



RECORDATION NO 11733-GG Filed & Recorded
JAN 23 1987 3-1 PM
INTERSTATE COMMERCE COMMISSION

Pennsylvania Electric Company
1001 Broad Street
Johnstown Pennsylvania 15907
814 533-8111

Writer's Direct Dial Number

January 20, 1987

Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, DC 20423

Attention: Secretary

Dear Sir:

No. 7-023A018

Date JAN 23 1987

Fee \$ 10.00

ICC Washington, D.C.

ICC OFFICE OF
THE SECRETARY
JAN 23 2 59 PM '87
MOTOR OPERATING UNIT

Enclosed for recording with the Commission pursuant to Section 11303 of Title 49 of the U.S. Code and 49 C.F.R. Part 1177 are an original executed counterpart and two certified copies of the Secondary Mortgage Document described below:

This Secondary Mortgage Document is the Supplemental Indenture dated as of December 1, 1986 which relates to the following Primary Document recorded at I.C.C. recordation numbers 11733 (32 earlier Supplemental Indentures are recorded at I.C.C. recordation numbers 11733-A through 11733-FF): Indenture of Mortgage and Deed of Trust dated as of January 1, 1942 between Pennsylvania Electric Company and Bankers Trust Company, Trustee.

The names and addresses of the parties to the documents are as follows:

Mortgagor: Pennsylvania Electric Company
1001 Broad Street
Johnstown, PA 15907

Mortgagee: Bankers Trust Company, Trustee
16 Wall Street
New York, NY 10015

Included in the property covered by the Primary Mortgage Document is a Schnabel type railroad car with an attached mobile transformer. The AAR number for the railroad car is GPUX100. This car is used or intended for use in connection with interstate commerce. Mortgagor owns a 43% undivided interest in such railroad car and transformer as a tenant in common with its affiliates, Metropolitan Edison Company (which owns a 20% interest) and Jersey Central Power & Light Company (which owns a 37% interest).

The railroad car is not specifically described in the Primary Mortgage Document or in any of the Secondary Documents. However, included in the property covered by the Primary Mortgage Document and the enclosed Secondary Document is all property or interests therein owned by Pennsylvania Electric Company at the date of said Indenture of Mortgage and Deed of Trust or thereafter acquired by it.

Counterpart

January 20, 1987

Also enclosed is a check in the amount of \$10.00 to cover the recording fee. Please acknowledge this filing by stamping the recordation information on the original executed counterpart of the Secondary Mortgage Document, for return to the undersigned, together with any extra copies not needed by the Commission.

A short summary of the enclosed Secondary Document to appear in the index is as follows: Supplemental Indenture dated as of December 1, 1986 to Mortgage recorded at I.C.C. recordation number 11733 and covering all equipment including interest in Schnabel type railroad car, AAR number GPUX100.

Sincerely yours,



Vice President

Encls.

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

J. HURST

January 29, 1987

PENNSYLVANIA ELECTRIC COMPANY
1001 BROAD STREET
JOHNSTOWN, PENNSYLVANIA 15907

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1-23-87 at 3:10PM, and assigned recordation number(s). 11733-GG

Sincerely yours,

Norita K. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 11733-66 Filed & Recorded

JAN 23 1987 3-1 0 PM

INTERSTATE COMMERCE COMMISSION

PENNSYLVANIA ELECTRIC COMPANY
AND
BANKERS TRUST COMPANY, Trustee

SUPPLEMENTAL INDENTURE
(First Mortgage Bonds, Series due 2016)

Dated as of December 1, 1986

The undersigned hereby certifies
that this document is a true and
correct copy of the original.

Date 1-20-87

Pennsylvania Electric Company

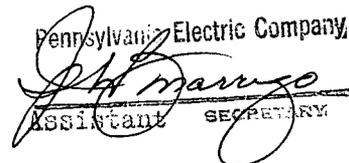

Assistant SECRETARY

TABLE OF CONTENTS

	Page
Parties.....	1
Recitals.....	1
Form of bond of the New Series.....	2
Recitals.....	7
Granting clauses.....	8
Excepted property.....	11
Habendum.....	12
Subject clause.....	12
Grant in trust.....	12

ARTICLE I

NEW SERIES BONDS

Section 1.01	Designation of bonds of the New Series; limitation of aggregate principal amount.....	12
Section 1.02	Dating of bonds of the New Series; date from which bonds of the New Series bear interest.....	12
Section 1.03	Maturity; payment of principal and interest.....	13
Section 1.04	Redemption and repurchase of bonds of the New Series.....	15
Section 1.05	Form of bonds of the New Series.....	18
Section 1.06	Limitations on transfer.....	18
Section 1.07	No charge for transfer.....	18

ARTICLE II

CREDITS WITH RESPECT TO PRINCIPAL OF AND INTEREST ON BONDS OF THE NEW SERIES

Section 2.01	Credit with respect to surplus funds held by the Authority Trustee, Authority Bonds surrendered for cancellation, and certain other funds held by the Authority Trustee	18
Section 2.02	Credits against the obligation of the Company to pay interest on bonds of the New Series.....	19

ARTICLE III

MISCELLANEOUS

Section 3.01	Covenants.....	19
Section 3.02	Indemnification of Trustee.....	21
Section 3.03	Trustee may rely upon notices.....	21
Section 3.04	Table of contents and titles of Articles not part.....	21
Section 3.05	Original Indenture confirmed as amended and supplemented.....	21
Section 3.06	Execution in counterparts.....	21
	Names and addresses of debtor and secured party.....	22
	Testimonium.....	22
	Signatures and seals.....	22
	Acknowledgments.....	23
	Certificate of Residence.....	25
	Schedule A.....	26

SUPPLEMENTAL INDENTURE, dated as of December 1, 1986, made and entered into by and between PENNSYLVANIA ELECTRIC COMPANY, a corporation of the Commonwealth of Pennsylvania (hereinafter sometimes called the "Company"), party of the first part, and BANKERS TRUST COMPANY, a corporation of the State of New York (hereinafter sometimes called the "Trustee"), as Trustee under the Mortgage and Deed of Trust hereinafter referred to, party of the second part.

