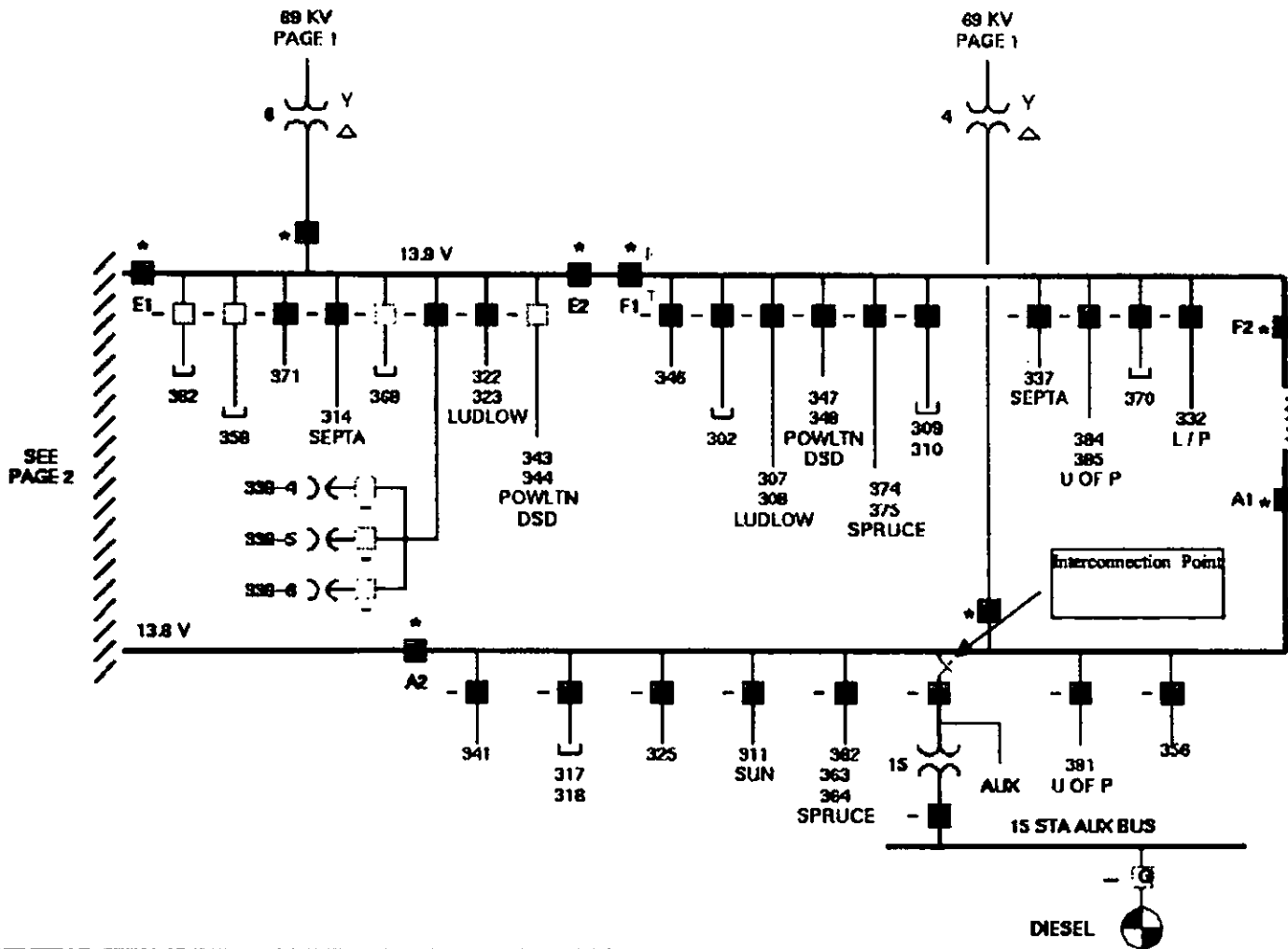
SCHUYLKILL



Issued by: Robert D. Koszyk, Manager, Interconnection Services
Issued on: May 7, 2004

Effective: May 10, 2004

SCHUYLKILL



Issued by: Robert D. Koszyk, Manager, Interconnection Services
 Issued on: May 7, 2004

Effective: May 10, 2004

Official FERC-Generated PDF of 20040511-0173 Received by FERC OSEC 05/07/2004 in Docket#: ER04-825-000

SCHUYLKILL

Note: TSS - transmission system side

| Station / Unit | Interconnection Point Boundary of Asset Ownership |
|-------------------|---|
| Schuylkill No. 1 | (1) Transformer #1A 69kV motor operated disconnect TSS and (2) transformer #1B 69kV motor operated disconnect TSS |
| Schuylkill No. 10 | Generator No. 10 circuit breaker disconnect (no unique number designation given) TSS |
| Schuylkill No. 11 | Generator No. 11 circuit breaker disconnect (no unique number designation given) TSS |
| Schuylkill Diesel | Transformer #15 TSS disconnect (no unique number designation given) TSS |

Issued by: Robert D. Koszyk, Manager, Interconnection Services
Issued on: May 7, 2004

Effective: May 10, 2004

**SCHEDULE C
 PROCEDURES FOR DETERMINING
 STATION NET ELECTRIC OUTPUT
 OF THE
 SCHUYLKILL GENERATING STATION**

The Station Net Electric Output is determine from the following metering values from the Schuylkill Generating Station.

| Meter Description | Meter Number | Calculation | Comments |
|-----------------------------------|----------------|----------------------------------|--|
| #1 UNIT GROSS GENERATION | 839PAZC-77333 | A | Meter was upgraded & compensation added in Y2001 |
| #10 CT GROSS GENERATION | 928MAUC-76641 | B | Meter was upgraded & compensation added in Y2001 |
| #11 CT GROSS GENERATION | 928MAUC-76655 | C | Meter was upgraded & compensation added in Y2001 |
| #15 Transformer Out | 6B30MAXC-76586 | D | |
| Station Gross Output | | A+B+C+D | |
| #11 Auxiliary Power Transf. | 6B30MAXC-76658 | E | Meter was upgraded & compensation added in Y2001 |
| #15 Station Power Transf. In | 6B30MAXC-76591 | F | Meter was upgraded & compensation added in Y2001 |
| #10 CT Aux Load | 315MAZC-76717 | G | Compensated meter added to capture CT aux load |
| #11 CT Aux Load | 315MAZC-76721 | H | Compensated meter added to capture CT aux load |
| Station Gross Internal Use | | | |
| Station Net Output | | (A+B+C+D) - (E+F+G+H) | |

Issued by: Robert D. Koszyk, Manager, Interconnection Services
 Issued on: May 7, 2004

Effective: May 10, 2004

**SCHEDULE D
 LIST OF METERING EQUIPMENT
 FOR
 SCHUYLKILL STATION**

| Unit | Meter Description | Meter Usage | Meter ID | Meter Factor | Unit of Meas | Type | Locations |
|---------|---------------------|-------------|----------------|--------------|--------------|------------|--------------------------------|
| Unit 1 | Unit 1 Generator | W | 839PAZC-77333 | 1000 | KW | Gross Gen. | located in relay room |
| Unit 1 | #11 Transformer | W & R | 928MAUC-76655 | 1000 | KW | Gross Gen. | located in relay room |
| Diesel | Sect 98 Diesel | W | | 1000 | KW | Gross Gen. | located in control compartment |
| Diesel | #15 Transformer IN | W & R | 6B30MAXC-62673 | 1000 | KW | Aux. Ld | located in relay room |
| Unit 10 | Unit 10 Generator | W | 315MAZC-76717 | 1000 | KW | Gross Gen. | located in control compartment |
| Diesel | #15 Transformer OUT | W | 6B30MAXC-76586 | 1000 | KW | Aux. Ld | located in relay room |
| Unit 11 | Unit 11 Generator | W | 315MAZC-76721 | 1000 | KW | Gross Gen. | located in control compartment |

W-Metering Equipment used to calculate Net Electric Output in Schedule C

R- Retail Metering Equipment used to calculate station service power in Schedule C

