
EXHIBIT F127

AMENDMENT AGREEMENT OF SALE AND SERVICE,
DATED MARCH 23, 2005, BY AND AMONG
SUNOCO, INC. (R&M) AND DELCORA

AMENDED AGREEMENT OF SALES AND SERVICE

THIS AMENDED AGREEMENT is made as of the 23rd day of MARCH 2012 by Delaware County Regional Water Quality Control Authority ("DELCORA"), a Pennsylvania Municipal Authority and Sunoco, Inc. (R&M) ("SUNOCO"), a Pennsylvania Corporation.

RECITALS

A. DELCORA owns and operates (i) a wastewater treatment plant (the "Western Regional Plant") located in the City of Chester, Pennsylvania and (ii) a related conveyance system consisting of interceptors, sewers, pump stations and other equipment (together with the Western Regional Plant, the "Western Regional System"); and

B. DELCORA and SUNOCO entered into an Agreement dated as of December 1, 1973 (the "Original Agreement") pursuant to which the Authority has been treating SUNOCO wastewater since the Western Regional System began commercial operation; and

C. The Original Agreement terminated on December 1, 2004, and the parties replaced the Original Agreement with that certain Agreement of Sales and Service dated January 1, 2005 by and between DELCORA and SUNOCO (the "Existing Agreement") setting forth the terms under which the Authority agreed to treat SUNOCO wastewater; and

D. Due to changes in the operations of SUNOCO's Marcus Hook Refinery, the parties are replacing the Existing Agreement with this Amended Agreement to set forth the terms under which the Authority will continue to treat SUNOCO wastewater; and

E. For purposes of this Agreement, SUNOCO shall be classified as a "Wholesale Industrial User"; and

F. SUNOCO is authorized to discharge certain wastewaters into the Western Regional System (i) under an Industrial Discharge Permit No. IOT-03-02, which was issued to SUNOCO by the DELCORA on December 10, 2003 (the "Permit"), and (ii) subject to the conditions of the Permit and DELCORA Standards, Rules and Regulations of 2011 adopted by DELCORA Resolution No. 2011-04 adopted April 19, 2011 and as same shall be amended from time to time (collectively, the "Rules and Regulations"). Such wastewater is referred to herein as "Permitted Wastewater".

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

DELIVERY AND ACCEPTANCE OF WASTEWATER

1.01 Point of Connection and Metering. Permitted Wastewater shall be delivered by SUNOCO to the Western Regional System at a point of connection at the boundary of SUNOCO's property as described in Exhibit A. SUNOCO's metering station located as shown on Exhibit A shall measure and record all flows from SUNOCO to the Western Regional System.

1.02 Acceptance of Wastewater. DELCORA shall accept Permitted Wastewater from the SUNOCO conveyance facilities in an amount not to exceed six million (6,000,000) gallons per day (average daily flow) based on a monthly average, consistent with the Permit. SUNOCO's daily peak flow shall not exceed 15.0 million gallons per day. In the event that SUNOCO's daily peak flow exceeds 15 million gallons per day, SUNOCO shall pay a surcharge equal to \$5,000.00 per million gallons in excess of 15.0 million gallons per day. Said surcharge shall be billed to SUNOCO as part of the regular quarterly billing as set forth in Section 2.04.

ARTICLE II

SERVICE CHARGES AND PAYMENTS

2.01 Service Charges. SUNOCO shall pay DELCORA in each calendar year or portion thereof during which this Agreement is in effect, subject to the other provisions hereof, a service charge for the wastewater treatment and conveyance services rendered by DELCORA to SUNOCO for Permitted Wastewater. The service charge shall be based upon rates which are uniform for all users categorized as "Wholesale Industrial Users" in the Western region and DELCORA, in its sole and reasonable discretion, shall allocate the costs of the system among classes of users based upon the respective burdens placed on the system by each class. The service charge for the Wholesale Industrial Users class shall be determined by annual resolution passed by the DELCORA Board of Directors.

Charges will be reconciled at year end based on actual flows and loadings. DELCORA's good faith determinations as to the elements of costs, classifications of its customers, size of

reasonable reserves and like matters shall be conclusive.

Notwithstanding the above provisions, DELCORA may, within DELCORA's sole discretion, make improvements that will more closely quantify components of treatment costs should DELCORA determine that said improvements would be more equitable.

2.02 Estimates of Service Payments to be Made by SUNOCO.

(a) **Preliminary Estimate.** On or before October 31st of each year commencing in 2005, DELCORA will prepare and submit to SUNOCO a preliminary statement for the next succeeding calendar year showing the estimated amounts to be paid by SUNOCO during such year.

(b) **Final Estimate.** On or before December 1" of each year commencing in 2005, DELCORA will prepare and submit to SUNOCO a statement approved by the DELCORA Board of Directors showing, in reasonable detail, for the next succeeding calendar year: the estimated amounts to be paid by SUNOCO during such year determined in accordance with the provisions hereof, hereafter "Final Estimate." The amounts to be paid by SUNOCO contained within the Final Estimate shall be hereafter referred to as the "Estimated Service Payments to be Made by SUNOCO."

