

STANDARD CONSULTING AGREEMENT
GPU SERVICE CORPORATION -

INDEX

2nd "Std Contracts"

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Def. Exh. For ID 24
 Pl. Exh. in Ev Charles Shapiro CSR 4/23/81
 Doyle Reporting Inc. C.S.

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This Agreement entered into as of this day of
1977, between GPU SERVICE CORPORATION (hereinafter "Client"), 260 Cherry
Hill Road, Parsippany, New Jersey 07054 and
(hereinafter ("Consultant")),

WITNESSETH:

WHEREAS, Client desires to retain Consultant to provide certain
Consulting Services;
and

WHEREAS, Consultant represents it is properly qualified to render such
services; and

WHEREAS, the parties desire to set forth herein the terms and conditions
under which said Consulting Services shall be furnished;

NOW, THEREFORE, in consideration of the premises and of the mutual
covenants herein contained, the parties hereto agree as follows:

ARTICLE I - SCOPE OF SERVICES

During the term of this Agreement, and subject to the covenants
and conditions herein set forth, whenever it is determined by Client as
desirable or necessary in the performance of its work, Client may call upon
Consultant to perform consulting services as set forth in Attachment 1,
attached hereto, incorporated herein and made a part hereof. In each case,
the Scope of Services to be performed shall be developed by Client and
agreed upon mutually between Client and Consultant and shall be set forth in
a separate supplement to this Agreement which shall be binding upon the
Client if (a) such supplement is executed by a duly authorized representative
of the Client, or (b) the Client issues to the Consultant a purchase order,

executed by a duly authorized representative of the Client, setting forth or incorporating by reference the Scope of Services contained in such supplement. Such services shall be performed during the period specified and at times and locations denoted herein, and subject to all conditions and covenants set forth herein.

ARTICLE II - CONTRACTUAL RELATIONSHIP

In contracting for these services, Client is acting for itself as well as for its affiliated companies of the General Public Utilities Corporation, namely Jersey Central Power & Light Company, Metropolitan Edison Company, and Pennsylvania Electric Company.

In performing the services under this Agreement, Consultant shall operate as and have the status of an independent contractor and shall not act as or be an agent or employee of Client. As an independent contractor, Consultant will be responsible for determining the means and methods for performing satisfactorily the consulting services described in the Scope of Services; such means and methods shall be made known to Client prior to commencement of any work hereunder.

ARTICLE III - PERIOD OF PERFORMANCE

This Agreement shall remain in full force and effect from the date hereof until _____, at which time it shall expire for ordering purposes; any work ordered prior to that date will be completed under the terms of this Agreement.

ARTICLE IV - COMPENSATION AND PAYMENT

As full consideration for the performance of services as described in Attachment 1, Client shall pay to Consultant compensation in accordance with the fees, rentals, charges and payment provisions of this Agreement.

A. Compensation

(Set forth in Attachment No.2)

B. Payment

1. Consultant shall submit to Client in quadruplicate an invoice detailing the services performed in the preceding month and the charges therefor. Consultant shall reference each invoice with Client's purchase order number and shall include a summary of actual hours worked by Consultant's employees engaged directly on the project by name, classification and rate. Direct non-salary expenses (if applicable) and other direct expenses, if any, shall be shown separately.

2. Each submitted invoice shall contain a certification by Consultant that all costs, fees, rates and expenses have been incurred by Consultant in the performance of the work hereunder; that such costs are accurate, reasonable, justifiable and verifiable and that such costs are no higher than those charged to Consultant's most favored customer(s) for supplies or services similar to those performed hereunder. In addition, in certain areas of work, including but not limited to computer work, reproduction services and printing, the Consultant shall certify that its costs are competitive with those rates charged by other suppliers for similar services and work. The latter certification with confirming data is also applicable for any services supplied by an affiliate or subsidiary of the Consultant.

3. Within thirty (30) days after receipt of an invoice, Client shall review the invoice to ascertain that the costs are correct, accurate and properly reflect the work/services performed by Consultant or in process, in accordance with this Agreement. In the event that Client determines that all or any portion of the invoice is incorrect or incomplete, then such invoice will be returned to Consultant for appropriate revisions thereto and Client will set forth the reasons for disapproval of such disputed invoice.

