

Confidential Release

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Confidential Exhibit C-4: "Financial Arrangements"

Three unredacted copies of the following are attached:

- Demand Discretionary Credit Agreement
- Demand Discretionary Credit Agreement (Amendment 1)
- Demand Discretionary Credit Agreement (Amendment 2)
- Amended and Restated Discretionary Credit Agreement
- Energy Marketing Agreement for Natural Gas (Amendment 1)

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DEMAND DISCRETIONARY CREDIT AGREEMENT

This Demand Discretionary Credit Agreement (this "Agreement") made as of October 31, 2001 by and between Metromedia Energy, Inc., a corporation formed under the laws of the State of New Jersey ("Borrower"), and Metromedia Company, a general partnership formed under the laws of the State of Delaware ("Lender"),

WITNESSETH THAT:

WHEREAS, Lender has made advances to Borrower prior to the date hereof, which advances are reflected on the initial Schedule A to the Note attached hereto, and may continue to make advances to Borrower.

NOW, THEREFORE, in consideration of their mutual agreements herein, Borrower and Lender hereby agree as follows:

1. Revolving Credit Line. Lender may in its sole discretion make loans to Borrower during the term of this Agreement in lawful money of the United States of America (the principal amount of such loans, plus any loans previously borrowed, the "Loan"). The proceeds of the Loan shall be disbursed to Borrower in Advances (as defined below) to be made by Lender to Borrower from time to time during the term of this Agreement in accordance with the provisions of this Agreement and the Note (as defined below). Borrower may, from time to time during the term of this Agreement, borrow, partially or wholly repay its outstanding borrowings under this Agreement and reborrow, subject to all the limitations, terms and conditions contained herein. Nothing herein shall be construed as creating any obligation by Lender to make Advances to Borrower. "Advances" means advances hereunder, and include all advances outstanding on the date hereof, as set forth in the recital to this Agreement.

2. Term of Agreement; Demand Obligation. (a) The term of this Agreement will commence on the date hereof and will end on the earlier to occur of (i) the second anniversary of the date hereof or (ii) at Lender's election, upon Lender's demand as provided in Section 2(b) below. The making of Advances by Lender shall cease immediately upon termination or expiration of the term of this Agreement.

(b) In addition, the entire outstanding principal balance outstanding hereunder, and any accrued and unpaid interest thereon, shall be due and payable on demand at Lender's option with the following exception— Lender shall not make any demand which would cause Borrower's cash balance at the close of any calendar month, net of any outstanding accounts payable at the close of such calendar month, to be less than Borrower's budgeted cash requirements for the succeeding three (3) calendar months. Borrower acknowledges and agrees that the obligations under this Agreement are demand obligations that may be called by Lender at any time, in Lender's sole discretion, irrespective of the existence on the date hereof or pursuant to subsequent amendment of representations,

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warranties, covenants, conditions or events of default herein, in the Note or in any other agreement or document relating hereto, thereto or otherwise to the relationship between the parties hereto.

3. Promissory Note. The Loan and all Advances made hereunder shall be evidenced by Borrower's Demand Discretionary Revolving Line of Credit Note dated as of the date hereof in substantially the form of Exhibit A attached hereto (the "Note"), all terms of which are incorporated herein by this reference.

4. Prepayment. Borrower may at any time prepay, in whole or in part, any principal due or outstanding to Lender under the Note without penalty.

5. Interest. The outstanding unpaid principal balance of each Advance made to Borrower hereunder shall bear interest from the date of disbursement of such Advance to Borrower in accordance with the provisions of the Note. Interest shall be payable in accordance with the terms of the Note.

6. Representations and Warranties of Borrower. Borrower hereby represents and warrants to Lender that:

(a) Legal Status. Borrower is a corporation validly formed, duly organized and in good standing under the laws of the State of Delaware.

(b) Authorization and Enforceability. This Agreement and the Note, and any other documents that may be executed by Borrower in connection with this Agreement or the Note, have been duly authorized by all necessary corporate action of Borrower, have been duly and validly executed and delivered by Borrower, and constitute legal, valid and binding agreements of Borrower enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors rights generally and to general principles of equity.