2.03 Amended Estimates. In the event of unusual contingencies requiring an upward revision in the current budget adopted by DELCORA, or in the event of a material change in the quantity or quality of SUNOCO'S wastewater flow, DELCORA may amend the Estimated Service Charges to reflect such changed conditions. A statement showing the amended estimated payments, hereafter "Amended Estimate," in reasonable detail, and the reasons therefore shall be submitted to SUNOCO, thereafter, commencing with the next quarterly payment, the payments made by SUNOCO shall be based upon the Amended Estimate.

2.04 Payments on Estimates. DELCORA shall submit to SUNOCO quarterly invoices reflecting the amount due and owing to DELCORA. SUNOCO agrees to pay said Estimated Service Charges for the next succeeding calendar year in four (4) equal installments to be paid within thirty (30) days of the receipt of each correct quarterly invoice. Actual usage of DELCORA's sewer system will be reconciled with the estimates utilized in calculating quarterly billings and adjustments made pursuant to 2.05 below.

2.05 Audited Statements. DELCORA shall cause to be prepared and certified by an independent Certified Public Accountant on or before May 31st of each year, a report setting forth in

reasonable detail (a) the Operating and Capital Costs of the Western Regional System for the preceding calendar year, and (b) the final service charge chargeable to SUNOCO for such year determined in accordance with the provisions of Sections 2.01 through 2.04 above. Such report shall contain statements setting forth the payments theretofore made by SUNOCO as estimated payments of service charges and the amount by which the final service charge to SUNOCO exceeds or is less than the aggregate of the payments and credits theretofore made by or allowed to SUNOCO on account of such service charge. Said final service charge shall be added to or subtracted from the third quarterly billing of the succeeding year.

2.06 Penalty on Late Payments. If SUNOCO does not make full payment of any such quarterly installments or additional charges, except as specified in 2.03, on or before the specified payment date, there shall be added to the amount thereof interest at the rate of 10% per annum from the due date of such charge to the date on which DELCORA shall receive payment thereof.

2.07 State and Federal Regulations to be Followed. Notwithstanding any provision set forth in this Article, the service charges payable by SUNOCO under this Agreement shall be calculated in such manner as will comply with the applicable regulations of the Federal Environmental Protection Agency and the Pennsylvania Department of Environmental Protection, or any successor agencies having jurisdiction thereof.

ARTICLE III

MEASUREMENT OF WASTEWATER FLOWS

3.01 Metering. The quantity of wastewater emanating from SUNOCO's facilities and discharged into the Sun Force Main shall be based upon readings of SUNOCO's meter as referenced in Section 1.01 above.

3.02 Access to Meters. DELCORA shall have the right of access to the meter for the purpose of reading and checking in place for accuracy, at its expense.

3.03 Missing or Inaccurate Flow Records. In the case of missing or inaccurate flow records due to faulty meter operation or otherwise, an estimate of flows shall be made by DELCORA based upon DELCORA's consideration of DELCORA and/or SUNOCO records of past flow or similar flows as applied to the current conditions, for use in place of meter readings.

ARTICLE IV
WASTEWATER QUALITY RESTRICTIONS

4.01 Uniform Standards. DELCORA has adopted uniform wastewater quality standards by the above-referenced Rules and Regulations, which comply with the requirements of Federal, State and Local regulatory authorities. SUNOCO will refrain from discharging or permitting the discharge of wastewater from SUNOCO's facilities into DELCORA's System that would violate any of such standards as they now exist or as they may be modified from time to time. Wastewater which does not meet the standards set forth in the Rules and Regulations, as amended, is hereinafter referred to as "improper wastewater" or "improper discharge".

4.02 Reimbursement for Damages from Improper Discharge. SUNOCO will assist DELCORA in determining the source of any improper wastewater. Upon notice from and at the direction of DELCORA, SUNOCO will assist DELCORA in terminating the flow of any improper discharge. All damages caused to DELCORA's and SUNOCO's property as the result of improper discharge shall be recoverable from the person or entity which is the source of the improper discharge. If DELCORA is unable to recover its damages after pursuing a civil action against the source, the excess damages shall be recovered through the general rate structure in succeeding years. SUNOCO shall indemnify and hold harmless DELCORA with respect to any damages or losses suffered by DELCORA on any other person or entity resulting from an improper discharge or improper wastewater originating from SUNOCO.

ARTICLE V
OPERATION AND MAINTENANCE OF FACILITIES

5.01 DELCORA Facilities. DELCORA will exercise best efforts to continuously operate, maintain and repair the Western Regional System or cause it to be maintained and repaired so that it will be at all times in efficient operating condition and in compliance with the standards prescribed by all appropriate regulatory agencies for the purpose of this Agreement.