WHEREAS, the Company heretofore executed and delivered its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture"), dated as of the first day of January, 1942, to the Trustee, to secure the First Mortgage Bonds of the Company, unlimited in aggregate principal amount and issuable in series, from time to time, in the manner and subject to the conditions set forth in the Mortgage (as hereinafter defined) and by said Original Indenture granted and conveyed unto the Trustee, upon the trusts, uses and purposes specifically therein set forth, certain real estate, franchises and other property therein described, including property acquired after the date thereof, except as therein otherwise provided; and

WHEREAS, indentures supplemental to and amendatory of the Original Indenture have been executed and delivered by the Company and the Trustee, namely, Supplemental Indentures dated March 7, 1942, April 28, 1943, August 20, 1943, August 30, 1943, August 31, 1943, April 26, 1944, April 19, 1945, October 25, 1945, as of June 1, 1946, as of November 1, 1949, as of October 1, 1951, as of August 1, 1952, as of June 1, 1953, as of March 1, 1954, as of April 30, 1956, as of May 1, 1956, as of March 1, 1958, as of August 1, 1959, as of May 1, 1960, as of May 1, 1961, October 1, 1964, November 1, 1966, as of June 1, 1967, as of August 1, 1968, as of May 1, 1969, as of April 1, 1970, as of December 1, 1971, as of July 1, 1973, as of June 1, 1974, as of December 1, 1974, as of August 1, 1975, as of December 1, 1975, as of April 1, 1976, as of June 1, 1976, as of July 1, 1976, as of November 1, 1976, as of November 30, 1977, as of December 1, 1977, as of June 1, 1978, as of June 1, 1979, as of September 1, 1984, and as of December 1, 1985, respectively; and the Original Indenture as supplemented and amended by said Supplemental Indentures and by this Supplemental Indenture is hereinafter referred to as the Mortgage; and

WHEREAS, the Original Indenture and certain of said Supplemental Indentures have been duly recorded in mortgage books in the respective Offices of the Recorders of Deeds in and for the Counties of Pennsylvania in which this Supplemental Indenture is to be recorded, and in the mortgage records of Garrett County, Maryland; and

WHEREAS, the Mortgage provides for the issuance of bonds thereunder in one or more series, the form of each series of bonds and of the coupons to be attached to the coupon bonds, if any, of each series to be substantially in the forms set forth therein with such omissions, variations and insertions as are authorized or permitted by the Mortgage and determined and specified by the Board of Directors of the Company;

WHEREAS, the Company has entered into a Pollution Control Facilities Agreement dated as of December 1, 1985 (hereinafter sometimes called the "Agreement") with The Cambria County Industrial Development Authority (the "Authority"), a public instrumentality of the Commonwealth of Pennsylvania and a body corporate and politic organized under the Pennsylvania Industrial and Commercial Development Authority Law pursuant to which the proceeds of the issuance by the Authority of its "Environmental Improvement Revenue Bonds, 1986 Series B (Pennsylvania Electric Company Project)" (hereinafter sometimes referred to as the "Authority Bonds") issued under the Authority's Trust Indenture dated as of December 1, 1985 as supplemented by a First Supplemental Indenture dated as of December 1, 1986 (hereinafter sometimes referred to as the "Authority Indenture") to Manufacturers Hanover Trust Company, as Trustee (the "Authority Trustee") are to be used to finance certain solid waste disposal facilities (hereinafter sometimes referred to as the "Project Facilities") at or in connection with various electric generating stations owned by the Company in Pennsylvania; and

WHEREAS, to satisfy obligations under the Agreement to pay a portion of the purchase price for the Project Facilities, the Company by appropriate corporate action in conformity with the terms of the Mortgage has duly determined to create a series of bonds, which shall be designated as "First Mortgage Bonds, Series due 2016" (hereinafter sometimes referred to as the "New Series Bonds" or the "bonds of the New Series" or the "bonds of the Series due 2016"), which said bonds of the New Series are to be substantially in the following form:

[FORM OF FACE OF NEW SERIES BONDS]

PENNSYLVANIA ELECTRIC COMPANY

FIRST MORTGAGE BOND, SERIES DUE 2016

\$

Due December 1, 2016

No.

PENNSYLVANIA ELECTRIC COMPANY, a corporation of the Commonwealth of Pennsylvania (hereinafter called the Company), for value received, hereby promises to pay to Manufacturers

Hanover Trust Company, as Trustee under the Trust Indenture dated as of December 1, 1985 of The Cambria County Industrial Development Authority as supplemented by a First Supplemental Indenture dated as of December 1, 1986, or registered assigns, _____ Dollars on December 1, 2016 unless this Bond shall have been duly called for previous redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay to the registered holder hereof interest thereon, at said office or agency, in like coin or currency, from the interest payment date to which interest has been paid or duly provided for, or unless no interest has been paid or provided for on the bonds of the Series due 2016, in which case from December 1, 1986, until said principal sum has been paid or provided for, at the rate or rates per annum provided for in Section 1.03 of the Supplemental Indenture dated as of December 1, 1986 supplementing the Mortgage, on June 1 and December 1 of each year, and, to the extent permitted by law, to pay interest on overdue interest at the rate per annum above specified.

Interest on the bonds of the Series due 2016 shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Reference is hereby made to the further provisions of this bond set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This bond shall not become valid or obligatory for any purpose until BANKERS TRUST COMPANY, the Trustee under the Mortgage, or its successor thereunder, shall have signed the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, PENNSYLVANIA ELECTRIC COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal, or a facsimile

thereof, to be affixed hereto and attested by its Secretary or one of its Assistant Secretaries.

Dated:

PENNSYLVANIA ELECTRIC COMPANY

Attest:

By _____
Vice President

Secretary

[FORM OF REVERSE OF NEW SERIES BONDS]

This bond is one of an issue of bonds of the Company (hereinafter referred to as the "bonds"), not limited in principal amount, issuable in series, which different series may mature at different times, may bear interest at different rates, and may otherwise vary as in the Mortgage hereinafter mentioned provided, and is one of a series known as its First Mortgage Bonds, Series due 2016 (herein called the "bonds of the Series due 2016"), all bonds of all series issued and to be issued under and equally and ratably secured (except insofar as any sinking fund or analogous fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by a Mortgage and Deed of Trust (herein, together with any indentures supplemental thereto, called the "Mortgage") dated as of January 1, 1942, executed by the Company to BANKERS TRUST COMPANY, as Trustee (herein called the "Trustee"), to which reference is made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights and limitations of rights of the holders of the bonds and of the Company in respect thereof, the rights, duties and immunities of the Trustee, and the terms and conditions upon which the bonds are, and are to be, issued and secured. The bonds of the Series due 2016 are described in the Supplemental Indenture dated as of December 1, 1986 between the Company and the Trustee (hereinafter called the "Supplemental Indenture").

The Mortgage contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than seventy-five per centum (75%) in principal amount of all the bonds at the time outstanding (determined as provided in the Mortgage) evidenced as in the Mortgage provided, or in case the rights under the Mortgage of the holders of bonds of one or more, but less than all, of the series of bonds outstanding shall be affected, then with the consent of the holders of not less than seventy-five per centum (75%) in principal amount of the bonds at the time outstanding of the series affected (determined as provided in the Mortgage) evidenced as in the Mortgage provided, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Mortgage or modifying in any manner the rights of the holders of the bonds and coupons thereunto appertaining; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any bonds, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof, without the consent of the holder of each bond so affected, or (ii) reduce the aforesaid percentage of bonds, the holders of which are required to consent to any such supplemental indenture without the consent of the holders of all bonds then outstanding. Any such consent by the registered holder of this

bond (unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of this bond, irrespective of whether or not any notation of such waiver or consent is made upon this bond.