(c) No Violations. Neither Borrower's execution and delivery of this Agreement or the Note, nor Borrower's performance of any of its obligations hereunder or thereunder, will breach, violate or constitute a default under Borrower's Articles of Incorporation or Bylaws, as amended, or any agreement, contract or commitment to which Borrower is a party or by which Borrower is bound.

7. Credit Support. (a) Prior to the date hereof, Lender has provided to other actual or potential creditors of Borrower guarantees and letters of credit. Borrower may request and Lender, in its sole discretion and without any obligation whatsoever, may provide further guarantees, letters of credit and other credit support for the benefit of Borrower's actual or potential creditors.

(b) If demand shall be made on any guarantee provided by Lender for the

benefit of any actual or potential creditor of Borrower, or if any letter of credit provided by Lender for the benefit of any actual or potential creditor of Borrower shall be drawn upon, or if any other credit support provided by Lender or any of its affiliates for the benefit of Borrower or any of its actual or potential creditors shall be invoked such that Lender or any such affiliate shall be required to provide funds, then the amount paid in respect of any such credit support, together with any other costs incurred by Lender in respect thereof or in connection therewith, shall be deemed to be Advances hereunder, and Borrower shall immediately, without any requirement of action on the part of Lender, repay such advances to Lender.

8. Miscellaneous.

(a) Waiver. No delay or failure of Lender, or any holder of the Note, in exercising any right, power or privilege hereunder, no single or partial exercise thereof, and no abandonment or discontinuance of steps to enforce such a right, power or privilege, shall affect such right, power or privilege. The rights and remedies of Lender under this Agreement and the Note are cumulative and nonexclusive.

(b) Successors and Assigns. This Agreement may not be assigned by either party without the prior written consent of the other.

(c) Governing Law. This Agreement and the Note shall be governed by and construed in accordance with the internal laws of the State of New York, without reference to any principles of choice of law or conflict of laws.

(d) Attorney's Fees. Borrower will reimburse Lender for all reasonable costs and expenses, including but not limited to reasonable attorney's fees, expended or incurred by Lender in enforcing this Agreement or the Note, in taking action to collect payment of any amounts outstanding under this Agreement or the Note, or in any other way related to this Agreement or the Note, whether or not such action is prosecuted to judgment.


(e) Entire Agreement. This Agreement, the Note and Schedule A thereto represent the entire agreement and understanding of the parties with respect to the subject matter hereof.

(f) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

The parties have executed this Agreement by their duly authorized representatives effective as of the date first above written.

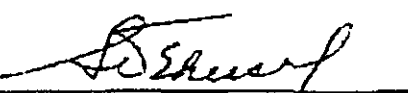
BORROWER:

METROMEDIA ENERGY, INC.

By: 
Harvey N. Morris
President

LENDER:

METROMEDIA COMPANY

By: 
Silvia Kessel
Senior Vice President

DEMAND DISCRETIONARY REVOLVING LINE OF CREDIT NOTE

\$ _____

Dated October 31, 2001
New York, New York

METROMEDIA ENERGY, INC. ("Borrower")

to

METROMEDIA COMPANY ("Lender")

1. Obligation. FOR VALUE RECEIVED, the undersigned, METROMEDIA ENERGY, INC., a New Jersey corporation ("Borrower"), promises to pay to the order of METROMEDIA COMPANY, a Delaware general partnership ("Lender"), at Lender's offices at One Meadowlands Plaza, East Rutherford, New Jersey 07073, or at such other place as Lender may direct, in lawful money of the United States of America, the principal sum that may be advanced (including amounts advanced prior to the date hereof, as from time to time set forth on Schedule A hereto), unpaid and outstanding under loans and advances ("Advances") made by Lender to Borrower under the Demand Discretionary Credit Agreement between Lender and Borrower of even date herewith (the "Credit Agreement"), together with interest accrued on unpaid principal as provided in Section 2 of this Note. All terms not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