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ARTICLE V - AUTHORIZED REPRESENTATIVES AND NOTICES

For each project, Consultant shall promptly designate a competent authorized representative to represent and act for Consultant who shall have authority to make binding and enforceable decisions on behalf of Consultant and to accept service of all notices which Client desires to serve, or which are required by this Agreement to be served, on Consultant. Consultant shall, upon commencement of performance of this Agreement, advise Client in writing of the name, address and telephone number of such authorized representative and of any change in such designation.

Similarly, the Client will designate an authorized representative for each project who shall have authority to make binding and enforceable decisions on behalf of Client and to accept service of all notices which Consultant desires to serve or which are required by this Agreement.

Any notices provided for hereunder may be served personally on Client's authorized representative and Consultant's authorized representative at their respective places of business or by registered mail to the address of each party shown on the first paragraph of this Agreement.

ARTICLE VI - TAXES

Consultant shall have total and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance, old age retirement benefits, life pensions, annuities and similar benefits, which may now or hereafter be imposed by law or collective bargaining agreements with respect to persons employed by Consultant for performance of services under this Agreement.

The compensation to be paid to Consultant includes, and Consultant shall be liable for and shall pay and shall indemnify, defend and save harmless Client from all such taxes and contributions or any interest accrued and penalties imposed, and all taxes, duties, assessments and

other charges levied by any government agency or authority on or because of the services performed hereunder, or any materials, equipment, services or supplies furnished or used in the performance of services under this Agreement.

ARTICLE VII - LAWS AND REGULATIONS

Consultant, its employees and representatives shall at all times comply with all applicable Federal, State and local laws, ordinances, statutes, rules or regulations including those relating to wages, hours, fair employment practices, equal opportunity, antidiscrimination, safety, fire prevention and working conditions. Consultant shall procure all permits and inspections which it is required to obtain in the performance of its services, at its own expense.

ARTICLE VIII - INSURANCE

Consultant represents that it now carries, and agrees it will continue during the term of this Agreement to carry, Workmen's Compensation, Comprehensive General and Contractual Liability and Comprehensive Automobile Liability insurance in the following amounts:

	<u>Limits of Liability</u>
Workmen's Compensation Employer's Liability	Statutory \$300,000
Comprehensive General Liability (including Contractual Liability insurance)	
Bodily Injury	\$1,000,000 each person \$1,000,000 each occurrence \$1,000,000 aggregate
Property Damage	\$ 500,000 each occurrence
Comprehensive Automobile Liability	
Bodily Injury	\$1,000,000 each person \$1,000,000 each occurrence
Property Damage	\$ 500,000 each occurrence

Certificates of all insurance provided by Consultant shall be available for Client's review and will be furnished to Client if requested. Such copies of certificates shall state that the insurance carrier will give Client thirty (30) days' prior written notice of any cancellation of or material change in such policies.

ARTICLE IX - WARRANTIES/INDEMNIFICATION

Consultant shall perform the services specified within the Scope of Services, and included in Attachment 1, to be furnished by it hereunder, with the degree of skill and care that is required by customarily accepted good and sound professional practices and procedures at the time the work is performed to ensure that all work is correct and appropriate for the purpose intended. Although under Article X of this Agreement, Consultant is not liable for "consequential damages" as therein defined, Consultant hereby agrees at its own expense (a) to correct or reperform any services furnished by it which fail to meet standards and (b) to reimburse Client for the actual, direct damages incurred by Client as a result of such non-conformity, including the correction or replacement of unsuitable, defective or damaged equipment, buildings or structures (or parts thereof) which were so designed, engineered, purchased, built or impaired as a result of Consultant's negligence, and incidental damages relating thereto including without limiting the generality of the foregoing, additional legal or engineering expense, "in and out" and salvage costs and testing expense.

It is understood and agreed that if Consultant provides, at its own expense, insurance acceptable to Client which would indemnify Client against such damages from Consultant's negligence in the performance of its services hereunder, Client will, upon receiving the proceeds therefrom, hold Consultant liable for only such of its damages under clause (b) above as are not reimbursed to it by reason of the deductible provisions of such policies.