No reference herein to the Mortgage and no provision of this bond or of the Mortgage shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this bond at the time and place and at the rate and in the coin or currency herein prescribed.

Bonds of the Series due 2016 are issuable only in fully registered form and shall be issued only as one single Bond.

The bonds of the Series due 2016 may be redeemed at the option of the Company and are otherwise subject to redemption and mandatory repurchase by the Company at the times and upon the terms and conditions set forth in the Mortgage.

The Mortgage provides that if the Company shall deposit with the Trustee in trust for the purpose funds sufficient to pay the principal of all of the bonds of any series, or such of the bonds of any series as have been or are to be called for redemption, and premium, if any, thereon, and all interest payable on such bonds to the date on which they become due and payable, at maturity or upon redemption or otherwise, and complies with the other provisions of the Mortgage in respect thereof, then from the date of such deposit such bonds shall no longer be entitled to any lien or benefit under the Mortgage.

The principal hereof may be declared or may become due prior to the express date of the maturity hereof on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a completed default as in the Mortgage provided.

This bond is transferable as prescribed in and subject to the limitations contained in the Mortgage by the registered holder hereof in person, or by his duly authorized attorney, at the office of the Company in said Borough of Manhattan, upon surrender and cancellation of this bond, and thereupon, a new fully registered bond or bonds of authorized denominations of the same series and for the same aggregate principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage without charge except for any tax or taxes or other governmental charges incident to such transfer. The Company and the Trustee, any paying agent and any bond registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof, whether or not this bond shall be overdue, for the purpose of receiving payment and for all other purposes and neither the Company nor the Trustee nor any paying agent nor

any bond registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this bond, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Mortgage, against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director, as such, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

; and

WHEREAS, all acts and things prescribed by law and by the charter and by-laws of the Company necessary to make the bonds of the New Series when executed by the Company and authenticated by the Trustee, as in the Mortgage provided, valid, binding and legal obligations of the Company, entitled in all respects to the security of the Mortgage, have been performed; and

WHEREAS, provision is made in Sections 5.11 and 17.01 of the Original Indenture for such further instruments and indentures supplemental to the Original Indenture as may be necessary or proper (a) to carry out more effectually the purposes of the Original Indenture; (b) expressly to subject to the lien of the Original Indenture any property acquired after the date of the Original Indenture and intended to be covered thereby, with the same force and effect as though included in the granting clauses thereof; (c) to set forth the terms and provisions of any series of bonds to be issued and the forms of the bonds and coupons, if any, of such series; and (d) to add such further covenants, restrictions or conditions for the protection of the mortgaged and pledged property and the holders of bonds as the Board of Directors of the Company and the Trustee shall consider to be for the protection of the holders of bonds; and

WHEREAS, the Company has acquired additional property; and it is desired to add certain further covenants, restrictions and conditions for the protection of the mortgaged and pledged property and the holders of bonds which the Board of Directors of the Company and the Trustee consider to be for the protection of the holders of bonds; and the Company desires to issue bonds of the New Series; and the Company and the Trustee deem it advisable

to enter into this Supplemental Indenture for the purposes of carrying out the purposes of the Original Indenture, of expressly subjecting additional property to the lien of the Mortgage, of setting forth the terms and provisions of the New Series Bonds and the form of the bonds of the New Series, and of setting forth such further covenants, restrictions and conditions; and

WHEREAS, it was intended by the execution and delivery of the Original Indenture and the aforesaid Supplemental Indentures to subject to the lien of the Original Indenture, and to grant to the Trustee a security interest in, all of the property, real, personal and mixed, then owned by the Company or thereafter acquired by the Company, as and to the extent set forth therein, subject to the provisions thereof, except such property as was therein expressly excepted and excluded from the lien and operation thereof; and it is the intention of the parties hereto, by the execution and delivery of this Supplemental Indenture, to provide the Trustee with further assurances by also creating in favor of the Trustee a security interest, pursuant to the provisions of the Uniform Commercial Code, in such of the aforesaid property as may by law be subjected to such a security interest, except such thereof as is expressly excepted and excluded as aforesaid or herein; and

WHEREAS, the execution and delivery of this Supplemental Indenture have been duly authorized by the Board of Directors of the Company at a meeting duly called and held according to law, and all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms, for the purposes herein expressed, and the execution and delivery hereof, in the form and terms hereof, have been in all respects duly authorized;

NOW, THEREFORE, in order further to secure the payment of the principal and interest of all bonds issued and to be issued under the Original Indenture and any indenture supplemental thereto, including this Supplemental Indenture, according to their tenor, purport and effect and the performance and observance of all the covenants and conditions in said bonds and the Original Indenture and indentures supplemental thereto, including this Supplemental Indenture, contained, and for and in consideration of the premises and of the sum of One Dollar (\$1.00), lawful money of the United States of America, to the Company duly paid by the Trustee at or before the ensembling and delivery hereof, and other valuable consideration, the receipt whereof is hereby acknowledged, and intending to be legally bound hereby, the Company has executed and delivered this Supplemental Indenture, and hath granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and granted a security interest therein, and by these presents doth grant, bargain, sell, release, convey, assign,

transfer, mortgage, pledge, set over and confirm, and grant a security interest therein, subject to the provisions of the Mortgage, unto Bankers Trust Company, as Trustee, and to its successors in the trust and to its and their assigns forever, all the properties of the Company described or mentioned below, that is to say:

All property, real, personal and mixed, tangible and intangible, owned by the Company on the date of the execution hereof or which may be hereafter acquired by it (except such property as is in the Original Indenture or in any indenture supplemental thereto, including this Supplemental Indenture, expressly excepted from the lien and operation of the Original Indenture).