2. Interest. Interest shall accrue on the unpaid principal amount of each Advance made under the Credit Agreement at a rate per annum (computed on the basis of a 360-day year) equal to the lower of (i) the Prime Rate (as defined below) in effect on the date such Advance is disbursed to or on behalf of Borrower plus two percent (2%), or (ii) the highest rate permitted by New York law. Interest shall accrue separately on the unpaid principal amount of each Advance from the date that such Advance is disbursed to or on behalf of Borrower. As used herein, the term "Prime Rate" shall mean the rate of interest publicly announced from time to time by The Chase Manhattan Bank ("Chase") in New York, New York, as its reference rate (the "Reference Rate") with the understanding that the Reference Rate is one of Chase's base rates, serves as a basis upon which effective rates of interest are calculated for loans making reference thereto, and may not be the lowest of Chase's base rates. Changes in the Reference Rate shall take effect as of the dates specified in the public announcement of such changes. Interest on payments of principal or interest due but unpaid shall accrue at a Default Rate equal to four percent (4%) above the Prime Rate, unless such rate is in excess of the maximum rate permitted by New York law, in which event interest shall accrue at a rate equal to such maximum legal rate. Interest shall be payable on the first date of each month, commencing with the first such day after the date of an Advance.

3. Payment. The entire outstanding principal balance of this Note, and any accrued and unpaid interest thereon, shall be due and payable on demand at Lender's option with the following exception— Lender shall not make any demand which would cause Borrower's cash balance at the close of any calendar month, net of any outstanding accounts payable at the close of such calendar month, to be less than Borrower's budgeted cash requirements for the succeeding three (3) calendar months. Borrower acknowledges and agrees that this Note is a demand obligation that may be called by Lender at any time, irrespective of the existence on the date hereof or pursuant to subsequent amendment of representations, warranties, covenants, conditions or events of default herein, in the Credit Agreement or in any other agreement or document relating hereto, thereto or otherwise to the relationship between the parties to the Credit Agreement. In addition, if in any calendar month Borrower collects, in cash, receivables in an amount such that Borrower's cash balance at the close of such calendar month, net of any outstanding accounts payable at the close of such calendar month, exceeds Borrower's budgeted cash requirements for the succeeding three (3) calendar months, then Borrower shall prepay and retire an outstanding amount of principal and interest equal to such excess; provided that such prepayment shall in no event exceed the total amount of principal and accrued interest then outstanding under this Note. Prepayments made under this Section 3 shall be applied against principal and interest in the order and manner provided in Section 4 hereof.

4. Optional Prepayment. Borrower may, at any time, prepay in whole or in part any principal or interest due or outstanding under this Note without penalty, with each such prepayment to be applied first against outstanding accrued interest, and, after all outstanding interest has been paid, against the most remote installment of principal, if any, then unpaid.

5. Credit Line. Subject to the terms hereof and of the Credit Agreement, Lender has established a demand discretionary revolving line of credit loan (the "Loan") in favor of Borrower under which Borrower may borrow (in Lender's sole discretion), partially or wholly repay its outstanding obligations under this Note, and reborrow. The amount(s) and date(s) of all such borrowings, repayments and reborrowings shall be recorded by Lender on a schedule substantially in the form of Schedule A attached hereto or in such other form reasonably determined by Lender and made available to Borrower on a regular basis, each of which shall be deemed to be Schedule A hereto until superseded by a revised Schedule A.

6. Governing Law. The parties intend that this Note shall be governed by and construed in accordance with the internal laws of the State of New York, without reference to any principles of choice of law or conflict of laws.

9. Incorporation of Credit Agreement. This Note incorporates by reference all the provisions of the Credit Agreement.

IN WITNESS WHEREOF, This DEMAND DISCRETIONARY REVOLVING LINE OF CREDIT NOTE has been duly executed by the undersigned, METROMEDIA ENERGY, INC.,

on the day and in the year first above written.

Borrower

METROMEDIA ENERGY, INC.

By: 

Harvey N. Morris
President

**AMENDMENT NO. 1 TO
DEMAND DISCRETIONARY CREDIT AGREEMENT**

This Amendment No. 1, dated this 3rd day of March, 2004, effective as of October 31, 2003, amends that certain Demand Discretionary Credit Agreement, dated as of October 31, 2001. (the "Credit Agreement"), between Metromedia Energy, Inc., a corporation formed under the laws of the State of New Jersey ("Borrower") and Metromedia Company, a general partnership formed under the laws of the State of Delaware ("Lender").

All capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement.

WITNESSETH:

WHEREAS, the Borrower has requested and the Lender has agreed to extend the term of the Credit Agreement for a one-year period to October 31, 2004;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Credit Agreement.** Section 2 of the Credit Agreement is hereby amended by amending clause (a)(i) thereof by deleting the phrase "the second anniversary of the date hereof" and replacing it with "October 31, 2004".
2. **No Other Change.**

Except for the amendments provided for herein, the Credit Agreement shall remain unchanged in all respects and shall remain in full force and effect.

3. **General.**

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, contains the entire agreement of the parties with respect to the specific subject matter hereof, may be executed in counterparts, each of which will be an original and all of which together will constitute the same instrument and will be governed by New York State law except for the body of law pertaining to conflict of laws.

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IN WITNESS WHEREOF, the parties have executed this 3rd day of March 2004.

Metromedia Energy, Inc.

By:


Harvey N. Morris
President

Metromedia Company

By:


Robert A. Maresca
Senior Vice President

**AMENDMENT NO. 2 TO
DEMAND DISCRETIONARY CREDIT AGREEMENT**

This Amendment No. 2, dated as of this ^{24th} day of April, 2006, effective as of October 31, 2004, amends that certain Demand Discretionary Credit Agreement, dated as of October 31, 2001, as amended, (the "Credit Agreement"), between **Metromedia Energy, Inc.**, a corporation formed under the laws of the State of New Jersey ("Borrower") and **Metromedia Company**, a general partnership formed under the laws of the State of Delaware ("Lender").

All capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement.

WITNESSETH:

WHEREAS, the Borrower has requested to further extend the term of the Credit Agreement for a two-year period to October 31, 2006 and Lender has agreed to such extension, provided such term is accelerated upon certain events of default;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Term.** (a) Section 2(a) of the Credit Agreement is hereby amended by amending clause (a)(i) thereof by deleting the phrase "October 31, 2004" and replacing it with "October 31, 2006";

(b) Section 2(b) of the Credit Agreement is hereby amended by inserting the words "except in the case of an Event of Default," after the word "exception—" and before the word "Lender" in the third line of the first sentence thereof.

2. **Events of Default.** The Credit Agreement is hereby amended by renumbering the current Section 8 to "Section 9" and inserting a new Section 8 immediately following Section 7 as follows:

"8. Default.

If any one or more of the following events (each, an "Event of Default") shall occur:

8.1 **Principal or Interest.** The Borrower shall fail to pay on demand any principal of or interest hereunder within five (5) business days after delivery of written notice of demand therefore;

3. General.

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, contains the entire agreement of the parties with respect to the specific subject matter hereof, may be executed in counterparts, each of which will be an original and all of which together will constitute the same instrument and will be governed by New York State law except for the body of law pertaining to conflict of laws.

IN WITNESS WHEREOF, the parties have executed this Amendment by their duly authorized representatives effective as of the date first above written.

Metromedia Energy, Inc.

By: 

Harvey N. Morris
President

Metromedia Company

By: 

Robert A. Maresca
Senior Vice President

AMENDED AND RESTATED DISCRETIONARY CREDIT AGREEMENT

This Discretionary Credit Agreement (this "Agreement") made as of February 13, 2008 by and between Metromedia Energy, Inc., a corporation formed under the laws of the State of New Jersey ("Borrower"), and Metromedia Company, a general partnership formed under the laws of the State of Delaware ("Lender"), amends and restates the Demand Discretionary Credit Agreement (the "Prior Agreement"), dated October 31, 2001, as amended, by and between Borrower and Lender.

WITNESSETH THAT:

WHEREAS, Lender has made advances to Borrower prior to the date hereof, some of which were made pursuant to the Prior Agreement, which advances are reflected on Schedule A to the Note attached hereto, and may continue to make advances to Borrower.

WHEREAS, Borrower has requested and Lender has agreed to amend and restate the Prior Agreement as provided herein.