Issued by: Robert D. Koszyk, Manager, Interconnecti
 Issued on: May 7, 2004

Effective: May 10, 2004

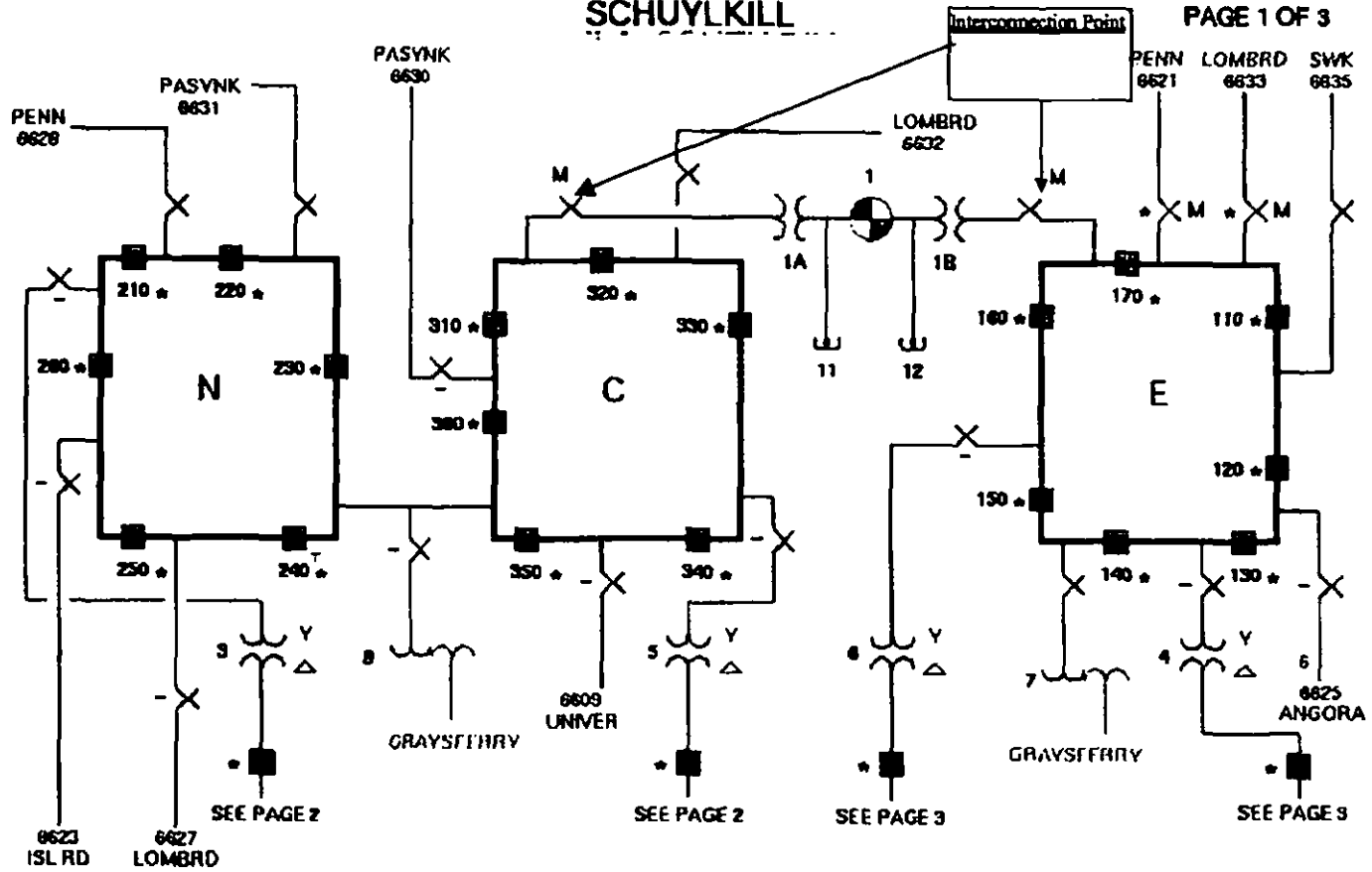
ATTACHMENT B

**PECO Energy Company
Revised Pages of Interconnection Agreement
for Schuylkill Generating Station**

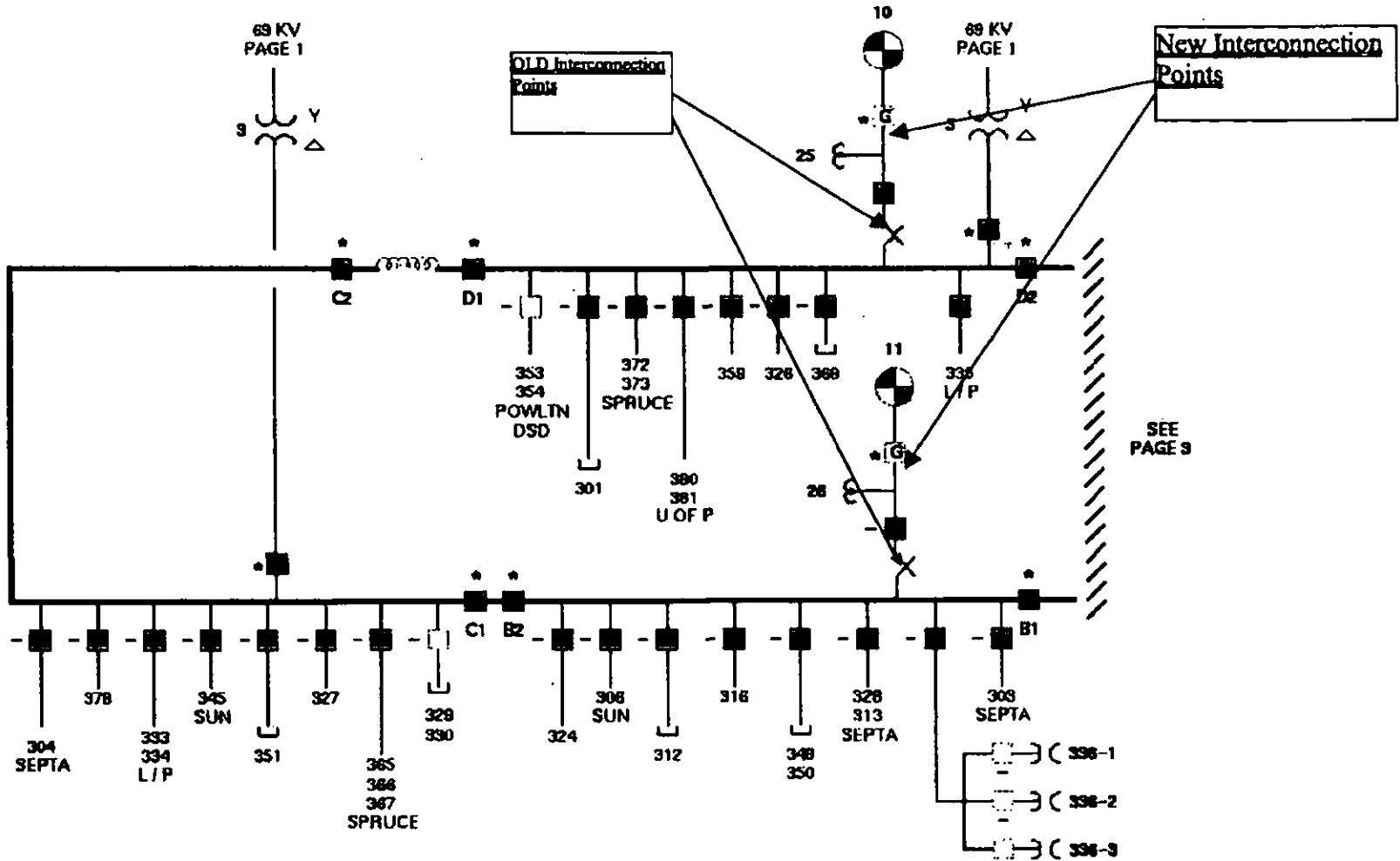
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SCHUYLKILL

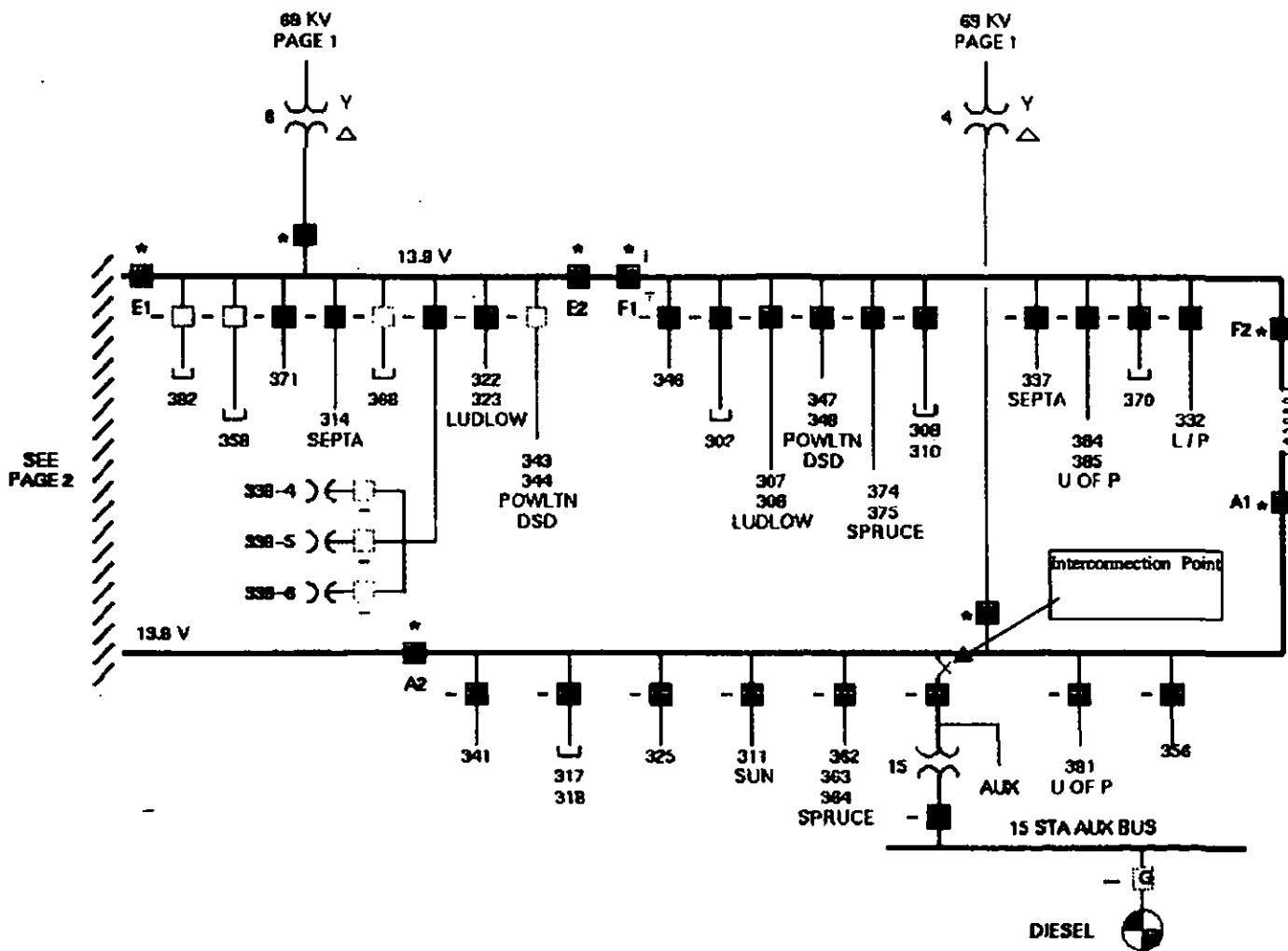
PAGE 1 OF 3



SCHUYLKILL



SCHUYLKILL



SCHUYLKILL

Note: TSS - transmission system side

| Station / Unit | Interconnection Point Boundary of Asset Ownership |
|-------------------|--|
| Schuylkill No. 1 | (1) Transformer #1A 69kV motor operated disconnect TSS and (2) transformer #1B 69kV motor operated disconnect TSS |
| Schuylkill No. 10 | Generator No. 10 circuit breaker disconnect (no unique number designation given) TSS |
| Schuylkill No. 11 | Generator No. 11 circuit breaker disconnect (no unique number designation given) TSS |
| Schuylkill Diesel | Transformer #15 TSS disconnect (no unique number designation given) TSS |

SCHEDULE C
PROCEDURES FOR DETERMINING
STATION NET ELECTRIC OUTPUT
OF THE
SCHUYLKILL GENERATING STATION

The Station Net Electric Output is determine from the following metering values from the Schuylkill Generating Station. Not all of these metering values are telemetered to the Energy Control System(ECS) at the System Control Center located at 2301 Market Street, Philadelphia Pennsylvania.

| Meter Description | Meter Number | ECS Point | Calculation | Comments |
|-----------------------------------|--------------|-----------|------------------------------|---|
| #1 UNIT GROSS GENERATION | 839-PC-2 | 18524 | A | |
| #10 CT GROSS GENERATION | 928-MC-21 | 18689 | B | |
| #11 CT GROSS GENERATION | 928-MC-34 | 18690 | C | |
| Station Gross Output | | | A+B+C | |
| #11 Auxiliary Power Transf. | 6B30-MWC-8 | | D | Genco will need to provide hourly readings |
| #15 Station Power Transf | 6B30-MWC-10 | | E | Genco will need to provide hourly readings |
| Trigen Pwr (Secondary Circuits) | NO-METER | | | 270kw comes in Schuylkill from Trigen. Genco will need to install meter |
| #25 Auxiliary Power Transformer | | | F | |
| #26 Auxiliary Power Transformer | | | G | |
| Station Gross Internal Use | | | D+E+F+G | |
| Station Net Output | | | (A+B+C) (D+E+F+G) | |

In any hour, whenever the algebraic sum of STATION NET OUTPUT is negative, that value will constitute the hourly Station Service Power at that term is used in the foregoing Interconnection Agreement.