The property covered by this Supplemental Indenture shall include particularly, among other property, without prejudice to the generality of the language hereinbefore or hereinafter contained, the following described property:

All the electric generating stations, station sites, stations, electric reserve generating stations, substations, substation sites, steam plants, hot water plants, hydro-electric stations, hydro-electric station sites, electric transmission lines, electric distribution systems, steam distribution systems, hot water distribution systems, regulator stations, regulator station sites, office buildings, storeroom buildings, warehouse buildings, boiler houses, plants, plant sites, service plants, coal, other mineral land mining rights and privileges, coal storage yards, pole yards, electric works, power houses, generators, turbines, boilers, engines, furnaces, dynamos, buildings, structures, transformers, meters, towers, poles, tower lines, cables, pole lines, tanks, storage holders, regulators, pipes, pipe-lines, mains, pipe fittings, valves, drips, connections, tunnels, conduits, gates, motors, wires, switch racks, switches, brackets, insulators, and all equipment, improvements, machinery, appliances, devices, appurtenances, supplies and miscellaneous property for generating, producing, transforming, converting, storing and distributing electric energy, steam and hot water, together with all furniture and fixtures located in the aforesaid buildings, and all land on which the same or any part thereof are situated;

And all of the real estate, leases, leaseholds (except the last day of the term of each lease and leasehold), and lands owned by the Company, including land located on or adjacent to any river, stream or other water, together with all flowage rights, flooding rights, water rights, riparian rights, dams and dam sites and rights, flumes, canals, races, raceways, head works and diversion works;

And all of the municipal and other franchises, licenses, consents, ordinances, permits, privileges, rights, servitudes, easements and rights-of-way and other rights in or relating to real estate or the occupancy of the same, owned by the Company;

And all of the other property, real, personal or mixed, owned by the Company, forming a part of any of the foregoing property or used or enjoyed or capable of being used or enjoyed in connection therewith or in anywise appertaining thereto, whether developed or undeveloped, or partially developed, or whether now equipped and operating or not and wherever situated, and all of the Company's right, title and interest in and to the land on which the same or any part thereof are situated or adjacent thereto;

And all rights for or relating to the construction, maintenance or operation of any of the foregoing property through, over, under or upon any public streets or highways or other lands, public or private;

And (except as in the Original Indenture or in any indenture supplemental thereto, including this Supplemental Indenture, expressly excepted) all the right, title and interest of the Company presently held or hereafter acquired in and to all other property of any of the foregoing kinds or any other kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore described;

And all the items of the kinds hereinabove mentioned including those thereof now owned by the Company and those thereof hereafter acquired by the Company.

Without limitation of the generality of the foregoing, all of the parcels of land and interests in land situate as set forth in Schedule A, attached hereto and hereby made a part hereof, and buildings and improvements thereon erected, owned by the Company, and whether used or not used in connection with the Company's operations, all of which real estate was conveyed to the Company or its predecessors in title as set forth by the conveyances set forth in said Schedule A to which conveyances reference is made for a more particular description;

Also all other land and the buildings and improvements thereon erected hereafter acquired;

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder or remainders and (subject to the provisions of Section 9.01 of the Original

Indenture) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that all the property, rights, and franchises hereafter acquired by the Company (except any in the Original Indenture or in any indenture supplemental thereto, including this Supplemental Indenture, expressly excepted) shall (subject to the provisions of Section 9.01 of the Original Indenture), to the extent permitted by law, be as fully embraced within this Supplemental Indenture as if such property, rights and franchises were now owned by the Company and/or specifically described herein and conveyed hereby;

PROVIDED THAT, in addition to the reservations and exceptions herein elsewhere contained, any property hereinbefore mentioned which has been released by the Trustee from the lien of the Mortgage or disposed of by the Company in accordance with the provisions of the Mortgage prior to the date of the execution and delivery of this Supplemental Indenture, and the following, are not and are not intended to be granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder or to have a security interest created therein, and are hereby expressly excepted from this Supplemental Indenture and from the lien and operation of the Mortgage, viz.: (1) cash and shares of stock and certificates or evidence of interest therein and obligations (including bonds, notes and other securities) not in the Original Indenture or in any indenture supplemental thereto, including this Supplemental Indenture, specifically pledged or covenanted so to be or deposited or delivered hereunder or under any other supplemental indenture; (2) any goods, wares, merchandise, equipment, materials or supplies held or acquired for the purpose of sale or resale in the usual course of business or for consumption in the operation of any properties of the Company, and automobiles and trucks; and (3) all judgments, contracts, accounts and choses in action, the proceeds of which the Company is not obligated as in the Original Indenture provided to deposit with the Trustee hereunder; provided, however, that the property and rights expressly excepted from this Supplemental Indenture in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted, in the event that the Trustee or a receiver or trustee shall take possession of the mortgaged and pledged property in the manner provided in Article X of the Original Indenture, by reason of the occurrence of a completed default, as defined in said Article X of the Original Indenture;

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed, or in which a security interest has been granted, by the Company as aforesaid, or intended so to be, unto the Trustee and its successors in the trust created in the Original Indenture and its and their assigns forever;

SUBJECT, HOWEVER, to the reservations, exceptions, conditions, limitations and restrictions contained in the several deeds, servitudes, franchises and contracts or other instruments through which the Company acquired and/or claims title to and/or enjoys the use of the properties mentioned above; and subject also to such servitudes, easements, rights and privileges in, over, on, and/or through said properties as have been granted to other persons prior to the date of the execution and delivery of this Supplemental Indenture; and subject also to encumbrances of the character in the Original Indenture defined as "excepted encumbrances" insofar as the same may attach to any of the property embraced herein;

IN TRUST NEVERTHELESS upon the terms, trusts, uses and purposes specifically set forth in the Mortgage;

AND IT IS HEREBY FURTHER COVENANTED AND AGREED, and the Company and the Trustee have mutually agreed, in consideration of the premises, as follows:

ARTICLE I.

NEW SERIES BONDS.

SECTION 1.01. The bonds of the New Series shall be designated as is hereinabove specified for such designation, in the recital immediately preceding the form of the bonds of the New Series. The aggregate principal amount of the bonds of the New Series which may be initially authenticated and delivered shall be limited to THIRTY-EIGHT MILLION DOLLARS (\$38,000,000.00) aggregate principal amount. Except as provided in Sections 2.03, 2.04, 2.05, 8.03 and 17.04 of the Original Indenture, no bonds of the New Series shall be authenticated and delivered after such initial issue. The bonds of the New Series shall be issued only as one single registered Bond.

SECTION 1.02. Each bond of the New Series shall be dated the date of its authentication and shall bear interest from the interest payment date to which interest has been paid or duly provided for, unless no interest has been paid or provided for on the bonds of the New Series, in which case from December 1, 1986.

SECTION 1.03. Unless previously redeemed pursuant to the provisions hereof and of the Mortgage, each bond of the New Series shall be payable on December 1, 2016 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and shall bear interest, payable in like coin or currency, at the rates per annum specified in this Section 1.03 and from the respective dates specified in the form of the bonds of the New Series hereinbefore set forth in the recitals hereof, payable semi-annually on June 1 and December 1 of each year until paid or provided for, with interest on overdue interest payable at the rates per annum specified in this Section 1.03. Principal of, interest on and redemption premium, if any, on the bonds of the New Series shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York. The Company shall pay a total amount of interest on the unpaid principal amount of the bonds of the New Series on each June 1 and December 1 the same as the total amount of interest payable by the Authority on the same date as provided in the Authority Indenture, so that: (a) on a principal amount of the bonds of the New Series which is equal to the principal amount of Authority Bonds which bear interest at the Fixed Rate of 6.50% per annum (the "Fixed Rate") as provided in the Authority Indenture, the Company will pay interest at such rate; and (b) on a principal amount of the bonds of the New Series which is equal to the principal amount of the Authority Bonds, if any, which then bear interest at the Variable Rate provided for in the Authority Indenture, the Company will pay interest at the same Variable Rate. Interest on the bonds of the New Series, whether at the Fixed Rate or the Variable Rate, shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Authority Bonds which bear interest at the Variable Rate provided for in the Authority Indenture shall bear interest at the Variable Rate, as defined below, applicable to each six month period beginning June 1 and ending November 30 or beginning December 1 and ending May 31 (each an "Interest Period") commencing with the Interest Period in respect of which the interest rate on each such Authority Bond was first converted from the Fixed Rate, as defined in the Authority Indenture.