Consultant shall indemnify and hold harmless Client from and against all claims and actions, and all expenses incidental to such claims or actions, based upon or arising out of damages or injuries to persons or property caused or contributed to by Consultant or anyone acting under its direction or control or in its behalf in the course of its performance under this Agreement, provided the Consultant's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability based upon the sole negligence of Client.

Client shall indemnify and hold harmless Consultant from and against all claims and actions, and all expenses incidental to such claims or actions, based upon or arising out of damages or injuries to persons or property caused or contributed to by Client or anyone acting under its direction or control or on its behalf in the course of the planning, design, construction and operation of the facility, including operation thereof, for testing or maintenance purposes, provided that Client's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability based upon the sole negligence of Consultant.

ARTICLE X - CONSEQUENTIAL DAMAGES

Consequential damages as defined in this Agreement shall mean all indirect damages other than the actual, direct damages and incidental damages mentioned in clause (b) of the first paragraph of Article IX of this Agreement. Consultant shall not be liable for said consequential damages arising out of or pursuant to this Agreement.

ARTICLE XI - AUDIT AND RECORDS

Consultant shall keep accurate records and books of account showing all charges, disbursements or expenses made or incurred by Consultant in the performance of the services herein. Client shall have the right, upon reasonable notice, to audit at any time up to one year after completion of

its services, the direct costs, expenses and disbursements made or incurred in connection with the services to be performed herein as well as for the validity of the representations made and in the Compensation provision of this Contract and may examine Consultant's books and records relating to these several areas.

ARTICLE XII - OWNERSHIP OF DOCUMENTS

Client shall have complete and unrestricted right henceforth and forever to use all drawings and documents prepared by Consultant under this Agreement in connection with the performance of the services described herein. Said documents are to be the property of Client and are not to be used on other projects except by agreement of Client in writing.

ARTICLE XIII - ASSIGNMENT AND SUBCONTRACT

Consultant's duties and obligations under this Agreement may not be assigned by it; however, with the written approval of Client, Consultant may employ suitably trained and skilled persons or firms under subcontracts to perform any part of the said duties and obligations.

Client reserves the right to enter into direct contracts with any mutually acceptable subcontractor, but such subcontractor shall be under the direction of the Consultant for establishing and maintaining project schedules and quality of work.

ARTICLE XIV - FORCE MAJEURE

Should completion of any portion of the services be delayed beyond the estimated date of its completion by a Force Majeure, the parties to this Agreement shall mutually agree on the terms and conditions upon which the services shall be continued or terminated. Force Majeure means unforeseeable causes beyond the control and without the fault or negligence of Consultant including the following: acts of God or the public enemy, acts

of the Government of the United States or of the several States or any of them acting in their sovereign capacity, acts of other contractors of Client (as could not have been averted by timely and appropriate actions of Consultant), fires, floods, epidemics, riots, quarantine restrictions, strikes, civil insurrections, freight embargoes, and unusually severe weather and other similar causes.

ARTICLE XV - SUSPENSION OF WORK

A. Client may, at its sole option, by notice in writing to Consultant, suspend at any time the performance of all or any portion of services to be performed under this Agreement. Upon receipt of any such notice, Consultant shall immediately discontinue services, placing of orders, contracts and rental agreements to the extent they relate to services suspended, on the date and to the extent specified in the notice; and, unless otherwise specifically stated in the notice, Consultant shall continue to protect and maintain the work theretofore completed, including those portions on which services have been suspended.

B. In the event of such suspension, Consultant will be reimbursed for those costs, reasonably incurred, without duplication of any items, to the extent that such costs are deemed by Client reasonable, accurate, verifiable, justifiable or directly result from such suspension of services.

ARTICLE XVI - TERMINATION

A. Convenience

Client shall have the right to terminate this Agreement in whole or in part for its convenience at any time during the course of performance by written or telegraphic notice. Upon receipt of any termination notice, Consultant will immediately discontinue services on the date and to the extent specified in the notice in the manner specified in Article XV. A.