The Station Net Electric Output is determine from the following metering values from the Schuylkill Generating Station.

| Meter Description | Meter Number | Calculation | Comments |
|--------------------------|---------------|-------------|--|
| #1 UNIT GROSS GENERATION | 839PAZC-77333 | A | Meter was upgraded & compensation added in Y2001 |

| | | | |
|-------------------------------------|-----------------------|---------------------------------------|---|
| <u>#10 CT GROSS GENERATION</u> | <u>928MAUC-76641</u> | <u>B</u> | <u>Meter was upgraded & compensation added in Y2001</u> |
| <u>#11 CT GROSS GENERATION</u> | <u>928MAUC-76655</u> | <u>C</u> | <u>Meter was upgraded & compensation added in Y2001</u> |
| <u>#15 Transformer Out</u> | <u>6B30MAXC-76586</u> | <u>D</u> | |
| <u>Station Gross Output</u> | | <u>A+B+C+D</u> | |
| <u>#11 Auxiliary Power Transf.</u> | <u>6B30MAXC-76658</u> | <u>E</u> | <u>Meter was upgraded & compensation added in Y2001</u> |
| <u>#15 Station Power Transf. In</u> | <u>6B30MAXC-76591</u> | <u>F</u> | <u>Meter was upgraded & compensation added in Y2001</u> |
| <u>#10 CT Aux Load</u> | <u>315MAZC-76717</u> | <u>G</u> | <u>Compensated meter added to capture CT aux load</u> |
| <u>#11 CT Aux Load</u> | <u>315MAZC-76721</u> | <u>H</u> | <u>Compensated meter added to capture CT aux load</u> |
| <u>Station Gross Internal Use</u> | | | |
| <u>Station Net Output</u> | | <u>(A+B+C+D)</u> <u>-(E+F+G+H)</u> | |

**SCHEDULE D
LIST OF METERING EQUIPMENT
FOR
SCHUYLKILL STATION**

| Unit | Meter-Description | Meter Usage | Meter-ID | Meter Factor | Unit-of Meas | Type | Locations |
|--------------------------|--------------------|-------------|-------------|--------------|--------------|------------|---------------------------------|
| Unit 1 | Unit 1 Generator | W | 830-PC-2 | 1000 | KW | Gross Gen. | located in relay room |
| Unit 1 | #11 Transformer | W & R | 6B30-MWC-8 | 1000 | KW | Aux. Ld. | located in relay room |
| Removed | #12 Transformer | | 6B30-MWC-9 | | KW | | Transformer removed per station |
| Diesel | Sect 98 Diesel | W | | 1000 | KW | Aux. Ld. | located in control compartment |
| Diesel | #15 Transformer IN | W & R | 6B30-MWC-10 | 1000 | KW | Aux. Ld | located in relay room |
| Unit 10 | Unit 10 Generator | W | 928-MW-21 | 1000 | KW | Gross Gen. | located in control compartment |
| Unit 10 | #25 Transformer | W&R | ?? | | | Aux. Ld. | |
| Trigen Grays Ferry | #34 Transformer | W&R | | | KW | Aux. Ld | Belongs to Trigen |
| Unit 11 | Unit 11 Generator | W | 928-MG-34 | 1000 | KW | Gross Gen. | located in control compartment |
| Unit 11 | #25 Transformer | W&R | ?? | | | Aux. Ld. | |

W- Metering Equipment used to calculate Net Electric Output in Schedule G

R- Retail Metering Equipment used to calculate station service power in Schedule G

| <u>Unit</u> | <u>Meter Description</u> | <u>Meter Usage</u> | <u>Meter ID</u> | <u>Meter Factor</u> | <u>Unit of Meas</u> | <u>Type</u> | <u>Locations</u> |
|----------------|----------------------------|--------------------|-----------------------|---------------------|---------------------|-------------------|---------------------------------------|
| <u>Unit 1</u> | <u>Unit 1 Generator</u> | <u>W</u> | <u>839PAZC-77333</u> | <u>1000</u> | <u>KW</u> | <u>Gross Gen.</u> | <u>located in relay room</u> |
| <u>Unit 1</u> | <u>#11 Transformer</u> | <u>W & R</u> | <u>928MAUC-76655</u> | <u>1000</u> | <u>KW</u> | <u>Gross Gen.</u> | <u>located in relay room</u> |
| <u>Diesel</u> | <u>Sect 98 Diesel</u> | <u>W</u> | | <u>1000</u> | <u>KW</u> | <u>Gross Gen.</u> | <u>located in control compartment</u> |
| <u>Diesel</u> | <u>#15 Transformer IN</u> | <u>W & R</u> | <u>6B30MAXC-62673</u> | <u>1000</u> | <u>KW</u> | <u>Aux. Ld</u> | <u>located in relay room</u> |
| <u>Unit 10</u> | <u>Unit 10 Generator</u> | <u>W</u> | <u>315MAZC-76717</u> | <u>1000</u> | <u>KW</u> | <u>Gross Gen.</u> | <u>located in control compartment</u> |
| <u>Diesel</u> | <u>#15 Transformer OUT</u> | <u>W</u> | <u>6B30MAXC-76586</u> | <u>1000</u> | <u>KW</u> | <u>Aux. Ld</u> | <u>located in relay room</u> |
| <u>Unit 11</u> | <u>Unit 11 Generator</u> | <u>W</u> | <u>315MAZC-76721</u> | <u>1000</u> | <u>KW</u> | <u>Gross Gen.</u> | <u>located in control compartment</u> |

W-Metering Equipment used to calculate Net Electric Output in Schedule C

R- Retail Metering Equipment used to calculate station service power in Schedule C

ATTACHMENT C

Proposed Notice of Filing

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

PECO Energy Company

)
)
)

Docket No. ER00-803-_____

**NOTICE OF FILING
(May ____, 2004)**

Take notice that on May 7, 2004, PECO Energy Company tendered for filing revised pages of its interconnection agreement with Exelon Generation Company, LLC, to reflect revised points of interconnection for Schuylkill Generating Station.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at <http://www.ferc.gov>, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866)208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date: May ____, 2004

**Magalie R. Salas
Secretary**

B

RECEIVED

SEP 26 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**SECOND AMENDMENT
TO THE INTERCONNECTION AGREEMENT
FOR THE
SCHUYLKILL GENERATING STATION**

RECEIVED
SEP 26 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

This Second Amendment to the Interconnection Agreement by and between PECO Energy Company and Exelon Generation Company, LLC for the Schuylkill Generating Station ("Second Amendment"), dated as of September 26, 2011, is entered into by and between PECO Energy Company ("Company"), a Pennsylvania Corporation, and Exelon Generation Company, LLC ("Producer"), a Pennsylvania limited liability company. The Producer and the Company are herein referred to individually as "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, the Company and Producer are parties to that certain Interconnection Agreement by and between PECO Energy Company and Exelon Generation Company, LLC for the Schuylkill Generating Station, dated as of January 10, 2001, amended effective May 10, 2004, and on file with the Federal Energy Regulatory Commission ("FERC") as PECO Energy Company First Revised Rate Schedule FERC No. 137 in Docket No. ER00-803 (hereinafter the "2001 Interconnection Agreement"),

WHEREAS, pursuant to the 2001 Interconnection Agreement, the Company provides interconnection service to Producer for Producer's generating Station located at 2800 Christian Street, Philadelphia, PA 19146;

WHEREAS, the Company and the Producer wish to retire certain interconnection equipment from active use at the facility including a 13 kV ring bus;

WHEREAS, the retirement of such interconnection equipment will necessitate a minor change to the location of the point at which Producer is interconnected to the Company's electric distribution and transmission system (the "Point of Interconnection"); and

WHEREAS, the Parties have agreed to execute this Second Amendment to memorialize the changes to location of the Point of Interconnection.

NOW THEREFORE, in consideration of the mutual representations, covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

Section 1. All definitions used herein shall have the meanings set forth in the 2001 Interconnection Agreement.

Section 2. Schedule A of the 2001 Interconnection Agreement, One-Line Diagram and List of Interconnection Points and Other Relevant Facilities at the Schuylkill Station, is hereby deleted in its entirety and replaced by new Schedule A attached hereto.

Section 3. Subject to required regulatory authorizations, including, without limitation, acceptance by FERC under Section 205 of the FPA, this Second Amendment shall become effective when signed by the Parties.

Section 4. The Company shall file this Second Amendment with the Federal Energy Regulatory Commission ("FERC") in accordance with Section 205 of the Federal Power Act. The Producer agrees to reasonably cooperate with the Company with respect to such filing.

Section 5. In all other respects, the terms of the 2001 Interconnection Agreement shall remain unchanged.

Section 6. This Second Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the signatories have executed this Second Amendment as of September 26, 2011.

PECO ENERGY COMPANY

By: Susan O. Ivey

Name: Susan O. Ivey
Vice President
Transmission Operations & Planning

Title: _____

EXELON GENERATION COMPANY, LLC

By: _____

Name: _____

Title: _____

Section 5. In all other respects, the terms of the 2001 Interconnection Agreement shall remain unchanged.

Section 6. This Second Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the signatories have executed this Second Amendment as of September 26, 2011.