The Variable Rate for each Interest Period beginning on or after December 1, 1989 shall equal the interest rate determined by the Independent Evaluator appointed under the Authority Indenture on the Variable Rate Determination Date unless such interest rate is less than 5.00% per annum in which case the Variable Rate shall be 5.00% per annum or exceeds 9.00% per annum in which case the Variable Rate shall be 9.00% per annum. The Variable Rate Determination Date for each Interest Period shall be the 20th day of the month preceding the first day of that Interest Period, unless such day is not a Business Day, in which

case the Variable Rate Determination Date shall be the next succeeding Business Day. "Business Day" means any day other than a Saturday, Sunday or day on which the Trustee is authorized to be closed.

The interest rate determined by the Independent Evaluator on each Variable Rate Determination Date shall be the interest rate per annum (rounded to the nearest one-twentieth of one per cent) equal to the higher of:

(i) the rate which, in the opinion of the Independent Evaluator, is the minimum rate necessary to generate a bid of par for the Authority Bonds on the date of such determination, were all the outstanding Authority Bonds to bear such interest rate, or

(ii) the rate which is 50 basis points higher than the Current Index described below.

Notwithstanding the foregoing, if the Company does not approve the Variable Rate for any Interest Period in accordance with Section 2.03(d) of the above-mentioned First Supplemental Indenture, the Variable Rate for that Interest Period shall be 9.00% per annum.

The Current Index is the interest rate index determined by the Independent Evaluator on each Variable Rate Determination Date based on yield evaluations at par of securities of not less than twenty issuers selected by the Independent Evaluator (i) the interest on which is exempt from Federal income taxation, (ii) the maturity (or remaining maturity) of which is six months and (iii) which are rated by Moody's Investors Service ("Moody's") or by Standard & Poor's Corporation ("S&P") in a bond, note or commercial paper rating category which is the same as or equivalent to the rating category assigned to the Authority Bonds (without regard to any modification of a rating by the addition of a plus or minus or other numerical designation indicating relative standing within a rating category) or are otherwise determined by the Independent Evaluator to be of comparable creditworthiness to the Authority Bonds; provided that if the Authority Bonds are not rated in one of the four highest rating categories by either Moody's or S&P, the Independent Evaluator may determine such index based on securities of such number of issuers it deems to be of comparable creditworthiness as it deems practicable under the circumstances.

In the event that the Independent Evaluator resigns or is removed or otherwise is not performing the duties of the Independent Evaluator and no successor Independent Evaluator has been appointed in accordance with the Authority Indenture in time for that successor to make the rate determination on any Variable

Rate Determination Date, the rate shall be determined by the successor Independent Evaluator as promptly thereafter as possible but not later than 30 calendar days following that Variable Rate Determination Date. In that event, the rate shall be determined by the successor Independent Evaluator as if the determination were being made on the Variable Rate Determination Date and the Variable Rate shall be effective as of the first day of the Interest Period following the Variable Rate Determination Date. If a rate is not determined by the Independent Evaluator or such successor within 30 calendar days following any Variable Rate Determination Date pursuant to the foregoing procedure, then the Variable Rate in effect for the preceding Interest Period (or the Fixed Rate in the case of the Interest Period commencing December 1, 1989) shall be the Variable Rate for the Interest Period next following such Variable Rate Determination Date.

As provided in the Authority Indenture, the Authority Trustee shall, on or prior to the tenth day after each interest payment date, give the Company and the Trustee written notice of the principal amount of Authority Bonds converted from the Fixed Rate to the Variable Rate.

With respect to each Interest Period commencing on or after December 1, 1989 the Company shall give to the Trustee, prior to the interest payment date on which the Variable Rate is to become effective, written notice of the Variable Rate to be in effect for such Interest Period.

SECTION 1.04. (a) Bonds of the New Series shall be redeemable at the option of the Company, on and after December 1, 1994 in whole or in part, at a redemption price of 100% of the principal amount of the bonds of the New Series to be redeemed, plus interest accrued to the redemption date.

(b) Bonds of the New Series shall also be redeemable at the option of the Company in whole at any time at a redemption price of 100% of the principal amount of the bonds of the New Series to be redeemed, plus interest accrued to the date of redemption, if:

(i) the Company shall have determined that the continued construction or operation of a substantial portion of the Project Facilities is impracticable, uneconomical or undesirable for any reason;

(ii) a substantial portion of the Project Facilities shall have been condemned or taken by eminent domain; or

(iii) the construction or operation of a substantial portion of the Project Facilities shall have

been enjoined or prohibited by, or shall conflict with, the order or rule of any court or governmental body.

(c) Bonds of the New Series shall also be redeemable (either at the option of the Company or pursuant to the requirements of the Mortgage) in whole at any time, prior to maturity, by the application therefor of cash deposited with or received by the Trustee pursuant to Sections 9.02, 9.03, 9.04, 9.05 and 9.07 of the Mortgage in connection with the sale or condemnation of all or substantially all of the mortgaged property, if such cash is not otherwise withdrawn, used or applied in accordance with the provisions of the Mortgage, at 100% of the principal amounts of the bonds of the New Series to be redeemed, together with accrued interest to the date of redemption.

(d) Notwithstanding the provisions of clauses (a), (b) and (c) of this Section 1.04, bonds of the New Series may be redeemed only if the Company directs the Authority to effect a redemption of an equal principal amount of the Authority Bonds.

(e) Notice with respect to any redemption of the bonds of the New Series shall be mailed by the Company to the Authority, the Authority Trustee and the Trustee not less than forty-five (45) days and not more than ninety (90) days prior to the redemption date and shall specify the matters set forth in the penultimate sentence of the first paragraph, and if applicable, the second sentence of the third paragraph of Section 8.02 of the Original Indenture.

(f) If at the time of the mailing of any such notice of redemption pursuant to subsection (a), (b) or (c) of this Section 1.04, the Company shall not have irrevocably directed the Trustee to apply funds deposited with the Trustee, or held by it available to be used, for the redemption of such bonds, to redeem all of such bonds called for redemption, including accrued interest to the date fixed for redemption, such notice may state that it is subject to the receipt of the redemption moneys by the Trustee before the date fixed for redemption and such notice shall be of no effect unless such moneys are so received before such date; provided, however, that no such notice may so state unless the notice by the Authority Trustee for the corresponding redemption of Authority Bonds states that it is also subject to the receipt of redemption moneys by the Authority Trustee before the date fixed for redemption of such Authority Bonds.