Consultant shall be paid the amount earned by or reimbursable to it hereunder to the time specified in said notice, including fee payments received or otherwise due, all actual, necessary, reasonable and verifiable costs incurred by Consultant prior to and in connection with discontinuing the work hereunder, including the costs associated with subcontract terminations, and shall have no further claim against Client with respect hereto.

3. Default

- (1) Client may cancel or terminate for default this Agreement in whole or in part by written or telegraphic notice to the Consultant:
 - (a) if Consultant shall become insolvent or make a general assignment for the benefit of creditors; or
 - (b) if a petition under the Bankruptcy Act is filed; or
 - (c) if Consultant becomes involved in some legal proceedings that in the opinion of Client interfere with the diligent, efficient performance and satisfactory completion of the services; or
 - (d) if Consultant fails to make delivery of the supplies or to perform the services within the time specified or any Client-authorized extension thereof; or
 - (e) if Consultant fails to perform any of the other provisions of the Agreement or fails to make progress as to endanger performance of this Agreement in accordance with its terms and conditions, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as Client may authorize in writing) after receipt of notice from Client specifying such failure; or

- (f) if after notice of termination of this Agreement under the provisions of this clause, Client determines that Consultant was not in default under the provisions of this clause or that Consultant's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of Consultant pursuant to the provisions of the Article of this Agreement relating to Force Majeure, the notice of termination shall be deemed a termination for convenience; or
- (g) the rights and remedies of Client provided in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

ARTICLE XVII - INSPECTION

Client shall have the right to inspect the facilities or offices maintained by Consultant to perform the work described in this Agreement and to be present at any test to be performed, but such inspections, if made, shall not in any way relieve Consultant from its responsibility with respect to its obligations and duties under this Agreement. If Client elects to make any inspection, it will notify Consultant in advance to permit Consultant to make appropriate arrangements.

ARTICLE XVIII - QUALITY ASSURANCE

Consultant shall conduct all work in a systematic manner and shall establish a quality assurance program and control procedures which will provide a systematic independent check and confirmation of data collected and analyses made therefrom and the recording of the quality control efforts.

ARTICLE XIX - GOVERNING LAWS/DISPUTES

Notwithstanding any other provisions of this Agreement, any dispute concerning any question of fact or law arising under this Agreement which is not disposed of by agreement between Consultant and Client shall be decided by a court of competent jurisdiction of the State of New Jersey in accordance with the laws of New Jersey.

ARTICLE XX - REPORTS

Client shall have the right to request written reports at any time during the performance of this Agreement which shall be furnished within seven (7) days after such request, in the manner directed, describing progress, status of, cost data and other matters pertaining to the services rendered, at no additional cost to Client.

ARTICLE XXI - CLIENT FURNISHED DATA

All engineering data, maps, plans, specifications, drawings, or other Client furnished property shall remain the exclusive property of Client. Consultant agrees that such Client property will be used for no purpose other than for work for Client under this Agreement. Consultant shall sign and deliver a written itemized receipt for all such property and shall be responsible for its safekeeping. Upon conclusion of the work/services hereunder, such property shall be returned to Client.

ARTICLE XXII - INVENTIONS AND DATA

If Consultant shall first actually reduce to practice any patentable invention or discovery at the expense of Client in the performance of any work hereunder, then Client shall be granted and is hereby granted an irrevocable, non-exclusive, royalty free, fully-paid-up license to practice said invention or discovery in connection with any power plant designed, built, owned, controlled and/or serviced by Client.

Client shall own all drawings, designs, documents, information, data and the like generated by Consultant and delivered to Client in the specific performance of any work hereunder. However, Consultant shall be free to retain copies of all such drawings, designs, documents, information and data, and Consultant shall be free to use the same for its own purposes.

ARTICLE XXIII - CONSULTANT'S PERSONNEL

It is agreed and understood that Consultant shall employ for the services required hereunder, persons known to it, and personnel who shall be experienced, qualified and trusted employees. However, at any time during this Agreement, Client shall have the right to request the immediate replacement of any Consultant employee whose services or conduct in the opinion of Client are not consistent with the satisfactory performance of this Agreement. At Client's request, Consultant shall furnish a qualified employee to replace such employee whose services have been terminated at the expense of the Consultant.