PECO ENERGY COMPANY

By: _____

Name: _____

Title: _____

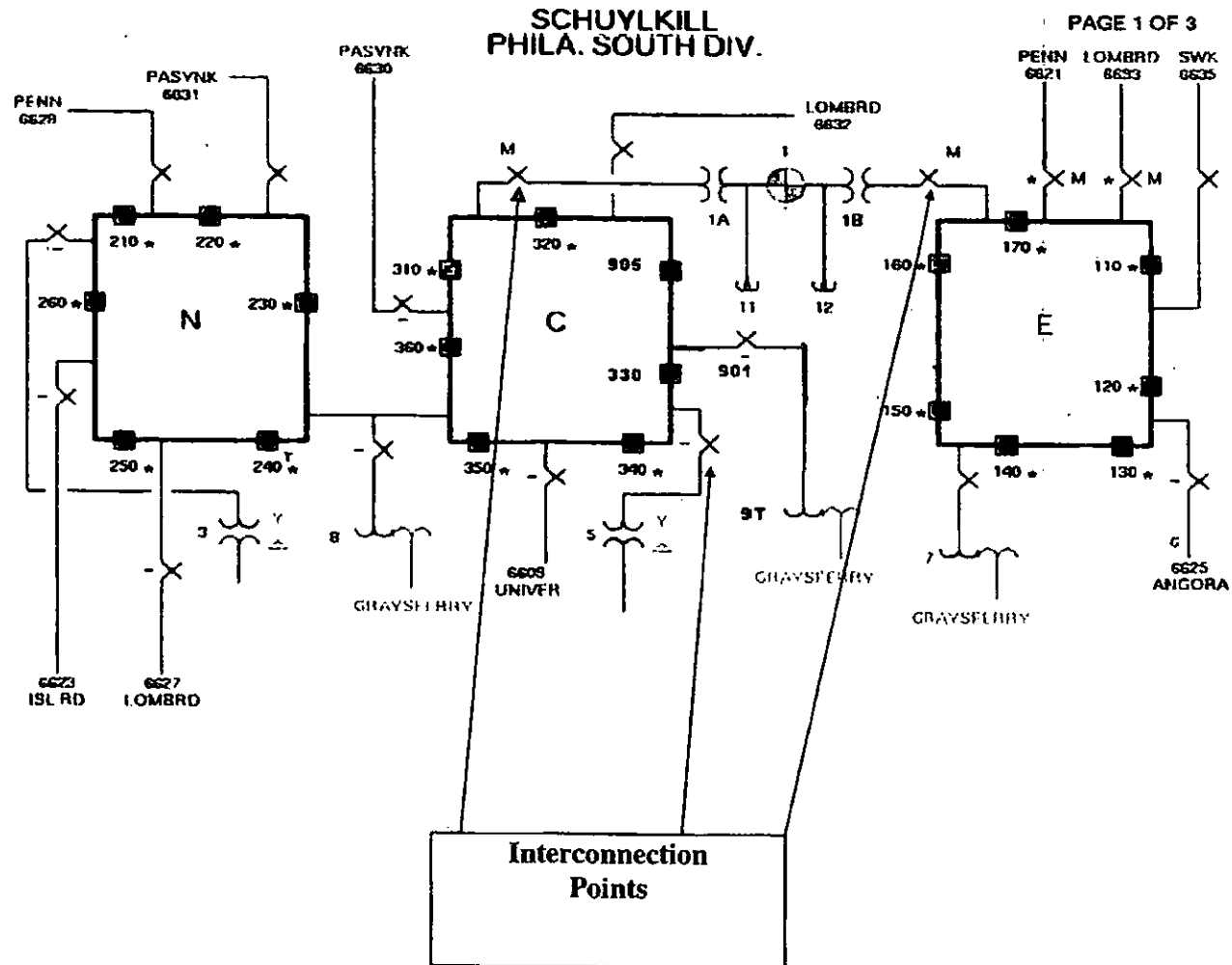
EXELON GENERATION COMPANY, LLC

By: Todd D. Cutler

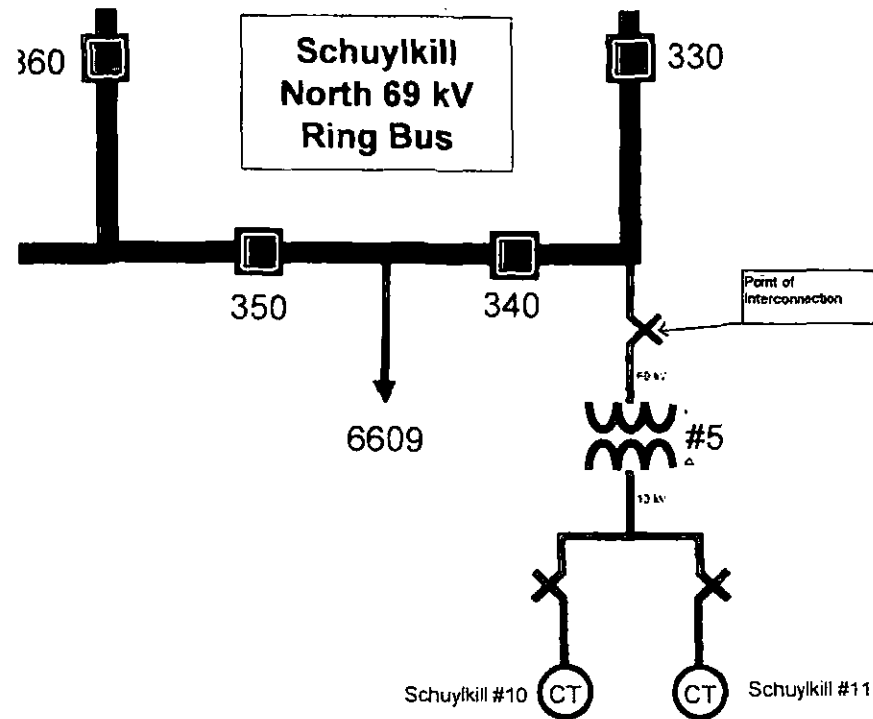
Name: Todd D. Cutler

Title: Assistant Secretary

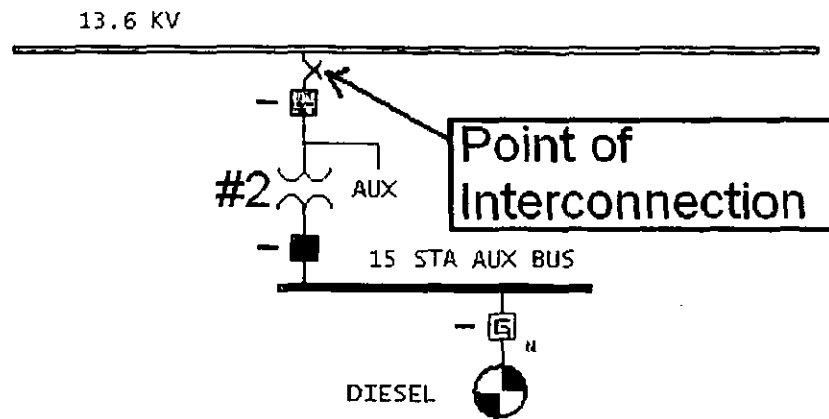
SCHEDULE A INTERCONNECTION POINTS AT SCHUYLKILL STATION



**SCHEDULE A
INTERCONNECTION POINTS AT SCHUYLKILL STATION**



**SCHEDULE A
INTERCONNECTION POINTS AT SCHUYLKILL STATION**



**SCHEDULE A
INTERCONNECTION POINTS AT SCHUYLKILL STATION**

Note: TSS – transmission system side
DSS - distribution system side

| Station / Unit | Interconnection Point Boundary of Asset Ownership |
|-----------------------|--|
| Schuylkill No. 1 | (1) Transformer #1A 69kV motor operated disconnect TSS and (2) transformer #1B 69kV motor operated disconnect TSS |
| Schuylkill No. 10 | High side disconnect switch of #5 Transformer |
| Schuylkill No. 11 | High side disconnect switch of #5 Transformer |
| Schuylkill Diesel | #2 Transformer DSS disconnect (no unique number designation given) |

C

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SEP 26 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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COMMONWEALTH LAND
TITLE INSURANCE COMPANY
THIS INSTRUMENT NOT RECORDED

RECEIVED

SEP 26 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EASEMENT AND LICENSE AGREEMENT

By and Between

EXELON GENERATION COMPANY, LLC

And

PECO ENERGY COMPANY

For The

SCHUYLKILL POWER STATION

2



50212464

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02/14/2001 12:02PM

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EXHIBITS

- Exhibit A Description of Station Land
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- Exhibit C Description of Company Easement Areas
- Exhibit D Schedule of Real Estate Agreements
- Exhibit E List of Party Representatives for Notices

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EASEMENT AND LICENSE AGREEMENT

THIS EASEMENT AND LICENSE AGREEMENT ("Agreement") is made on January 12, 2001, to be effective as of January 1, 2001 by and between Exelon Generation Company, LLC (the "Producer") and PECO Energy Company (the "Company"). The Producer and the Company are each referred to herein as a "Party" and, collectively, as the "Parties."

BACKGROUND

A. The Producer is the owner and operator of the Schuylkill Power Station (hereinafter, the "Station"), which electric energy generation facility is located on certain real property, a legal description of which is set forth on Exhibit A to this Agreement (the "Station Land"), and includes certain buildings and improvements located thereon.

B. The Company is the owner of certain transmission and distribution facilities located on the Station Land and surrounding land (the "T&D System") to which the Station is interconnected.

C. The Producer and the Company have entered into an Interconnection Agreement (the "Interconnection Agreement") dated of even date herewith pursuant to which the Company will continue to provide certain interconnection services for the Station.

D. In order for the Producer and the Company to (i) enjoy the full benefit of their respective property rights, real or personal, (ii) fulfill legal requirements, and (iii) perform their respective obligations under the Interconnection Agreement, each Party requires certain easements, licenses, rights, rights-of-way and/or attachment rights in, on, over, and above, or with respect to, the real and/or personal property of the other Party.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Defined Terms. The following terms, when used herein with initial capitalization, shall have the meaning specified in this section.

"AAA" is defined in Section 11.3 of this Agreement.



"Affiliate" means, with respect to a specified Person or other Person which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Person specified. The term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person.

"Agreement" means this Easement and License Agreement.

"Company" is defined in the opening paragraph of this Agreement.

"Company Communications Facilities" means the wires, cables, fiber optic cables, conduits, coaxial cables, devices, poles, lines of poles, switches, equipment huts, equipment cabinets, equipment enclosures, utility meters, microwave towers and dishes, antennae and other related equipment, facilities, and appurtenances owned by the Company or by a Permittee, located at, on, under or above the Station Land, which are used by the Company or any such Permittee for the transmission of telecommunications of any kind, including radio, telephone, television, computer data and any other communications, data and/or information of any kind.

"Company Easement Areas" means the areas of Station Land burdened by the easements granted to the Company pursuant to Article 2 of this Agreement.

"Company Facilities" means all Improvements and all other facilities and equipment (but excluding Company Communication Facilities) owned by the Company and located at, on, under or above the Station Land, whether real or personal property, whether permanent or temporary, including all interconnection facilities, transmission facilities, distribution facilities (gas and electric), RTUs, Revenue Meters, machinery and equipment. The Company Facilities are used by the Company for any of the following purposes: (i) the operation of the T&D System and gas distribution system, (ii) the operation of the maintenance, storage, transportation and distribution facilities located on the Station Land, (iii) the provision of communication and computing services for the Substation and other facilities owned and or operated by the Company or its designees, and (iv) the provision of telecommunications services.

"Easement/License Areas" means either or both of the Company Easement Areas and the Producer License Areas, as the context requires.

"Environmental Laws" means court decisions, case law, statutes, rules, regulations, ordinances, orders and codes relating to pollution or protection of the environment, natural resources or human health and safety, including laws relating to Releases or threatened Releases of Hazardous Substances or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, transport, disposal or handling of Hazardous Substances.

"Environmental Laws" include the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq.), the Hazardous



Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Oil Pollution Act (33 U.S.C. §§ 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §§ 11001 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), and other state laws analogous to any of the above.

"Force Majeure Event" means any occurrence beyond the reasonable control of, and without the fault or negligence of, a Party claiming such Force Majeure Event, which causes such Party to be unable to perform its obligations under this Agreement, which by exercise of due foresight such Party could not reasonably have been expected to avoid and which such Party is unable to overcome by the exercise of due diligence, including an act of God, requirement to comply with applicable Laws, war, civil disturbance, riot, strike or other labor dispute, material shortage, fire, explosion, flood, earthquake, storm, lightning and other natural catastrophes, breakdown of equipment caused by a Force Majeure Event, failure of a contractor or subcontractor caused by a Force Majeure Event, or transportation delays or stoppages, provided that in any event a Force Majeure Event shall not include lack of finances.

"Generation Business" shall mean the Producer's production and generation of electricity.

"Good Utility Practice" means any of the practices, methods, and activities approved by a significant portion of the electric utility industry as good practices including any of the practices, methods, or activities which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition, applicable Laws. Good Utility Practice is not necessarily the optimal practices, methods or acts to the exclusion of all others, but rather are the practices, methods, or acts generally accepted in the electric utility industry.

"Governmental Body" means any federal, state, regional, local, or other government; any governmental, regulatory or administrative agency, commission, body or other authority having jurisdiction to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power affecting the Station or the T&D System; and any court or governmental tribunal; but does not include a Party, or any of their respective successors in interest, or any owner or operator of the T&D System (if otherwise a Governmental Body).

"Grantee" means the Producer or the Company, as applicable that enjoys the benefit of the referenced easement, license, right, privilege or right-of-way.

"Grantor" means the Producer or the Company, as applicable, in its capacity as owner of the property and/or improvement burdened by the referenced easement, license, right, privilege or right-of-way.

"Hazardous Substances" means (a) any petrochemical or petroleum products, coal ash, oil, radioactive materials, radon gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid which may contain levels of polychlorinated biphenyls, (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

"Improvement" means all structures, improvements, facilities, systems, fixtures and equipment of any kind now or hereafter located on or attached to the Station Land or the Company Facilities, whether above or below the land surface, whether real or personal property, whether permanent or temporary, including all buildings, sheds, equipment huts, energy plants, tanks, pipelines (including meters, connections, valves and other associated equipment), cables, wires, conduits, cable trays, trenches, mains, lines, ducts, fences, towers, tunnels, driveways, Roads, paved parking areas, pathways, screening walls, awnings, retaining walls, plantings, shrubs and other landscaping, irrigation and drainage pipes and facilities, lighting fixtures and signs.

"Interconnection Agreement" is defined in the Background section of this Agreement.

"Laws" means all court decisions, case law, statutes, rules, regulations, ordinances, orders and codes of a Governmental Body, including Environmental Laws.

"NRC" means the Nuclear Regulatory Commission or its successor.

"Party" or **"Parties"** is defined in the opening paragraph of this Agreement.

"Permit" means any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, right, license or other similar action of or from a Governmental Body.

"Permittee" means, with respect to a particular Party, all Persons entitled to occupy or use all or any portion of the Station Land or the Company Facilities by virtue of a lease, easement, license or other legal relationship with such Party (including the permitted assignment of a lease, easement or license); provided,

however, that neither Party shall be included in the definition of a "Permittee" of the other Party under this Agreement.

"Person" means any individual, business trust, corporation, limited liability company, partnership, trust or trustee thereof, estate or executor thereof, unincorporated organization or joint venture, court or governmental unit or any agency or subdivision thereof, or any other legally recognizable entity.

"Producer" is defined in the opening paragraph of this Agreement.

"Producer Communications Facilities" means any and all wires, cables, fiber optic cables, conduits, coaxial cables, devices, poles, lines of poles, switches, equipment huts, equipment cabinets, equipment enclosures, utility meters, microwave towers and dishes, antennae and other related equipment, facilities, and appurtenances owned by the Producer or by a Permittee attached to the Company Facilities, which are used for the transmission of telecommunications of any kind, including radio, telephone, television, computer data and any other communications, data and/or information of any kind.