(g) Bonds of the New Series shall be subject to mandatory repurchase by the Company prior to maturity at a purchase price of 100% of the principal amount thereof, plus

interest accrued to the repurchase date, (i) in whole, upon a repurchase date (which date shall be fixed by the Company in a written notice mailed by the Company to the Trustee and to the Authority Trustee) which shall be within ten (10) days after receipt by the Trustee and the Company of a written demand for repurchase by the Authority Trustee, stating that the principal of all Authority Bonds then outstanding under the Authority Indenture has been declared to be immediately due and payable pursuant to the provisions of the first sentence of Section 9.02 thereof, or (ii) in whole, or in part, upon a repurchase date (which date shall be fixed by the Company, after receipt by the Trustee and the Company of a written demand for repurchase by the Authority Trustee, in a written notice mailed by the Company to the Trustee and to the Authority Trustee at least forty-five (45) days prior to the date so fixed) which shall be within 120 days (or, in the absence of a written notice mailed by the Company as aforesaid, on the 120th day) after a final determination by a court or administrative agency of competent jurisdiction, to the effect that, as a result of a failure by the Company to perform or observe any covenant, agreement or warranty contained in the Agreement, the interest payable on any Authority Bond is includable for Federal income tax purposes in the gross income of the holder thereof, other than any holder of Authority Bonds who is a "substantial user" of the Project Facilities or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986 (the "Code") to the extent necessary in order that the interest payable on the Authority Bonds remaining outstanding after such redemption of Authority Bonds would not, in the opinion of nationally recognized bond counsel, be included in the gross income of any holder thereof, other than a holder of an Authority Bond who is a "substantial user" of the Project Facilities or a "related person" within the meaning of Section 147(a) of the Code. No determination by any court or administrative agency shall be considered final for the purposes of this paragraph unless the Company shall have been given timely notice of the proceeding which resulted in such determination and an opportunity to participate in such proceeding, either directly or through a holder of an Authority Bond, to the degree the Company deems sufficient and until the conclusion of any appellate review or rehearing sought by any party to such proceeding or the expiration of the time for seeking such review or rehearing. The Company shall not repurchase bonds of the New Series if it receives a written cancellation of the written demand from the Authority Trustee. Any such written demand from the Authority Trustee or a cancellation of such written demand shall be executed on behalf of such Authority Trustee by its President or a Vice President or a trust officer and shall be deemed received by the Trustee when delivered at its corporate trust office in the Borough of Manhattan, The City of New York. The Trustee may

conclusively rely as to the truth of the statements contained therein, upon any such demand or cancellation.

SECTION 1.05. Bonds of the New Series shall be substantially in the form thereof hereinbefore recited.

SECTION 1.06. The last sentence of Section 2.03 of the Original Indenture shall not apply to bonds of the New Series. In case less than all of the bonds of the New Series at the time outstanding are called for redemption, the Company shall not be required to transfer any bonds of the New Series for a period of 10 days before the mailing of a notice of redemption of bonds of the New Series selected for redemption, to transfer any bond of the New Series called for redemption in its entirety or to transfer any portion of a bond of the New Series which portion has been called for redemption.

SECTION 1.07. The Company covenants and agrees that, notwithstanding Section 2.03 of the Original Indenture, it will not charge any sum for or in connection with any transfer of any bond of the New Series, but may require the payment of a sum sufficient to cover any tax or taxes or other governmental charges incident to any transfer or registration thereof.

ARTICLE II.

CREDITS WITH RESPECT TO PRINCIPAL OF AND INTEREST ON BONDS OF THE NEW SERIES

SECTION 2.01. (a) The Company shall be entitled to a credit with respect to the payment of the bonds of the New Series for any amounts transferred to the Authority Trustee as surplus funds remaining upon the completion of the Project Facilities, which funds are not required to provide for the payment of the cost of the Project Facilities, at the time such amounts are applied by the Authority Trustee to the payment of the next amounts due and payable on account of such Authority Bonds, or to the payment of the principal of such Authority Bonds upon the redemption or maturity thereof or the purchase of such Authority Bonds, as the case may be, and the Authority Trustee shall make notation on the bonds of the New Series of any such credit.

(b) In addition to any other credit, payment or satisfaction to which the Company is entitled with respect to the bonds of the New Series, the Company shall be entitled to credits against amounts otherwise payable in respect of such bonds in an amount corresponding to (i) the principal amount of any Authority Bond surrendered to the Authority Trustee by the Company or the Authority, or purchased by the Authority Trustee, for cancellation and (ii) the amount of money held by the Authority Trustee

and available and irrevocably designated for the payment of principal or redemption price of, and/or interest on, the Authority Bonds, regardless of the source of payment to the Authority Trustee of such moneys, and the Authority Trustee shall make notation on the bonds of the New Series of any such credit.

(c) A certificate of the Company signed by the President or any Vice President, and by the Secretary or any Assistant Secretary, and consented to by the Authority Trustee, stating that the Company is entitled to a credit under this Section 2.01, or that bonds of the New Series have been cancelled, and setting forth the basis therefor in reasonable detail, shall be conclusive evidence of such entitlement, and the Trustee shall accept such certificate as such evidence without further investigation or verification of the matters stated therein.

SECTION 2.02. (a) The Company shall be entitled to a cash credit against its obligation to pay interest on the bonds of the New Series equal to interest paid on Authority Bonds out of (i) the proceeds of the original issuance of such Authority Bonds and the earnings on the investment of such proceeds, as provided in the Authority Indenture, which are held by the Authority Trustee at the time of the interest payment date, and (ii) such other moneys held at the time of an interest payment date by the Authority Trustee and available for the payment of interest on the Authority Bonds, and the Authority Trustee shall make notation on the bonds of the New Series of any such credit.

(b) A certificate of the Company signed by the President or any Vice President, and by the Secretary or any Assistant Secretary, and consented to by the Authority Trustee, stating that the Company is entitled to a credit under this Section 2.02 and setting forth the basis therefor in reasonable detail, shall be conclusive evidence of such entitlement, and the Trustee shall accept such certificate without further investigation or verification of the matters stated therein.

ARTICLE III.

MISCELLANEOUS.

SECTION 3.01. The Company covenants and agrees that, so long as any of the bonds of the New Series shall be secured by the lien of the Mortgage, the following provisions of the following aforesaid Supplemental Indentures shall be effective, and the Company will observe and perform each and all of the conditions and of its covenants and agreements therein set forth, as if the bonds of the New Series were specified therein:

(a) Section 1 of Article II of the Supplemental Indenture dated as of November 1, 1949, as amended by paragraph (a) of Section 2.01 of Article II of the Supplemental Indenture dated as of August 1, 1959.