ARTICLE XXIV - FUNDING LIABILITY

Client's funding liability under this Agreement will be only as set forth in the individual supplements issued hereunder.

ARTICLE XXV - NEW FEATURES OF DESIGN

If, prior to the completion of work hereunder and whether or not in connection with the performance of such work, Consultant develops: (a) an improvement in the design of articles/services called for by this Agreement, which is not incorporated in the article/services to be delivered, or (b) any alternative or improved method of accomplishing the objectives of this Agreement which is not employed in the performance hereof which the Consultant has not reported or disclosed to Client, Consultant shall promptly give written notice to Client. Such notice shall include a general

description sufficient to show the relationship thereof to the work under this Agreement and a statement giving the Consultant's best appraisal as to the prospective effect or influence which such improvement or method would have on the work required under this Agreement if such improvement or method were incorporated as a requirement hereunder.

ARTICLE XXVI - CHANGES

A. Client may at any time by a written order and without notice to sureties (if any) make changes, within the general scope of this Agreement.

B. If any such change requires an increase or decrease in the cost provided for in this Agreement, whether changed or not changed by any such order, or otherwise affects any provisions of this Agreement, an equitable adjustment shall be made in the price, delivery schedule, and in such other provisions of this Agreement as may be so affected, and the Agreement shall be modified in writing accordingly. Any claim by Consultant for adjustment under this Article must be asserted within seven (7) working days from the date of receipt by the Consultant of the modification or change; provided, however, that if Client decides that the facts justify such action, it may receive and act upon such claim asserted at any time prior to final payment under this Agreement. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the article in this Agreement entitled "Governing Laws/Disputes". All work called for hereunder shall be performed in accordance with this Agreement unless a change hereto is subsequently authorized by a representative of Client. However, nothing in this clause shall excuse Consultant from proceeding with the work as changed.

C. Client's Engineering and Technical personnel may, from time to time, render assistance or give technical advice to or effect an exchange of information with Consultant's personnel in a liaison effort concerning

the services to be furnished hereunder. However, such exchange of information or advice shall not vest Consultant with authority to change the services hereunder or the provisions of this Agreement; nor shall such change in services or provisions of this Agreement be binding on Client unless incorporated as a change in accordance with Paragraph B hereof.

ARTICLE XXVII - PROPRIETARY INFORMATION

Any proprietary information concerning Client, its products, data, documentation services or manufacturing processes which are designated as proprietary information by Client and disclosed to the Consultant incident to the performance of this Agreement shall remain the property of Client and are disclosed in confidence, and no rights are granted to Consultant to produce or have produced any such products or to practice or cause to be practiced any such manufacturing processes or other processes, or reveal, disclose, or publish any such data and documentation.

ARTICLE XXVIII - ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between Client and Consultant. It supersedes all prior or contemporaneous communications, representations of agreements whether oral or written with respect to the subject matter thereof and has been induced by no representations, statements or agreements other than those herein expressed. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound thereby.

This Agreement shall in all respects be interpreted and construed and the rights of the parties hereto shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties hereto have cause this Agreement to
be executed by their duly authorized officers.

GPU SERVICE CORPORATION

Attest: _____

By _____
Title

Attest: _____

By _____
Title

BTNDI

Inter-Office Memorandum

Date August 16, 1977

GPU Service

MH-ME-19-77

Subject Proposed Master Services Contract (MSC)
with B&W for TMI Unit I

To R. Peter Betz

Location Mountain Lakes

From: M. Haimowitz

We have reviewed the proposed MSC and would offer the following for your consideration:

3.0 PRICE

We concur that Met-Ed should be given advance notice concerning changes in billing rates, however, you should consider the following: "The new rates shall be applicable to those new tasks which are authorized subsequent to the effective date of the new rates." In this way, work authorized prior to the effective date of the new rates will be billed at the old rates.

4.0 TERMS OF PAYMENT

1. Payment may be made within thirty days of receipt of an invoice, but you should reserve the right to return any invoice (unpaid) which is questioned.
2. The audit provision is unacceptable. Cost reimbursable contracts should be subject to audit by the Owner and not by an independent auditor. The billing rates are fixed and not subject to audit, but the manhours expended and expenses incurred should be subject to our auditors. Independent certifications are not required. The audit provision should be effective for one year after final payment of the last invoice, since you will then have a longer period to conduct audits if an invoice is protested.