"Producer Facilities" means all Improvements and all other facilities and equipment (but excluding the Producer Communication Facilities) owned by the Producer and attached to the Company Facilities, whether real or personal property, whether permanent or temporary. The Producer Facilities are used by the Producer for any of the following purposes: (i) preserving access between the T&D System and the Station, (ii) the transmission of voltage, control and other data and information, (iii) the provision of communication and computing services for the Station or other facilities owned and or operated by the Producer's or its designees, or (iv) the provision of telecommunications services.

"Producer License Areas" means the areas of the Company Facilities burdened by the licenses granted to the Producer pursuant to Article 3 of this Agreement.

"Release" release, spill, leak, discharge, dispose of, pump, pour, emit, empty, inject, leach, dump or allow to escape into or through the environment.

"Revenue Meters" means all kWh meters, kVARh meters, pulse isolation relays, pulse conversion relays, transducers used by the Pennsylvania-New Jersey-Maryland power pool for billing purposes, and associated totalizing equipment and appurtenances (including voltage transformers and current transformers) used to measure the transfer of energy between the Parties.

"Roads" shall mean the roads, streets, alleys, paths and driveways on the Station Land providing ingress or egress to and from the Station, the Company Facilities and the Producer Facilities.

"RTUs" means remote terminal units used by any Party or for gathering and transferring information pertaining to generation, transmission and distribution operating parameters.



"Station" is defined in the Background section to this Agreement. The Station includes all Improvements and all other facilities and equipment owned by the Producer, whether above or below the surface of the Station Land, whether real or personal property, whether permanent or temporary.

"Station Land" is defined in the Background section to this Agreement.

"Substation" means the substation facilities located on the Station Land.

"T&D System" is defined in the Background section to this Agreement. The T&D System includes all Company Facilities.

"Transmission of Electric Current" shall mean the transmission of electricity typically over long distances and at voltages not commonly used for service to end use customers.

"Utility Business" shall mean the provision of regulated utility services, including but not limited to gas transportation and the transmission and/or distribution of electric energy.

1.2 **Rules of Construction.** The singular shall include the plural and the masculine shall include the feminine and neuter, and vice versa. The terms "includes" or "including" shall not be limiting, whether or not followed by the words "without limitation." References to a section shall mean a section of this Agreement unless the context requires otherwise, and reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented and restated through the date as of which such reference is made. References to Laws shall be deemed references to such Laws as they may be amended from time to time. This Agreement and any documents or instruments delivered pursuant hereto shall be construed without regard to the identity of the person who drafted the various provisions of the same. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable either to this Agreement or such other documents and instruments.

ARTICLE II GRANT OF EASEMENTS TO COMPANY; CERTAIN COVENANTS

2.1 **Grant of Easements to Company.** The Producer does hereby grant and convey to the Company, the following non-exclusive easements burdening the Station Land on the terms, and subject to the conditions, hereinafter set forth:

- (a) An easement granting or permitting the Company in the normal conduct of its Utility Business: (i) access to, and the right to use, the Company Facilities and the Company Easement Areas, (ii) any and all Company Facilities to remain in their present locations, and (iii) the right to operate, inspect, maintain, repair, upgrade, modify, alter, restore, and replace the Company Facilities.



- (b) An easement granting or permitting the Company in the normal conduct of its Utility Business: (i) access to, and the right to use, Company Communication Facilities, (ii) any and all existing Company Communication Facilities to remain in their present locations, and (iii) the right to operate, inspect, maintain, repair, upgrade, modify, alter, restore, and replace the Company Communication Facilities.
- (c) An easement permitting the Company in the normal conduct of its Utility Business to install new Company Facilities and new Company Communication Facilities within the Company Easement Areas.
- (d) An easement permitting the lease or license of space within the Company Easement Areas to Affiliates of the Company and to third party telecommunications providers (and for such Affiliates to sublease or sublicense such space to third party telecommunication providers).
- (e) An easement over, across and through the Station Land, including the right to use the Roads on the Station Land, for access to the Company Easement Areas and the Company Facilities.
- (f) An easement to use the existing drainage pipes and systems serving the Company Easement Areas to collect rainwater and runoff from the Company Easement Areas and to convey the same onto, across or through the Station Land or into and through the drainage systems located outside of the Company Easement Areas.
- (g) An easement to use the existing potable water and sanitary sewer lines, if any, serving the Company Easement Areas.
- (h) An easement to use such portions of the parking facilities located on the Station Land as are reasonably necessary for the purpose of parking cars, trucks and other, similar on-road vehicles and the temporary storage of trailers, heavy machinery, equipment, materials and all other apparatus and items used by the Company in connection with the exercise of any right granted to the Company under this Agreement or the Interconnection Agreement.
- (i) An easement to use such portions of the Station Land as are reasonably necessary for the temporary storage of construction and maintenance equipment and materials, and the movement and placement of construction vehicles and equipment (including scaffolding) in connection with the exercise of the rights granted to



the Company under this Agreement or the Interconnection Agreement.

- (j) An easement for all purposes deemed reasonably necessary by the Company to exercise any right or fulfill any obligation under the Interconnection Agreement, including the right to have access to and use any improvement constructed or installed in connection therewith.

2.2 Location of Easements. The Company Easement Areas established by reference to the easements granted in this Article 2 are approximately located or described on Exhibit C to this Agreement. Said Exhibit C is intended to be an approximate location of the Company Easement Areas granted herein, but it shall not be considered conclusive evidence of the location of such Company Easement Areas. Furthermore, notwithstanding anything to the contrary contained Exhibit C, all Company Easement Areas shall be of a sufficient size to allow the Company (i) to use and enjoy the easements and other rights granted hereunder for their intended purposes in accordance with Good Utility Practice, and (ii) to comply with the requirements or recommendations set forth in the most current edition of the National Electric Safety Code.

2.3 General Scope of Easements. All easements created and other rights granted in this Article 2 are subject to the following:

- (a) Any easement for the Company Facilities or the Company Communications Facilities includes the right, to the extent permitted by applicable Law, to clear, trim, cut, treat and/or remove, by manual, mechanical, and chemical means, any and all trees, brush, structures, and other obstructions within the Company Easement Areas, as well as such trees, brush, structures and vegetation outside of the Company Easement Areas, deemed reasonably necessary by the Company for the safe and secure operation of its facilities.
- (b) Any easement for the Company Facilities or the Company Communication Facilities includes the right, to the extent permitted by any applicable instrument, to enjoy and make use of all appurtenant rights benefiting the Station Land;
- (c) Except as otherwise expressly provided in this Agreement, each easement, and each right, privilege and license granted in this Article 2 shall be a non-exclusive perpetual grant, transfer, and conveyance (subject to the terms of this Agreement) to the Company; and
- (d) Nothing in this Article 2 confers or is intended to confer, and shall not be construed to confer, upon the Company any right to



interfere, either directly or indirectly, or by act or omission, with the management, control and operation of the Station by the Producer.

**ARTICLE III
GRANT OF LICENSES TO PRODUCER; CERTAIN COVENANTS**

3.1 **Grant of Licenses to Producer.** The Company does hereby grant and convey to the Producer the following non-exclusive licenses burdening the Company Facilities on the terms, and subject to the conditions, hereinafter set forth:

- (a) A license granting or permitting the Producer in the normal course of its Generation Business: (i) access to, and the right to use, the Producer Facilities and the Producer License Areas, (ii) any and all of the Producer Facilities to remain in their present locations, and (iii) the right to operate, inspect, maintain, repair, upgrade, modify, alter, restore, and replace the Producer Facilities.
- (b) A license granting or permitting the Producer in the normal course of its Generation Business: (i) access to, and the right to use, the Producer Communication Facilities and the Producer License Areas, (ii) any and all of the Producer Communication Facilities to remain in their present locations, and (iii) the right to operate, inspect, maintain, repair, upgrade, modify, alter, restore, and replace the existing Producer Communication Facilities.
- (c) A license for all purposes deemed reasonably necessary by the Producer to exercise any right or fulfill any obligation under the Interconnection Agreement, including the right to have access to and use any improvement constructed or installed in connection therewith.

3.2 **Location of Licenses.** The Producer License Areas established by reference to the licenses granted in this Article 3 shall be of a sufficient size to allow the Producer (i) to use and enjoy the licenses and other rights granted hereunder for their intended purposes in accordance with Good Utility Practice, and (ii) to comply with the requirements or recommendations set forth in the most current edition of the National Electric Safety Code.

3.3 **General Scope of Easements.** All easements created and other rights granted in this Article 3 are subject to the following:

- (a) Except as otherwise expressly provided in this Agreement, each license and each right and privilege granted in this Article 3 shall be a non-exclusive perpetual grant, transfer, and conveyance (subject to the terms of this Agreement) to the Producer; and



- (b) Nothing in this Article 3 confers or is intended to confer, and shall not be construed to confer, upon the Producer, any right to interfere, either directly or indirectly, or by act or omission, with the management, control and operation of the T&D System by the Company.

ARTICLE IV USE OF PROPERTY, LICENSES AND EASEMENTS

4.1 **Compliance with Law.** Each Grantee will comply, at its expense, with all Laws applicable to its exercise of its rights hereunder and to its use and operation of the Company Facilities and the Company Communication Facilities or the Producer Facilities and the Producer Communication Facilities, as applicable.

4.2 **Rules and Regulations.** Each Grantee will comply, at its expense, with all reasonable rules and regulations and reasonable safety, security and operating protocols established by Grantor from time to time in accordance with Good Utility Practice and applicable Laws, including rules and regulations governing access to the Company Easement Areas or the Producer License Areas, as the case may be, so long as Grantee is given notice of such rules, regulations and protocols. Each Party shall be responsible for ensuring that any Person acting on behalf of, or under a right granted to, such Party (including any Permittee) is aware of, and complies with, any such rules, regulations and protocols. The Producer acknowledges receipt of, and familiarity with, the Company's rules, regulations and protocols as in effect on the date of this Agreement, and the Company acknowledges receipt of, and familiarity with, the Producer's rules, regulations and protocols as in effect on the date of this Agreement.

4.3 **Subject to Existing Matters.** The easements and licenses in this Agreement are granted subject to (i) taxes and assessments not yet due and payable; (ii) all covenants, conditions, restrictions, reservations, rights, rights of way, easements, encumbrances, leases, liens and other title matters of record, including, without limitation, all the agreements listed on Exhibit D to this Agreement, (iii) all agreements, contracts, easements, leases, licenses, covenants, conditions, restrictions and other matters affecting title which are not of record, but which have been disclosed by one Party to the other Party in writing, and (iv) all other matters which would be disclosed by an inspection or accurate survey.

4.4 **Charges for Easements and Licenses.** Each easement and license granted herein may be enjoyed without charge or fee, except for shared maintenance charges and the like expressly provided herein.

4.5 **Cooperation.** Pursuant to Article 2, the Company has easements over the Station Land for the purpose of the use, operation, inspection, maintenance, repair, upgrade, alteration, restoration and replacement of the Company Facilities and the Company Communication Facilities. Pursuant to Article 3, the Producer has licenses burdening the Company Facilities for the purpose of the use, operation, inspection,



maintenance, repair, upgrade, modification, alteration, restoration, and replacement of the Producer Facilities and the Producer Communication Facilities. The Parties acknowledge that the Company Facilities and the Company Communication Facilities are, in many cases, located in areas of the Station Land on which fixtures, equipment and other property of the Producer used in connection with the operation of the Station are located. The Parties further acknowledge that the Producer Facilities and the Producer Communication Facilities are, in many cases, located in areas where fixtures, equipment and other property of the Company used in connection with the operation of the Company Facilities are located. Each Party agrees to cooperate with the other Party so as not to interfere with or obstruct the use by such other Party of such other Party's fixtures, equipment and other property. Such duty of cooperation shall include the obligation of the Parties to mutually agree upon reasonable procedures (consistent with any rules, regulations and protocols adopted in accordance with Section 4.2) for the use by the Parties of those areas of the Station Land and the Company Facilities in which the Parties' shared use is required as a result of the easements and licenses granted herein.