(b) Section 2 of Article II of the Supplemental Indenture dated as of November 1, 1949.

(c) Section 1 of Article III of the Supplemental Indenture dated as of October 1, 1951.

(d) Section 2 of Article II of the Supplemental Indenture dated as of June 1, 1953. Subsection (D) thereof as heretofore amended is hereby further amended to read as follows:

"(D) the provisions of this Section shall be effective only so long as any of the 1988 Series or of the 1989 Series or of the 1990 Series or of the 1991 Series or of the 1994 Series or of the 1996 Series or of the 1997 Series or of the 1998 Series or of the 1999 Series or of the 2000 Series or of the 2001 Series or of the 2003 Series or of the June 1, 2006 Series or of the July 1, 2006 Series or of the December 1, 2007 Series A or of the December 1, 2007 Series B or of the 2008 Series or of the June 1, 1999 Series or of the Series A due 2015 or of the Series due 2016 bonds shall be outstanding, and may be waived by the holders of not less than 75% in aggregate principal amount of all bonds specifically entitled to the benefit of the covenants set forth in this Section (which need not include 75% in principal amount of the then outstanding 1988 Series or 1989 Series or 1990 Series or 1991 Series or 1994 Series or 1996 Series or 1997 Series or 1998 Series or 1999 Series or 2000 Series or 2001 Series or 2003 Series or June 1, 2006 Series or July 1, 2006 Series or December 1, 2007 Series A or December 1, 2007 Series B or 2008 Series or June 1, 1999 Series or Series A due 2015 or Series due 2016 bonds or any other series of bonds specifically entitled to the benefit of such covenants), outstanding at the time of such acquisition, by a consent given in writing or given at a meeting of the holders of the 1988 Series and 1989 Series and 1990 Series and 1991 Series and 1994 Series and 1996 Series and 1997 Series and 1998 Series and 1999 Series and 2000 Series and 2001 Series and 2003 Series and June 1, 2006 Series and July 1, 2006 Series and December 1, 2007 Series A and December 1, 2007 Series B and 2008 Series and June 1, 1999 Series and Series A due 2015 and Series due 2016 bonds and such other bonds, if any, held pursuant to the applicable provisions of Article XVI of the Original Indenture. Moreover, none of the provisions of subsection (B) of this Section shall be applicable to any acquisition of property ordered, approved or permitted by the Securities and

Exchange Commission under the provisions of the Public Utility Holding Company Act of 1935 as then in force, or by any successor regulatory body of the United States of America having jurisdiction in the premises."

(e) Section 2 of Article II of the Supplemental Indenture dated as of May 1, 1956.

SECTION 3.02. The Company hereby indemnifies the Trustee and each paying agent for bonds of the New Series against all liabilities, if any, resulting from any acts or omissions on its part or on the part of the Company in connection with the determination or calculation of interest rates pursuant to Section 1.03 hereof.

SECTION 3.03. The Trustee shall be entitled to rely conclusively on each notice delivered to it by the Authority Trustee or the Company pursuant to the terms of this Supplemental Indenture for all purposes under the Mortgage. The Trustee shall have no duty or responsibility to the Company or to the holder or holders of the bonds of the New Series from time to time to verify independently the information contained in any such notice or with respect to the determinations or calculations of interest which may from time to time or at any given time be due on the bonds of the New Series.

SECTION 3.04. The table of contents and the titles of the Articles of this Supplemental Indenture shall not be deemed to be any part thereof.

SECTION 3.05. As amended and supplemented by the aforesaid indentures supplemental thereto and by this Supplemental Indenture, the Original Indenture is in all respects ratified and confirmed and the Original Indenture and the aforesaid indentures supplemental thereto and this Supplemental Indenture shall be read, taken and construed as one and the same instrument.

SECTION 3.06. This Supplemental Indenture shall be simultaneously executed in several counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

The debtor and its mailing address are Pennsylvania Electric Company, 1001 Broad Street, Johnstown, Pennsylvania

15907. The secured party and an address of the secured party from which information concerning the security interest may be obtained are Bankers Trust Company, Trustee, 16 Wall Street, New York, New York 10015.

IN WITNESS WHEREOF, on this 29th day of December, 1986, PENNSYLVANIA ELECTRIC COMPANY, party of the first part, has caused this instrument to be signed in its name and behalf by its President or a Vice President, and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and BANKERS TRUST COMPANY, party of the second part, has caused this instrument to be signed in its name and behalf by an ~~Assistant~~ Vice President and its corporate seal to be hereunto affixed and attested by an Assistant Secretary.

ATTEST:

PENNSYLVANIA ELECTRIC COMPANY

E. Simmons
E. Simmons
Secretary

By *W. R. Stinson*
W. R. Stinson
Vice President

[CORPORATE SEAL]

In the presence of

R. M. Wisnouse
R. M. Wisnouse
G. R. Stenger
G. R. Stenger

ATTEST:

BANKERS TRUST COMPANY

Louise A. Buckley
Louise A. Buckley
Assistant Secretary

By *John M. Marvin Kierstead*
~~John M. Marvin Kierstead~~ *MORGAN*
Assistant Vice President

[CORPORATE SEAL]

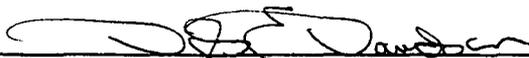
In the presence of

Steven Freedman
Steven Freedman
Mea Townsend
Mea Townsend

STATE OF NEW YORK :
: SS:
COUNTY OF NEW YORK :

On this 29th day of December, 1986, before me, Douglas E. Davidson, a Notary Public for the State and County aforesaid, the undersigned officer, personally appeared W.R. Stinson, who acknowledged himself to be a Vice President of Pennsylvania Electric Company, a corporation, and that he as such Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President.

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



Notary Public
DOUGLAS E. DAVIDSON
Notary Public, State of New York
No. 31-5929060
Qualified in New York County
Commission Expires March 30, 1987 = 12/31/88

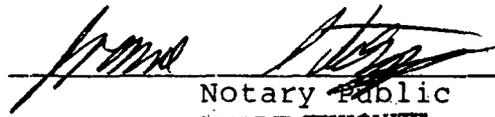
[NOTARIAL SEAL]

STATE OF NEW YORK :
: SS:
COUNTY OF NEW YORK :

On this 29th day of December, 1986, before me, Joanne Itskovitz, a Notary Public for the State and County aforesaid, the undersigned officer, personally appeared Joan M. Morgan, who acknowledged herself to be a Vice President of Bankers Trust Company, a corporation, and that she as such Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by herself as Vice President.

I am not a director or officer of said Bankers Trust Company.