NOW, THEREFORE, in consideration of their mutual agreements herein, Borrower and Lender hereby agree as follows:

1. Revolving Credit Line. Lender may in its sole discretion make loans to Borrower during the term of this Agreement in lawful money of the United States of America (the principal amount of such loans, plus any loans previously borrowed, the "Loan"). The proceeds of the Loan shall be disbursed to Borrower in Advances (as defined below) to be made by Lender to Borrower from time to time during the term of this Agreement in accordance with the provisions of this Agreement and the Note (as defined below). Borrower may, from time to time during the term of this Agreement, borrow, partially or wholly repay its outstanding borrowings under this Agreement and reborrow, subject to all the limitations, terms and conditions contained herein. Nothing herein shall be construed as creating any obligation by Lender to make Advances to Borrower. "Advances" means advances hereunder, and include all advances outstanding on the date hereof, as set forth in the recital to this Agreement.
2. Term of Agreement. The term of this Agreement will commence on the date hereof and will end on December 31, 2010.
3. Promissory Note. The Loan and all Advances made hereunder shall be evidenced by Borrower's Amended and Restated Discretionary Revolving Line of Credit Note dated as of the date hereof in substantially the form of Exhibit A attached hereto (the "Note"), all terms of which are incorporated herein by this reference.
4. Prepayment. Borrower may at any time prepay, in whole or in part, any

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principal due or outstanding to Lender under the Note without penalty.

5. Interest. The outstanding unpaid principal balance of each Advance made to Borrower hereunder shall bear interest from the date of disbursement of such Advance to Borrower in accordance with the provisions of the Note. Interest shall be payable in accordance with the terms of the Note.

6. Representations and Warranties of Borrower. Borrower hereby represents and warrants to Lender that:

(a) Legal Status. Borrower is a corporation validly formed, duly organized and in good standing under the laws of the State of Delaware.

(b) Authorization and Enforceability. This Agreement and the Note, and any other documents that may be executed by Borrower in connection with this Agreement or the Note, have been duly authorized by all necessary corporate action of Borrower, have been duly and validly executed and delivered by Borrower, and constitute legal, valid and binding agreements of Borrower enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors rights generally and to general principles of equity.

(c) No Violations. Neither Borrower's execution and delivery of this Agreement or the Note, nor Borrower's performance of any of its obligations hereunder or thereunder, will breach, violate or constitute a default under Borrower's Articles of Incorporation or Bylaws, as amended, or any agreement, contract or commitment to which Borrower is a party or by which Borrower is bound.

7. Credit Support. (a) Prior to the date hereof, Lender has provided to other actual or potential creditors of Borrower guarantees and letters of credit. Borrower may request and Lender, in its sole discretion and without any obligation whatsoever, may provide further guarantees, letters of credit and other credit support for the benefit of Borrower's actual or potential creditors.

(b) If demand shall be made on any guarantee provided by Lender for the benefit of any actual or potential creditor of Borrower, or if any letter of credit provided by Lender for the benefit of any actual or potential creditor of Borrower shall be drawn upon, or if any other credit support provided by Lender or any of its affiliates for the benefit of Borrower or any of its actual or potential creditors shall be invoked such that Lender or any such affiliate shall be required to provide funds, then the amount paid in respect of any such credit support, together with any other costs incurred by Lender in respect thereof or in connection therewith, shall be deemed to be Advances hereunder, and Borrower shall immediately, without any requirement of action on the part of Lender, repay such advances to Lender.

8. Events of Default. The following shall constitute Events of Default

hereunder:

(a) Any failure by Borrower to pay when due any principal, interest or other amounts payable under this Agreement or the Note;

(b) A material default by Borrower in the performance of any other term, covenant or agreement contained in this Agreement or the Note, if such default is not cured within twenty (20) days after Borrower receives written notice of such default from Lender; or

(c) If Borrower shall become insolvent, or shall consent to or apply for the appointment of a receiver, trustee, custodian or liquidator of itself or any of its property, or shall generally fail to pay its debts as they become due, or shall make a general assignment for the benefit of its creditors, or shall become subject to any bankruptcy or similar proceeding under any law granting relief to debtors, whether now or hereafter in effect;

(d) If any obligation of Borrower to any person other than the Lender for the payment of money borrowed shall become or is declared to be due and payable prior to its stated maturity or if any event of default or event which with the passing of time or notice or both shall have occurred the effect of which permits payment of any such obligation to be demanded prior to its stated maturity;

(e) Any judgments against Borrower or any attachments against its property for amounts in excess of \$1,000,000 in the aggregate shall remain unpaid, unstayed on appeal, undischarged, unbonded and undismissed for a period of 30 days; or

(f) Any guarantee, letter of credit or other credit support referred to in Section 7 hereof shall be called, drawn upon or otherwise invoked by any named or other beneficiary hereof.