8.0 TITLE AND RISK OF LOSS

It may be more advantageous from a tax point to have title pass at the job site. Risk of loss by Met-Ed at the f.o.b. point (B&W's factory) should be discussed with the cognizant insurance personnel to ensure that premiums for Met-Ed's insurance are less than B&W's costs and that deductibles are similar.

9.0 TERM OF PERFORMANCE AND TERMINATION

1. Termination for convenience should require payment of all necessary and actual expenses and should be subject to verification.
2. You may wish to insert our usual Termination for Default provision.

Deft. Exh. For ID 25

~~Risk Exh. in 2v~~

Charles Shapiro CSR 4/23/81
Doyle Reporting Inc. C.S.

To: R. Peter Betz

August 16, 1977
Page Two

Re: Proposed Master Services Contract (MSC)
with B&W for TMI Unit I

10.0 WARRANTY

The Warranty provision as written distinguishes the various types of services and/or supplies which B&W may provide under this MSC. We would recommend the following:

- 10.1 Spare or Replacement Parts - Such orders should be placed under the terms and conditions previously negotiated between GPUSC (on behalf of Met-Ed) and B&W during the TMI-2 spare parts negotiations.
- 10.2 Repair Work - A provision which only provides a warranty for ninety days would appear to be totally unacceptable. Additionally, the warranty is only effective if such defect is caused solely by negligence of B&W, which would appear to be difficult to prove. We therefore recommend the following:
 - (a) Each task order should specify a warranty period of at least one year after acceptance, with the provision that repairs required to correct warranty defects also be warranted for an additional year.
 - (b) The requirement for sole negligence should be eliminated.
- 10.3 Equipment - The equipment warranty is also unacceptable since the effective warranty period is only ninety days from the date of delivery. Consequently, we would recommend that equipment be purchased under a separate order with negotiated terms and conditions.
- 10.4 Engineering and Technical Advice and Consultation (Services) - We feel that this ninety-day limitation is also unacceptable but would suggest that you consult with your counsel to determine if such a clause is legally enforceable. It is our opinion that the Pennsylvania Statute precludes such limitation on warranty.

In summary, we would recommend that the entire Article on Warranty be stricken including those sections dealing with Conditions of Warranty and the Disclaimer.

11.0 LIMITATION OF LIABILITY

The blanket limitation of liability sought by B&W appears unreasonable since the limitation includes not only relief from the patent indemnification clause but also from any negligent actions performed by B&W which cause injury or damage to third parties.

12.0 INDEMNIFICATION

In view of the legal ramifications with respect to the Price-Anderson Act, we would recommend the insertion of a provision whereby the Purchaser would indemnify B&W and its agents only to the extent that the Purchaser obtains protection under the provisions of the Act.

To: R. Peter Betz

August 16, 1977
Page Three

Re: Proposed Master Services Contract (MSC)
with B&W for TMI Unit I

14.0 DELAY IN PERFORMANCE

B&W's force majeure provision should be modified to exclude labor shortages or inability to secure materials or equipment since such causes are within the reasonable control of B&W. We would also recommend that in the event of a force majeure provision, only schedule relief should be given.

16.0 CHANGES

We would recommend that if Purchaser authorizes a change, B&W immediately commence with implementation of such change and that negotiations may take place subsequent to such authorization.

20.0 DATA

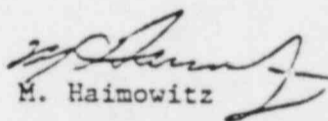
B&W should have no right to retain data developed as a result of expenditures made by Met-Ed unless specifically authorized in writing by Met-Ed.

24.0 THIRD PARTY BENEFICIARY

We would recommend that this clause be adjusted to allow for assignment by Met-Ed to any company within the GPU system.

In summary, we find the draft Contract objectionable and would hope that your negotiations would alter many provisions.

In the event of any questions, please do not hesitate to communicate with the undersigned.


M. Haimowitz

bjs

cc: F. Glickman
J. L. Hulsebus
A. J. Mazella