4.6 **No Unreasonable Interference**. Each Party to this Agreement shall exercise the rights granted to it hereunder, and any rights existing at law that it may have with respect to its own real and personal property, in a manner intended to avoid any unreasonable interference with the other Party's use and enjoyment of the rights in the Company Easement Areas, the Producer License Areas or the Station Land existing at law or granted pursuant to this Agreement.

ARTICLE V MAINTENANCE AND REPAIR

5.1 **Generally**. The Company shall maintain and repair any and all Company Facilities, Company Communication Facilities and Company Easement Areas in accordance with Good Utility Practice, and the Producer shall maintain and repair any and all Producer Facilities, Producer Communication Facilities and the Producer License Areas in accordance with Good Utility Practice. Except as provided in Section 5.2 below, the Party responsible for maintenance and repair shall bear the full cost and expense of performing said responsibility.

5.2 **Common Use**. To the extent any of the facilities and/or areas identified in Section 5.1 are used in common by the Parties, the costs of maintenance or repair shall be allocated (i) in accordance with the terms of the Interconnection Agreement, (ii) in the absence of such an allocation in the Interconnection Agreement, by the Party identified in any other separate agreement between the Parties at the cost and expense of the Party identified in such separate agreement, or (iii) in the absence of both (i) or (ii), then jointly to the Parties (in which case, the Party that is not responsible for maintenance and repair will pay its share based upon percentage of use, or as otherwise agreed upon by the Parties, upon demand).



**ARTICLE VI
NEW IMPROVEMENTS, RELOCATIONS**

6.1 **New Facilities or Relocation by the Company Inside and Outside the Company Easement Areas.** The Company shall have the right to install any new, or relocate any existing, Company Facilities or Company Communication Facilities inside the Company Easement Areas without the prior consent and approval of the Producer, but any such installation or relocation shall comply with the applicable provisions of this Agreement and the Interconnection Agreement. The Company may not install any new, or relocate any existing, Company Facilities or Company Communication Facilities on Station Land outside the Company Easement Areas absent the prior written consent and approval of the Producer, and in that event, only upon terms and conditions reasonably satisfactory to the Producer.

6.2 **New Facilities or Relocation by the Producer on Company Facilities.** The Producer may not install any new, or relocate any existing, Producer Facilities, Producer Communication Facilities or any other Producer-owned machinery or equipment on the Company Facilities or Company Communication Facilities owned by the Company, whether inside or outside the Producer License Areas, absent the prior written consent and approval of the Company, and in that event, only upon terms and conditions reasonably satisfactory to the Company.

6.3 **New Facilities or Relocation by the Producer Generally** Producer and the Company agree that, except as set forth in Section 6.2, the Producer may install any new, or relocate any existing, Producer Facilities, Producer Communication Facilities or any other Producer-owned improvements, machinery or equipment on the Station Land without the prior written consent and approval of the Company, including any such installation or relocation within the Company Easement Areas. The Producer acknowledges that any such installation or relocation shall comply with the applicable provisions of this Agreement and the Interconnection Agreement.

**ARTICLE VII
REGULATIONS REGARDING MAINTENANCE AND
CONSTRUCTION WORK**

7.1 **Scope.** The Interconnection Agreement shall govern the performance of maintenance, demolition and/or construction work or activities on the Station Land affecting facilities falling within the scope of said agreement.

7.2 **Work Rules.** Where the Interconnection Agreement has terminated or where the affected facilities do not fall within the scope of said agreement, the following rules shall govern the performance of maintenance, demolition and/or construction work on the Station Land:

- (a) **No Unreasonable Interference.** Any work or activity by the Company shall not unreasonably interfere with the Producer's use, occupancy or enjoyment of the Station Land, the Producer Facilities

or Producer Communication Facilities, as the case may be, or the Producer's rights and obligations under the Interconnection Agreement, except in each case for temporary minor inconveniences, the scope and duration of which are minimized to the extent reasonably possible. Any work or activity by the Producer shall not unreasonably interfere with the Company's use, occupancy or enjoyment of the Company Easement Areas, the Company Facilities or the Company Communication Facilities, as the case may be, or the Company's rights and obligations under the Interconnection Agreement, except in each case for temporary minor inconveniences, the scope and duration of which are minimized to the extent reasonably possible.

- (b) Compliance with Requirements of Law. All work or activity shall be performed in accordance with applicable Laws, and all required Permits for such work or activity shall be obtained prior to the commencement of the work or activity.
- (c) Repair of Defects. All work shall be performed in a manner that will not damage the Station Land, Producer Facilities or the Producer Communication Facilities or the Company Easement Areas, the Company Facilities or the Company Communication Facilities, as the case may be, other than minor damage which shall be promptly and diligently repaired by the Party by or on behalf of whom the work is performed. The Party responsible for the work shall promptly remedy any defects in the work which have a material adverse effect on the Station Land, Producer Facilities or the Producer Communication Facilities or the Company Easement Areas, the Company Facilities or the Company Communication Facilities, as the case may be, or their use or operations, or subject the other Party to material risk of liability.
- (d) Standard of Work. All such work shall be performed by the Parties in accordance with Good Utility Practice.
- (e) Safety Measures. Each Party responsible for any work or activity shall take all safety measures reasonably necessary to protect the other Party, and the property from injury or damage caused by or resulting from the performance of such work or activity..
- (f) Liens. No work or installation by any contractor for a Party shall be done on any part of the Station Land, Producer Facilities or the Producer Communication Facilities or the Company Easement Areas, the Company Facilities or the Company Communication Facilities, as the case may be, except after the filing by such contractor on behalf of such contractor and any of such contractor's subcontractors and materialmen of a waiver of the right to file any

mechanics' lien arising out of such work, such waiver to be in such form, and duly filed and indexed in such office or offices, as shall constitute an effective waiver by anyone otherwise having a right to file such lien. If any such lien is filed arising out of a Party exercising its rights hereunder, the Party shall cause same to be discharged or satisfied or bonded within fifteen (15) days of notice of same and the Party shall defend, indemnify and save harmless the other Party from and against all liability, loss, cost or expense (including reasonable attorney's fees) arising out of any liens which the Party is obligated to discharge hereunder.

ARTICLE VIII INSURANCE

8.1 **Obligations.** Each Party shall maintain, at its own cost, fire, liability, worker's compensation, and such other forms of insurance, in such amounts and on such terms and conditions as is customary and reasonable in the electric utility industry and in conformance with Good Utility Practice, including self-insurance. Each Party shall maintain such coverages in any event notwithstanding either (i) the termination of the Interconnection Agreement in accordance with its terms or (ii) the decommissioning of the Station.

8.2 **Evidence of Insurance, Cancellation.** The Parties agree to furnish each other with certificates of insurance demonstrating the insurance coverages required to be provided in accordance with this Article. Each Party agrees, upon request of the other Party, to make available for the other Party's review (subject to the confidentiality requirements of Interconnection Agreement) complete copies of any policies (and any amendments thereto) maintained hereunder. Each Party must notify the other Party within five (5) days of receiving notice of cancellation, change, amendment or non-renewal of any insurance policy.

ARTICLE IX INDEMNIFICATION

9.1 **Indemnification.**

- (a) Subject to the limitations and exclusions on liability set forth in Article 10 (but excluding the limitations and exclusions regarding attorneys' fees and other litigation costs), the Producer shall indemnify, hold harmless, and defend the Company, its parents, its Affiliates, and each of their respective officers, directors, members, partners, employees, agents, contractors, subcontractors, and invitees, from and against any and all claims, liabilities, costs, damages, and expenses (including reasonable attorneys fees and disbursements incurred in any action or proceeding between the Parties and a third party, or between a Party and a third party) for



or arising from damage or loss caused wholly or in part by any action or inaction of the Producer under this Agreement except to the extent attributable to the negligence of the Company.

- (b) Subject to the limitations and exclusions on liability set forth in Article 10 (but excluding the limitations and exclusions regarding attorneys' fees and other litigation costs), the Company shall indemnify, hold harmless, and defend the Producer, its parents, its Affiliates, and each of their respective officers, directors, members, partners, employees, agents, contractors, subcontractors, and invitees, from and against any and all claims, liabilities, costs, damages, and expenses (including reasonable attorneys fees and disbursements incurred in any action or proceeding between the Parties and a third party, or between a Party and a third party) for or arising from damage or loss caused wholly or in part by any action or inaction of the Company under this Agreement except to the extent attributable to the negligence of the Producer.

9.2 Indemnification Procedures. If either Party intends to seek indemnification under this Article 9 from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount (estimated if necessary) of the claim that has been, or may be sustained by, said Party. To the extent that the indemnifying Party is or will be actually and materially prejudiced as a result of the failure to provide such timely notice, the indemnifying Party's liability shall be reduced proportionate to such prejudice. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, such consent shall not be unreasonably withheld, delayed or conditioned.

9.3 Notice. Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in this Article 9 may apply, the indemnified Party shall notify the indemnifying Party in writing of such fact. The indemnifying Party shall assume the defense thereof with counsel designated by such Party and reasonably satisfactory to the indemnified Party, whose consent to such designated counsel shall not be unreasonably withheld; provided, however, that if the defendants in any such action include both the indemnified Party and the indemnifying Party and the indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the indemnifying Party, the indemnified Party shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified Party.

9.4 Right to Assume Defense. Should a Party be entitled to indemnification under this paragraph as a result of a claim by a third party, and the indemnifying Party fails to assume the defense of such claim, the indemnified party will at the expense of



the indemnifying Party contest (or, with the prior written consent of such indemnifying Party, settle) such claim, provided that no such contest may be made, and settlement or full payment of any such claim may not be made, without consent of the indemnifying Party, which consent shall not be unreasonably withheld. In the event that a Party is obligated to indemnify and hold the other party and its successors and assigns harmless under this paragraph, the amount owing to the indemnified Party will be the amount of such Party's actual out-of-pocket loss net of any insurance proceeds received or other recovery.

9.5 **Employees.** Each Party shall comply with applicable worker's compensation laws, and the indemnification provided in this Article 9 shall be fully applicable to all claims and payments arising under such laws.

9.6 **Survival.** The indemnification obligations of each Party under this Article 9 shall continue in full force and effect regardless of whether this Agreement has either expired or been terminated or canceled.

ARTICLE X LIMITATION OF LIABILITY

Neither the Company nor the Producer nor their respective officers, directors, members, partners, agents, employees, parent or Affiliates will be liable to the other Party, its parent, its Affiliates, or their respective officers, directors, agents, or employees for claims, suits, actions or causes of action, or otherwise, for incidental, punitive, special, indirect, multiple or consequential damages (including costs of replacement power, or claims for lost profits or revenues) attorneys' fees and other litigation costs connected with or resulting from any action or inaction by a Party under this Agreement, including any such consequential damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law, or any other theory of recovery.

ARTICLE XI DEFAULTS/ENFORCEMENT

11.1 **Defaults.** Any Party which commits a breach of any covenant, restriction, term or provision of this Agreement shall be considered to be in default under this Agreement if such Party shall fail to cure such breach within thirty (30) days following written notice from an aggrieved Party specifying such breach; provided, that if the nature of the particular breach reasonably requires more than thirty (30) days to cure, then such Party shall not be considered to be in default of this Agreement if such Party commences the cure of the breach within the foregoing thirty (30) day period and thereafter diligently prosecutes such cure to completion.

11.2 **Self-Help.** If any Party fails to perform any of its obligations hereunder, and if such failure shall continue for more than thirty (30) days after notice from the



other Party that such Party intends to exercise its rights under this paragraph, the non-defaulting Party may cure the defaulting Party's failure. Any money expended by the non-defaulting Party to effect a cure, as aforesaid, will be payable, on demand, by the defaulting Party, with interest accrued on the sum due, at the prime rate of interest then prevailing from time to time (as identified in the "Money Rates" section of the Wall Street Journal), from the date of such demand until paid in full.