9. Acceleration.

(a) If an Event of Default other than an Event of Default described in Section 8(c) shall occur, then notwithstanding any other provision of this Agreement or the Note to the contrary, any indebtedness of Borrower under this Agreement or the Note shall, at Lender's sole option, exercisable by written notice to the Borrower, become immediately due and payable in full.

(b) If an Event of Default described in Section 8(c) shall occur, then notwithstanding any other provision of this Agreement or the Note to the contrary, all indebtedness of Borrower under this Agreement or the Note shall automatically, without any action by Lender, become immediately due and payable in full without presentment, notice or demand, all of which are hereby expressly waived by Borrower, and the obligation, if any, of Lender to make further Advances shall immediately cease and terminate.

10. Miscellaneous.

(a) Waiver. No delay or failure of Lender, or any holder of the Note, in exercising any right, power or privilege hereunder, no single or partial exercise thereof, and no abandonment or discontinuance of steps to enforce such a right, power or privilege, shall affect such right, power or privilege. The rights and remedies of Lender under this Agreement and the Note are cumulative and nonexclusive.

(b) Successors and Assigns. This Agreement may not be assigned by either party without the prior written consent of the other.

(c) Governing Law. This Agreement and the Note shall be governed by and construed in accordance with the internal laws of the State of New York, without reference to any principles of choice of law or conflict of laws.

(d) Attorney's Fees. Borrower will reimburse Lender for all reasonable costs and expenses, including but not limited to reasonable attorney's fees, expended or incurred by Lender in enforcing this Agreement or the Note, in taking action to collect payment of any amounts outstanding under this Agreement or the Note, or in any other way related to this Agreement or the Note, whether or not such action is prosecuted to judgment.

(e) Entire Agreement. This Agreement, the Note and Schedule A thereto represent the entire agreement and understanding of the parties with respect to the subject matter hereof.

(f) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

The parties have executed this Agreement by their duly authorized representatives effective as of the date first above written.

BORROWER:

LENDER:

METROMEDIA ENERGY, INC.

METROMEDIA COMPANY

By:



Name: Harvey N. Morris
Title: President

By:

Name:
Title:

EXHIBIT A

AMENDED AND RESTATED
DISCRETIONARY REVOLVING LINE OF CREDIT NOTE

Dated February 13, 2008
New York, New York

METROMEDIA ENERGY, INC. ("Borrower")

to

METROMEDIA COMPANY ("Lender")

1. Obligation. FOR VALUE RECEIVED, the undersigned, METROMEDIA ENERGY, INC., a New Jersey corporation ("Borrower"), promises to pay to the order of METROMEDIA COMPANY, a Delaware general partnership ("Lender"), at Lender's offices at 21 Main Street, Suite 202, Hackensack, New Jersey 07601, or at such other place as Lender may direct, in lawful money of the United States of America, the principal sum that may be advanced (including amounts advanced prior to the date hereof, as from time to time set forth on Schedule A hereto), unpaid and outstanding under loans and advances ("Advances") made by Lender to Borrower under the Amended and Restated Discretionary Credit Agreement between Lender and Borrower of even date herewith (the "Credit Agreement"), together with interest accrued on unpaid principal as provided in Section 2 of this Note. All terms not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