5.02 Hold Harmless. DELCORA shall own the pipeline from the point of connection referred to in Section 1.01, but will not hold SUNOCO harmless for any damages or losses to the Western Regional System or the person or property of third parties directly resulting from (a) SUNOCO's breach of this Agreement; (b) SUNOCO's non-compliance with the DELCORA Standards, Rules and Regulations then in effect; (c) SUNOCO's violation of federal, state or local

statutes, ordinances, regulations or procedures applicable wastewater transportation, treatment and/or disposal; and/or (d) illegal, intentional and/or negligent act(s) of SUNOCO.

ARTICLE VI
MISCELLANEOUS

6.01 Insurance. DELCORA will insure, or cause to be insured, the Western Regional System, or such parts thereof as are usually insured by the Owners and/or operators of wastewater systems in the Commonwealth of Pennsylvania. Such insurance policies shall be non-assessable. DELCORA will also maintain liability insurance consistent with similar wastewater systems.

6.02 Inspection. Each party shall provide each other from time to time all information relevant to the proper administration of their responsibilities under this Agreement, or in respect to the interpretation hereof, as, and in such form and detail as, may be reasonably requested and each shall at all reasonable times and from time to time permit their representative to examine and inspect their respective records and physical facilities relevant to the subject matter of this Agreement.

6.03 Force Majeure. Notwithstanding any other provision of this Agreement, neither party hereto shall be responsible in damages to the other for any failure to comply with this Agreement resulting from an act of God or riot, sabotage, public calamity, flood, strike, breakdown of conveyance or treatment facilities due to circumstances beyond the party's control, or other event beyond its reasonable control. If a force majeure event occurs: (a) the non-performing party shall give the other party prompt written notice describing the particulars of the force majeure event and the potential duration thereof; and (b) the non-performing party shall resume performance at the earliest practicable time after the end of the force majeure event.

6.04 Indemnity. To the extent permitted by law, each party agrees to indemnify, defend and save harmless the other party against all costs, claims, losses, damages or legal actions of any nature on account of any injury to persons or property occurring in the performance of this Agreement due to the negligence of such party or its agents, employees, contractors or subcontractors, notwithstanding the provisions of Section 5.02.

6.05 No Joint Ownership. No provision of this Agreement shall be construed to create any type of ownership of any property, any partnership or joint venture, or create any other rights or liabilities except as expressly set forth herein.

6.06 Severability. Should any provision hereof, for any reason, be held illegal or invalid, no other provision of this Agreement shall be affected, and this Agreement shall then be construed

and enforced as if such illegal or invalid provision had not been contained herein.

6.07 Headings. The headings in this Agreement are solely for convenience and shall have no affect in the legal interpretation of any provision hereof.

6.08 Effective Date, Term and Termination. The Existing Agreement shall terminate and this Amended Agreement shall become effective as of April 1, 2012. This Amended Agreement shall remain in force and effect until December 31, 2025.

6.09 Notice of Termination. Either party may elect to terminate this Agreement after December 31, 2020, with the provision of five years written notice to the other party delivered at any time after December 31, 2015.

6.10 Waiver. The failure of SUNOCO or DELCORA to insist upon strict performance of any of the terms contained herein shall not be construed as a waiver of any rights hereunder.

6.11 Counterparts. This Agreement has been executed in five (5) counterparts, each of which shall be regarded for all purposes as an original, but such counterparts shall together constitute but one and the same instrument.

6.12 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

6.13 Assignment of Service Charges. DELCORA's right to receive payments hereunder may be assigned and pledged to Commerce Bank, as Trustee under Indenture dated July 1, 2001, or any subsequent Indenture to secure DELCORA'S Sewer Revenue Bonds currently outstanding or hereafter issued to cover any Project Costs to DELCORA.

ARTICLE VII **DEFINITIONS**

7.01 Definitions Incorporated Herein. The definitions set forth in the DELCORA Rules and Regulations, as amended, are incorporated herein by reference thereto as though set forth in full herein. Wherever used herein, the said terms shall have the meanings as so defined except in those instances where the context clearly indicates otherwise. The terms "Western Regional Plant", "Western Regional System", "Original Agreement", "Existing Agreement", "Wholesale Industrial User", "Permit", "Rules and Regulations" and "Permitted Wastewater" as used in this Amended

Agreement shall have the meanings as so defined in the Recitals to this Amended Agreement and such definitions are incorporated herein by reference hereto as though set forth in full herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Sales and Service to be executed as of the date and year first written above by their respective duly authorized officers and their respective seals to be hereunto affixed.

**DELAWARE COUNTY REGIONAL
WATER QUALITY CONTROL AUTHORITY**

(CORPORATE SEAL)

By: Stanley R. Kester
Stanley R. Kester, Chairman

Attest:

David G. Gorbey
David G. Gorbey, Secretary

SUNOCO, INC. (R&M)

By: John D. Pickering
John D. Pickering, SVP Manufacturing

(CORPORATE SEAL)

Attest:

Glan M. Jones
~~Secretary~~ Assistant Secretary