11.3 Alternative Dispute Resolution. The Parties will attempt in good faith to resolve any dispute arising out of or relating to this Agreement. If the Parties cannot resolve in good faith any such dispute within sixty (60) days after such dispute arose, then any Party may submit such dispute to binding arbitration in Philadelphia, Pennsylvania. If the total of all disclosed claims or counterclaims, exclusive of interest and arbitration costs, are not reasonably estimated to exceed \$1,000,000, the arbitration shall be heard by one neutral arbitrator under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). If the total of all such claims or counterclaims are reasonably estimated to exceed \$1,000,000, then the arbitration shall be heard by three (3) neutral arbitrators under the AAA's Supplementary Procedures then in effect for Large Complex Disputes. The arbitration process shall be concluded not later than six (6) months after the date that it is initiated (as such period may be reasonably extended by the arbitrator(s), but in no event longer than twelve (12) months) and the award of the arbitrator(s) shall be accompanied by a reasoned opinion if requested by any Party. The arbitrator(s) shall have no authority to award punitive or treble damages. The arbitration shall be conducted as a common law arbitration and the decision of the arbitrator(s) rendered in such a proceeding shall be final. Judgment may be entered upon the decision of the arbitrators in any court having jurisdiction. The procedures for the resolution of disputes set forth in this Section 11.3 shall be the sole and exclusive procedures for the resolution of disputes; provided, however, that a Party may seek a preliminary injunction, temporary restraining order or other preliminary judicial relief from a court if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Despite such action, the Parties will continue to participate in good faith in the procedures specified in this Section 11.3. All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified herein are pending. The Parties will take such action, if any, required to effectuate such tolling. Each Party is required to continue to perform its obligations under this Agreement pending final resolution of any dispute. All negotiations pursuant to these procedures for the resolution of any dispute will be confidential, and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and State Rules of Evidence.

11.4 No Forfeiture. Except by enforcement of a judgment lien against the Station Land or the Company Facilities, nothing contained in this Agreement shall create any reversion, condition, or right of re-entry or other provisions for forfeiture under which either Party can be cut off, subordinated, or otherwise disturbed in the possession of its property.

11.5 Independent Covenants. None of the rights and easements granted by this Agreement and none of the performances required by this Agreement shall be



dependent on the performance of any other term, promise, or condition of this Agreement or any documents executed concurrently or in connection with this Agreement, and such rights, easements and requirements of performance shall continue in effect irrespective of whether anything else in this agreement or such other documents has been breached or has been terminated. The separateness and independent survival of the rights, easements, and requirements of performance under this Agreement are essential terms hereof without which this Agreement would not have been made.

11.6 **Termination.** Notwithstanding anything contained or implied in this Agreement to the contrary, in no event shall the remedies available hereunder include the right to terminate this Agreement. Each party waives any right under law, equity or otherwise, to terminate this Agreement.

11.7 **Force Majeure.** If either Party is unable to perform its obligations under this Agreement due to a Force Majeure Event, the non-performing Party shall promptly notify the other Party of the occurrence of the Force Majeure Event. The non-performing Party shall be relieved from its obligations under this Agreement, except for the obligations to (i) pay money and (ii) comply with Article 4, when and to the extent the non-performing Party's inability to perform its obligations is caused by the Force Majeure Event, provided that the relief from performance is of no greater scope and of no longer duration than is required by the Force Majeure Event. The non-performing Party shall use reasonable efforts to remedy its inability to perform and to mitigate the consequences of the Force Majeure Event, provided that no Party shall be required to settle any strike or other labor dispute on terms which, in the Party's reasonable judgement, are contrary to its interest. The non-performing Party shall advise the other Party of its effort to remedy its inability to perform and to mitigate the consequences of the Force Majeure Event, and shall advise the other Party of when non-performing Party will be able to resume performance of its obligations under this Agreement.

ARTICLE XII DURABILITY AND TRANSFERABILITY OF OBLIGATIONS

12.1 **Durability.** All of the easements, licenses, covenants, conditions and restrictions set forth in this Agreement (i) shall run with and bind the Station Land and burden the Company Facilities until terminated by a recorded agreement executed by the Parties, (ii) shall be equitable servitudes, and (iii) shall benefit and be binding upon each Party and their respective successors and assigns and shall create reciprocal rights and obligations, and privity of contract and estate, between and among the Parties and their respective successors and assigns.

12.2 **Transferability.**

- (a) Each Party may assign its rights and obligations hereunder, without the consent of the other Party, if such assignment is made together with an assignment by the assignor of its rights and obligations



under the Interconnection Agreement which is permitted by the terms of the Interconnection Agreement. Any other assignment of rights under and obligations under this Agreement by either Party, including any assignment after the expiration or termination of the Interconnection Agreement, shall not be permitted unless the consent of the other Party is first obtained, which consent shall not be unreasonably withheld, conditioned or delayed. In order for any permitted assignment of this Agreement to be effective against the non-assigning Party, the assignee shall execute and deliver to such Party an agreement to be bound by all of the obligations of the assignor hereunder and under the Interconnection Agreement (to the extent assigned) with respect to the assigned rights and obligations.

- (b) No Permittee of a Party shall acquire any rights of a Party hereunder, except to the extent such Party's rights are expressly assigned to such Permittee in accordance with the foregoing provisions of this Article 12 and such Permittee expressly assumes in writing the obligations of such Party under this Agreement accruing from and after the date of assignment. In no event shall the consent or approval of any Permittee be required in connection with, or as a condition to, any amendment, modification or termination of this Agreement.

ARTICLE XIII MISCELLANEOUS PROVISIONS

13.1 **Taxes.** The Company shall pay that incremental portion, if any, of all real property taxes and other charges and assessments levied upon or assessed against the Producer or the Station Land which is attributable to the value of any improvements now existing or hereafter constructed by the Company and shall save harmless the Producer from any such incremental portion of such taxes, charges and assessments at the Company's sole cost and expense.

13.2 **Effective Date.** This Agreement will be effective as of January 1, 2001.

13.3 **Constructive Notice and Acceptance.** Every Person who now or hereafter owns or acquires any right, title or interest in or to any portion of the Station Land or the Company Facilities is and shall be conclusively deemed to have consented and agreed to every covenant, condition, restriction and provision contained in this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such Person acquired an interest in the Station Land or the Company Facilities.

13.4 **Notices.** Except as otherwise provided herein, all notices, requests, demands, waivers, consents, billings, and other communications hereunder shall be in



writing, shall be delivered either in person, by telegraphic, facsimile or other electronic means, by overnight air courier or by mail, and shall be deemed to have been duly given and to have become effective upon receipt by the parties or their permitted assignees at the addresses specified in Exhibit D to this Agreement (or at such other address as shall be given in writing by a party hereto).

13.5 **No Waiver.** The failure of a Party to insist, in any one or more instances, on performance of any of the terms, covenants and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant or condition, but the obligations of the Parties with respect thereto shall continue in full force and effect. No waiver of any provision or condition of this Agreement by a Party shall be valid unless in writing signed by such Party or operational by the terms of this Agreement. A waiver by one Party of the performance of any covenant, condition, representation or warranty of the other Party shall not invalidate this Agreement, nor shall such waiver be construed as a waiver of any other covenant, condition, representation or warranty. A waiver by any Party of the time for performing any act shall not constitute a waiver of the time for performing any other act or the time for performing an identical act required to be performed at a later time.

13.6 **Headings.** Section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement.

13.7 **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid, binding and enforceable under applicable law, but if any provision of this Agreement is held to be invalid, void (or voidable) or unenforceable under applicable Laws, such provision shall be ineffective only to the extent held to be invalid, void (or voidable) or unenforceable, without affecting the remainder of such provision or the remaining provisions of this Agreement.

13.8 **Estoppels.** Within thirty (30) days following a request in writing by a Party, the other Party shall execute and deliver to any prospective purchaser or mortgagee of the requesting Party's land an estoppel certificate confirming that (i) this Agreement is in full force and effect, and has not been modified or amended (or stating any such modifications or amendments), and (ii) to the best knowledge of the certifying Party, there are no existing uncured defaults by any Party under this Agreement (or if any default exists, a description of the default).

13.9 **Cumulative Remedies.** Each remedy provided for in this Agreement shall be cumulative and not exclusive. The failure to exercise any remedy provided for in this Agreement shall not constitute a waiver of such remedy or of any other remedy provided herein or therein.

13.10 **Amendments; Modifications.** Any amendments or modifications of this Agreement shall be made only in a writing executed by all Parties to this Agreement (or their permitted successors and assigns).



13.11 **Governing Law.** This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the Commonwealth of Pennsylvania.

13.12 **Entire Agreement.** This Agreement (including the exhibits hereto) and the other documents and instruments specifically provided for herein and therein contain the entire understanding between the Parties concerning the subject matter hereof and thereof and, except as expressly provided for herein, supersede all prior understandings and agreements, whether oral or written, between them with respect to the subject matter hereof and thereof.

13.13 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.14 **Exhibits.** All exhibits attached to this Agreement are incorporated herein by this reference.

13.15 **No Third Party Rights.** The Parties do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation or understanding established under this Agreement, except insofar as such third party may be the beneficiary of an indemnity hereunder.

13.16 **Further Assurances.** Each Party agrees that it will, at any time and from time to time, upon the written request of the other Party, execute and deliver such further documents (in recordable form, if appropriate under the circumstances) and do such further acts and things, as the requesting Party may reasonably request in order to effect the purposes of this Agreement.

13.17 **Construction with Interconnection Agreement.** To the extent there is a conflict between the terms of this Agreement and the terms of the Interconnection Agreement in determining the rights and obligations of the Parties, the Interconnection Agreement shall control.



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IN WITNESS WHEREOF, the Parties hereto have caused this Easement and License Agreement to be executed by their respective duly authorized officers as of the date first above written.

Company:

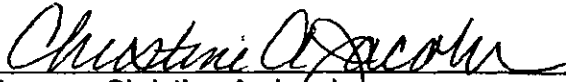
PECO Energy Company



Name: Michael A. Williams
Title: Director, Real Estate & Facilities

Producer:

Exelon Generation Company, LLC



Name: Christine A. Jacobs
Title: Senior Vice President



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Producer's Acknowledgment:

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF Philadelphia : SS

On this 12th day of January, 2001, before me, a Notary Public, personally appeared Christine A. Jacobs, who acknowledged herself to be the Senior Vice President of Exelon Generation Company, LLC, the entity named in the foregoing instrument, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the entity by herself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Suzanne M. Lydzinski
Notary Public
My Commission Expires:

Company Acknowledgment:

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF Philadelphia : SS

Notarial Seal
Suzanne M. Lydzinski, Notary Public
Philadelphia, Philadelphia County
My Commission Expires March 7, 2002
Member, Pennsylvania Association of Notaries

On this 12th day of January, 2001, before me, a Notary Public, personally appeared Michael A. Williams, who acknowledged himself to be the Director, Real Estate & Facilities of PECO Energy Company, the entity named in the foregoing instrument, and that he as such director, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the entity by himself as such director.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Suzanne M. Lydzinski
Notary Public
My Commission Expires:

Notarial Seal
Suzanne M. Lydzinski, Notary Public
Philadelphia, Philadelphia County
My Commission Expires March 7, 2002
Member, Pennsylvania Association of Notaries

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EXHIBIT A

Description of Station Land



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1-PH/1343339.1

EXHIBIT "A"

Schuylkill Station
Philadelphia, Pennsylvania

ALL THAT CERTAIN tract or parcel of land situated in the 30th Ward of the City of Philadelphia, Pennsylvania and described as follows:

PREMISES 'A'

SITUATE in the Thirtieth Ward of the said City of Philadelphia. BEGINNING at the Southwest corner of Christian Street and Twenty-sixth (formerly call Burnett) Street; THENCE extending Southwardly along the said Twenty-sixth Street Three hundred and Forty-nine feet and Seven inches to the South side of Carpenter Street; THENCE Eastward along the South side of said Carpenter Street Eighty-one feet six and five eighths inches to the Northwesternly side of Grays Ferry Road; THENCE along the Northwesternly side of said Grays Ferry Road Two hundred and Fifty feet eleven and five eighths inches to a point in the said Northwesternly side of Grays Ferry Road which point is at the distance of Thirty-two feet more or less Northeastwardly from the limit line of the right of way of the Delaware Extension of The Pennsylvania Rail Road Company; THENCE Northeastwardly One hundred and Sixty-five feet be the same more or less by line running parallel with and at the distance of Thirty-two feet more or less from the said Northwesternly limit line of the said right of way of the Delaware Extension of The Pennsylvania Rail Road Company; THENCE Northward Four hundred and Seventy feet more or less to Christian Street aforesaid by line running parallel with and in a Westerly direction Two hundred and Forty feet from the Westernmost building line of said Twenty sixth Street and THENCE Eastwardly along the Southerly building line of said Christian Street Two hundred and Forty feet to the place of beginning.