2. Interest. Interest shall accrue on the unpaid principal amount of each Advance made under the Credit Agreement at a rate per annum (computed on the basis of a 360-day year) equal to the lower of (i) the Prime Rate (as defined below) in effect on the date such Advance is disbursed to or on behalf of Borrower plus two percent (2%), or (ii) the highest rate permitted by New York law. Interest shall accrue separately on the unpaid principal amount of each Advance from the date that such Advance is disbursed to or on behalf of Borrower. As used herein, the term "Prime Rate" shall mean the rate of interest publicly announced from time to time by J.P. Morgan Chase Bank, N.A. ("Chase") in New York, New York, as its reference rate (the "Reference Rate") with the understanding that the Reference Rate is one of Chase's base rates, serves as a basis upon which effective rates of interest are calculated for loans making reference thereto, and may not be the lowest of Chase's base rates. Changes in the Reference Rate shall take effect as of the dates specified in the public announcement of such changes. Interest on payments of principal or interest due but unpaid shall accrue at a Default Rate equal to four percent (4%) above the Prime Rate, unless such rate is in excess of the maximum rate permitted by New York law, in which event interest shall accrue at a rate equal to

such maximum legal rate. Interest shall be payable on the first date of each month, commencing with the first such day after the date of an Advance.

3. Payment. The entire outstanding principal balance of this Note, and any accrued and unpaid interest thereon, shall be due and payable on the earlier to occur of December 31, 2010 or upon the Lender's acceleration of such principal and interest upon the occurrence of an Event of Default as such term is defined in the Credit Agreement.

4. Optional Prepayment. Borrower may, at any time, prepay in whole or in part any principal or interest due or outstanding under this Note without penalty, with each such prepayment to be applied first against outstanding accrued interest, and, after all outstanding interest has been paid, against the most remote installment of principal, if any, then unpaid.

5. Credit Line. Subject to the terms hereof and of the Credit Agreement, Lender has established a discretionary revolving line of credit loan (the "Loan") in favor of Borrower under which Borrower may borrow (in Lender's sole discretion), partially or wholly repay its outstanding obligations under this Note, and reborrow. The amount(s) and date(s) of all such borrowings, repayments and reborrowings shall be recorded by Lender on a schedule substantially in the form of Schedule A attached hereto or in such other form reasonably determined by Lender and made available to Borrower on a regular basis, each of which shall be deemed to be Schedule A hereto until superseded by a revised Schedule A.


6. Governing Law. The parties intend that this Note shall be governed by and construed in accordance with the internal laws of the State of New York, without reference to any principles of choice of law or conflict of laws.

9. Incorporation of Credit Agreement. This Note incorporates by reference all the provisions of the Credit Agreement.

IN WITNESS WHEREOF, This AMENDED AND RESTATED DISCRETIONARY REVOLVING LINE OF CREDIT NOTE has been duly executed by the undersigned, METROMEDIA ENERGY, INC., on the day and in the year first above written.

Borrower

METROMEDIA ENERGY, INC.

By: 
Harvey N. Morris
President

SCHEDULE A
TO AMENDED AND RESTATED
DISCRETIONARY REVOLVING LINE OF CREDIT NOTE

AMENDMENT NO. 1

**ENERGY MARKETING AGREEMENT
FOR NATURAL GAS
BY AND BETWEEN**

VIRGINIA POWER ENERGY MARKETING, INC.

AND

METROMEDIA ENERGY, INC.

THIS AMENDMENT NO. 1 ("AMENDMENT") is made effective as of the 12th day of April 2005 ("Effective Date"), by and between Virginia Power Energy Marketing, Inc., a corporation organized and existing under the laws of the State of Virginia ("Provider") and Metromedia Energy, Inc., a corporation organized and existing under the laws of the State of New Jersey ("Client"). Provider and Client are hereinafter collectively the Parties and individually a Party.

RECITALS

WHEREAS, the Parties entered into the Energy Marketing Agreement for Natural Gas as of the 22nd day of October 2003 ("Agreement"), including all the attachments, exhibits and schedules thereto;

WHEREAS, the current expiration date for the Agreement is May 01, 2006, inclusive ("End Date");

WHEREAS, Provider and Client desire to extend the term of the Agreement from the End Date to May 31, 2009;

WHEREAS, Provider and Client desire to place a cap on the amount of working capital that Provider is obligated to provide under Exhibit 4 of the Agreement;

WHEREAS, the Parties intend to amend in writing the Agreement; and

WHEREAS, All capitalized terms not herein defined shall have the meaning assigned such terms in the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Parties mutually agree to the following in this AMENDMENT.