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



Notary Public
JOANNE ITSKOVITZ
Notary Public, State of New York
No. 4803677
Qualified in Westchester County
Commission Expires March 30, 1987

[NOTARIAL SEAL]

STATE OF NEW YORK :
: SS:
COUNTY OF NEW YORK :

On this 29th day of December, 1986, before me personally came W.R. Stinson, to me known, who, being by me duly sworn, did depose and say that he resides in Richland Township, Johnstown, Pennsylvania; that he is a Vice President of Pennsylvania Electric Company, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument as such seal is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.


Douglas E. Davidson
Notary Public

[NOTARIAL SEAL]

DOUGLAS E. DAVIDSON
Notary Public, State of New York
No. 31-5929060
Qualified in New York County
Commission Expires March 30, 1988 = 12/31/88

STATE OF NEW YORK :
: SS:
COUNTY OF NEW YORK :

On this 29th day of December, 1986, before me personally came Joan M. Morgan, to me known, who, being by me duly sworn, did depose and say that she resides in Englewood, New Jersey; that she is a Vice President of Bankers Trust Company, one of the corporations described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument as such seal is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she signed her name thereto by like order at the same time she made oath in due form of law that the consideration stated in said instrument is true and bona fide as therein set forth, and that she is duly authorized by said corporation to execute and acknowledge said instrument and to make such oath.

I am not a director or officer of said Bankers Trust Company.


Joanne Itskovitz
Notary Public

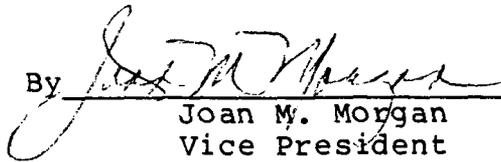
[NOTARIAL SEAL]

JOANNE ITSKOVITZ
Notary Public, State of New York
No. 4803877
Qualified in Westchester County
Commission Expires March 30, 1988

CERTIFICATE OF RESIDENCE

Bankers Trust Company, Mortgagee and Trustee within named, hereby certifies that its precise residence is 16 Wall Street, in the Borough of Manhattan, in the City of New York, in the State of New York.

BANKERS TRUST COMPANY

By 
Joan M. Morgan
Vice President

SCHEDULE A

ARMSTRONG COUNTY

All that certain interest in those tracts of coal land and other real property rights situate in the Townships of Sugarcreek, Washington, West Franklin, East Franklin, Bradys Bend and Perry, Armstrong County, as and to the extent conveyed to Pennsylvania Electric Company by deed from Jersey Central Power & Light Company dated June 23, 1986 and recorded in the Office of the Recorder of Deeds in and for Armstrong County in Deed Book Vol. 741, Page 194.

CAMBRIA COUNTY

All that certain parcel of land situate in the Sixteenth Ward of the City of Johnstown, County of Cambria, Pennsylvania, as and to the extent conveyed by Better Tires, Inc., a Pennsylvania corporation, to Pennsylvania Electric Company by deed dated October 24, 1986 and recorded in the Office of the Recorder of Deeds in and for Cambria County in Deed Book Vol. 1178, Page 498.

All that certain parcel of land situate in the Borough of Nanty Glo, Cambria County, Pennsylvania, as and to the extent conveyed by Esther A. Ralston and Jay S. Ralston, husband and wife, to Pennsylvania Electric Company by deed dated October 14, 1985 and recorded in the Office of the Recorder of Deeds in and for Cambria County in Deed Book Vol. 1162, Page 159.

CLEARFIELD COUNTY

All that certain parcel of land situate in the Second Ward of the Borough of Clearfield, Clearfield County, Pennsylvania, as and to the extent conveyed by Greydon Z. Bowers & Son, Inc., a Pennsylvania business corporation, to Pennsylvania Electric Company by deed dated November 15, 1985 and recorded in the Office of the Recorder of Deeds in and for Clearfield County in Deed Book Vol. 1050, Page 491.

ERIE COUNTY

All that certain parcel of land situate in the Township of Union, Erie County, Pennsylvania, as and to the extent conveyed by Edward D. Rimpa and Dorothy T. Rimpa, husband and wife, to Pennsylvania Electric Company by deed dated April 18, 1985 and recorded in the Office of the Recorder of Deeds in and for Erie County in Deed Book Vol. 1576, Page 298.

INDIANA COUNTY

All that certain parcel of land situate in the Township of East Wheatfield, Indiana County, Pennsylvania, as and to the extent conveyed by Harry Albert Weigel and K. Elizabeth Weigel, husband and wife, to Pennsylvania Electric Company by deed dated January 28, 1985 and recorded in the Office of the Recorder of Deeds in and for Indiana County in Deed Book Vol. 865, Page 658.

INDIANA COUNTY (Cont.)

All that certain parcel of land situate in East Wheatfield Township, Indiana County, Pennsylvania, as and to the extent conveyed by Mildred K. Hamilton, widow, David Francis Hamilton and Barbara A. Hamilton, husband and wife, to Pennsylvania Electric Company by deed dated February 8, 1985 and recorded in the Office for the Recorder of Deeds in and for Indiana County in Deed Book Vol. 866, Page 413.

All that certain parcel of land situate in East Wheatfield Township, Indiana County, Pennsylvania, as and to the extent conveyed by Ernest Lowther and Marie Lowther, husband and wife, to Pennsylvania Electric Company by deed dated November 21, 1984 and recorded in the Office for the Recorder of Deeds in and for Indiana County in Deed Book Vol. 862, Page 833.

All those certain parcels of land situate in East Wheatfield Township, Indiana County, Pennsylvania, as and to the extent conveyed by William J. Doyle and Irene T. Doyle, husband and wife, to Pennsylvania Electric Company by deed dated January 18, 1985 and recorded in the Office for the Recorder of Deeds in and for Indiana County in Deed Book Vol. 865, Page 381.

McKEAN COUNTY

All that certain parcel of land situate in Bradford Township, McKean County, Pennsylvania, as and to the extent conveyed by Quaker State Oil Refining Corporation, a Delaware corporation, to Pennsylvania Electric Company by deed dated May 8, 1986 and recorded in the Office for the Recorder of Deeds in and for McKean County in Deed Book Vol. 46, Page 651.

All that certain parcel of land situate in Bradford Township, McKean County, Pennsylvania, as and to the extent conveyed by Barbara Danzer and Laurence Danzer, husband and wife, and Stanley Knight and Sharon Knight, husband and wife, and Nancy Lyon, single, to Pennsylvania Electric Company by deed dated August 22, 1985 and recorded in the Office for the Recorder of Deeds in and for McKean County in Deed Book Vol. 36, Page 171.

WARREN COUNTY

All that certain parcel of land situate in Warren Borough, Warren County, Pennsylvania, as and to the extent conveyed by Paul G. Baker and Martha J. Baker, husband and wife, to Pennsylvania Electric Company by deed dated January 23, 1986 and recorded in the Office for the Recorder of Deeds in and for Warren County in Deed Book Vol. 58, Page 141.