PREMISES 'B'

ALL THAT CERTAIN triangular lot or piece of ground described according to a Survey thereof made by John M. Dobre the 3rd day of July, A.D., 1902, as follows:

BEGINNING at a point at the intersection of the South house line of Christian Street with the center line of Schuylkill Avenue (now vacated) in the 30th Ward of the City of Philadelphia; THENCE extending Westwardly along the Southerly line of Christian Street extended 115 feet 8-1/8 inches to the line of land formerly of the Southern Electric Light and Power Co., and hereinabove described and granted; THENCE extending Southeastwardly along the said line making an angle of 17 degrees, 32 minutes, 26 seconds with the above described line 95 feet 10-3/8 inches to a point in the center line of said Schuylkill Avenue (now vacated); THENCE Northeastwardly along the center line of said Schuylkill Avenue (now vacated) 37 feet 8-3/4 inches to the first mentioned point and place of beginning.



EXHIBIT "A"

**Schuylkill Station
Philadelphia, Pennsylvania**

PREMISES 'C'

ALL THAT CERTAIN tract or parcel of land situated in the 30th Ward of the City of Philadelphia, Pennsylvania and described as follows:

BEGINNING at a point on the South side of Christian Street at the distance of 240 feet Westward from the West side of 26th (formerly called Burnett) Street; **THENCE** extending Westward along the south side of said Christian Street 638 feet 10-1/2 inches to the Southeasterly side of Schuylkill (formerly called Sutherland) Avenue (now vacated); **THENCE** Southwestwardly along the said side of Schuylkill Avenue (now vacated) 53 feet more or less to a point; **THENCE** Northwestwardly 73 feet more or less to a point on the Northwesterly side of said Schuylkill Avenue (now vacated) the distance of 22 feet 9-7/8 inches Southwestwardly from the Southerly line of Christian Street extended; **THENCE** North 59 degrees 45 minutes West by ground now or late of Charles Robb 320 feet 7-5/8 inches to the Port Wardens line in the River Schuylkill; **THENCE** Southwestwardly along the said Port Wardens line 211 feet; **THENCE** South 55 degrees East by ground of the United States Arsenal 276 feet 7-1/4 inches to the Northwesterly side of said Schuylkill Avenue (now vacated); **THENCE** Northeastwardly along the said side of Schuylkill Avenue (now vacated) 52 feet 8-7/8 inches to a point; **THENCE** South 55 degrees East recrossing the said Schuylkill Avenue (now vacated) and along the strip of ground used by Pennsylvania Railroad Company said railroad 1071 feet 7-1/2 inches more or less to the Northwesterly side of Grays Ferry Avenue; **THENCE** Northeastwardly along the said side of Grays Ferry Avenue 32 feet to a point; **THENCE** Northwestwardly on a line parallel with and at the distance of 32 feet Northeastwardly from the strip of ground used by the Pennsylvania Railroad Company as railroad 164 feet 1-1/2 inches to a point and **THENCE** Northwardly on a line parallel with the said 26th Street 475 feet 6-5/8 inches to the place of beginning.

RESERVING AND EXCEPTING THEREOUT AND THEREFROM:

ALL THAT CERTAIN strip or piece of land with the buildings and improvements thereon erected. SITUATE in the 30th Ward of the said City of Philadelphia and Commonwealth of Pennsylvania bounded and described as follows, viz:

BEGINNING at a point in the Northeasterly line of land conveyed by Edward Harris and Wife to the Pennsylvania Railroad Company by Deed dated 2/23/1960 at the distance of 764 feet 8-1/2 inches Northwestwardly measured along said line from the West side of Grays Ferry Avenue as said road is



EXHIBIT "A"

Schuylkill Station
Philadelphia, Pennsylvania

laid down on the general plan of the said City of Philadelphia and extending; THENCE Northwestwardly by said land 235 feet 3-1/4 inches to a point in the Southeasterly line of the strip of land formerly known as Schuylkill Avenue; THENCE Northeastwardly along said line of land 25 feet 6-3/4 inches to a point; THENCE Southeastwardly by other land of the said Southern Electric Light and Power Company 228 feet 8-1/4 inches to the place of beginning.

PREMISES 'D'

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected, described as follows, to wit:

BEGINNING at a point the intersection of the Southerly side of Christian Street and Southeasterly side of Schuylkill Avenue (now vacated) in the Thirtieth Ward of the City of Philadelphia; THENCE Southwestwardly along the said side of Schuylkill Avenue fifty three feet more or less to a point; THENCE Northwestwardly along other land of the grantee thirty-six feet six inches more or less to the middle line of Schuylkill Avenue; THENCE Northeastwardly along the said middle line of Schuylkill Avenue thirty seven feet eight and three quarter inches more or less to the Southerly line of Christian Street (extended) and THENCE along said side of Christian Street Eastwardly thirty three feet more or less to the point or place of beginning it being intended to convey hereby the Southeasterly half of the bed of Schuylkill Avenue extending Southwestward from the South side of Christian Street to the Northeasterly line of other land of the Grantee.

PREMISES "E"

ALL THAT CERTAIN lot or piece of ground, Situated in the 30th Ward of the City of Philadelphia described as follows, to wit:

BEGINNING at a point on the Northwesterly side of Schuylkill Avenue (70 feet wide) which point is measured Southwestwardly along the said Northwesterly side of Schuylkill Avenue the distance of 1261 feet, more or less, from a point formed by the intersection of the said Northwesterly side of Schuylkill Avenue and the Southwesterly side of Bainbridge Street (50 feet wide); thence extending from said point of beginning Southwestwardly along the said Northwesterly side of Schuylkill Avenue the distance of 70 feet, more or less, to a point; thence extending Northwestwardly the distance of 67 feet, more or less, to a point; thence extending Northwestwardly crossing a right-of-way for the Schuylkill River East Side Railroad the distance of 264 feet, more or less, to a point on the pierhead and bulkhead line (established by Secretary of War, September 4, 1908); thence extending Northeastwardly along the said pierhead and bulkhead line (established by the Secretary of War, September 4, 1908) the distance of 110 feet, more or less, to a point; thence extending Southeastwardly recrossing the said Right-of-Way for the Schuylkill River East Side Railroad the distance of 322 feet, more or less, to the point on the said Northwesterly side of Schuylkill Avenue being the first mentioned point and place of beginning.



EXHIBIT "A"

**Schuykill Station
Philadelphia, Pennsylvania**

Premises "A"

BEING the same premises which Southern Electric Light and Power Company, by deed dated April 8, 1916 and recorded in the Recorder's Office in and for Philadelphia County in Deed Book JMH 140, Page 420 granted and conveyed unto Philadelphia Electric Company, a Pennsylvania corporation, in fee.

Premises "B" and "C"

BEING the same premises which Southern Electric Light and Power Company, by deed dated April 8, 1904 and in the Recorder's Office in and for Philadelphia County in Deed Book WSV561, Page 471, granted and conveyed unto Philadelphia Electric Company, a Pennsylvania corporation, in fee.

Premises "D"

BEING the same premises which Joseph B. McCall and Lenore G. McCall, husband and wife, by deed dated January 25, 1917 and recorded in the Recorder's Office in and for Philadelphia County in Deed Book JMH 295, Page 85, granted and conveyed unto Philadelphia Electric Company, a Pennsylvania corporation, in fee.

Premises "E"

BEING the same premises which Lewis Hines Parsons, Mary Norris Parsons and Mary E. Parsons, by deed dated April 1, 1903 and recorded in the Recorder's Office in and for Philadelphia County in Deed Book WSV 192, page 109, granted and conveyed unto Philadelphia Electric Company, a Pennsylvania corporation, in fee.

BEING Tax Parcel Number: 77 2599000



EXHIBIT B

Intentionally Omitted



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EXHIBIT C

Company Easement Areas

The Company Easement Areas shall consist of the following:

(i) All ground under existing electric Substation facilities and a strip of ground ten (10) feet in width surrounding such existing facilities. If the Substation is not enclosed within a fence specific to the Substation, the Company Easement Area shall be determined to be all land within thirty (30) feet of the outermost equipment, including but no limited to transformers, capacitors, buss work, potheads, disconnect switches, breakers, control houses and other equipment normally associated with an electric substation.

(ii) Ground within existing transmission corridors having a center line width sufficient to comply with applicable National Electric Safety Code Standards for such existing facilities.

(iii) Ground within existing corridors for gas lines and telecommunications lines with a center line width sufficient to comply with applicable safety standards.



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EXHIBIT D

Schedule of Real Estate Agreements – Schuylkill Power Station

1. Lease Agreement dated January 30, 1987 between Philadelphia Electric Company and Philadelphia Thermal Corporation.
2. Easement Agreement dated March 1, 1996 between PECO Energy Company and Grays Ferry Cogeneration Partnership.
3. Agreement for Use in Common of Water Conveyance System and Easement dated March 1, 1996 by and among PECO Energy Company, Trigen-Philadelphia Energy Corporation and Grays Ferry Cogeneration Partnership.
4. Easement Agreement dated March 1, 1996 between PECO Energy Company and Philadelphia Thermal Development Corporation.



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EXHIBIT E

List of Party Representatives for Notices

COMPANY:

PECO Energy Company
2301 Market St.
Philadelphia, PA 19103
Attention: Director, Real Estate & Facilities
Phone: 215-841-5380
Fax: 215-841-5419

PRODUCER:

Exelon Generation Company, LLC
300 Exelon Way, Suite 340
KSB 3-W
Kennett Square, PA 19348
Attention: Senior Vice President, Fossil and Hydro Facilities
Phone: 610-765-5800
Fax: 610-765-5418



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ORIGIN ID: REDA (215) 963-5317
MAILROOM
MORGAN LEWIS & BOCKIUS LLP
1701 MARKET STREET

SHIP DATE: 26SEP11
ACTWGT: 6.3 LB
CAD: 0684922/CAFE2508

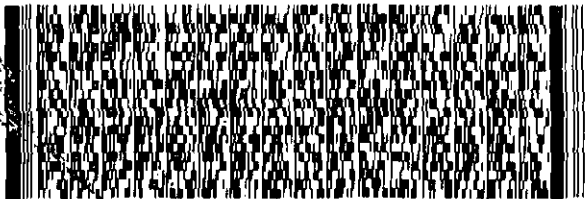
PHILADELPHIA, PA 19103
UNITED STATES US

BILL SENDER

TO ROSEMARY CHIAVETTA, SECRETARY
PA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG PA 17120

REF: 13847 - 001515 - 1072

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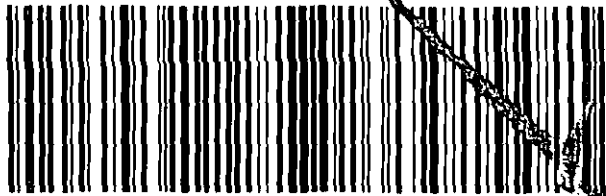
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