1.01 This AMENDMENT is effective as of the Effective Date;

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1.02 In Article 2 [Nature of Relationship] insert the following new Section 2.15:

"2.15 In the event that a third party acquires the Client (whether by merger, consolidation, stock purchase or otherwise), or all or substantially all of the assets of Client at any time during the term of this Agreement and does not desire to assume this Agreement, Client may terminate this Agreement for convenience; provided that if the Client exercises such right, Provider shall proceed to terminate and liquidate all transactions pursuant to the termination and liquidation provisions set forth in Exhibits 1 and 2 to the Agreement, as if VPEM is the non-defaulting party, an Event of Default had occurred on the date Client exercised its right of termination for convenience and all notice periods for termination have been waived by Client. Notwithstanding anything to the contrary in Exhibits 1 and 2 with respect to the termination and liquidation of transactions, for the purposes of calculating termination damages, the following shall apply:

- (a) Provider shall use the prior year's physical gas volume as of the date of Provider receiving notice of termination as a basis for the amount of natural gas remaining to be delivered under the Agreement with an eight percent (8%) escalation per annum or prorated for seasonal flow for a partial year(s) for the remainder of the term of the Agreement; and
- (b) Provider and Client agree that the Premium shall always be in addition to the Market Value";

1.03 Section 17.1 [Term] of the Agreement is hereby amended as follows: in the second line of Section 17.1, replace the words, "May 1, 2006" with the words, "May 31, 2006";

1.04 the term of the Agreement is extended to May 31, 2009, inclusive;

1.05 Section 3.2(C)(i) [Purchase Contracts] of the Agreement is hereby amended as follows:

In the third line of 3.2C(i), delete the words, "one year" and replace with the words, "two years";

1.06 Exhibit 4 the "Credit Agreement", Table of Contents Article III is hereby amended as follows:

Insert on the line after Section 3.2 of Article III, "Section 3.3 Working Capital Restriction" along with the applicable page number reference to such Section in the body of the Credit Agreement;

1.07 Section 1.1 [Definitions] of the Credit Agreement is hereby amended as follows: after the defined term "Lockbox Agreement" and its definition, insert the words:

"'Off-Peak Credit Limit' has the meaning set forth in Section 3.3(b).

'Off-Peak Period' has the meaning set forth in Section 3.3(b).

'Peak Credit Limit' has the meaning set forth in Section 3.3(a).

'Peak Period' has the meaning set forth in Section 3.3(a).";

1.08 Section 2.1 [Commodity Loans] of the Credit Agreement is hereby amended as follows: delete in the last line of Section 2.1 the words, "Master Power Purchase and Sales Agreement" and replace with the words, "Master Agreement";

1.09 Section 2.4 [Interest Rates] of the Credit Agreement is hereby amended as follows:

Insert in between the first paragraph and the second paragraph the following:

"Notwithstanding the foregoing paragraph in this Section 2.4, for any aggregate Loan amount outstanding at any time that falls within a range between the Peak Credit Limit and the Peak Credit Limit less fifteen percent (15%) or the Off-Peak Credit Limit and the Off-Peak Credit Limit less fifteen percent (15%), such amount shall bear an interest rate for each day from the day such aggregated amount falls within such range, as applicable, at a rate per annum equal to the Prime Rate plus three percent (3%).";

1.10 Section 3.1(i) [Commodity Loans] of the Credit Agreement is hereby deleted and Sections 3.1(ii) and (iii) are correspondingly renumbered as Sections 3.1(i) and (ii); and

1.11 Insert the following new Section 3.3 in the Credit Agreement after the last line in Section 3.2 of the Credit Agreement:

"Section 3.3 Working Capital Restriction. The amount of Commodity Loans outstanding at any time is subject to the following:

(a) for the period starting December 26th and ending May 25th ("Peak Period") of any Agreement year, Client shall not carry a Commodity Loan balance of greater than sixty million dollars (\$60,000,000) ("Peak Credit Limit") and Provider shall not be obligated to extend Client Commodity Loans beyond the Peak Credit Limit during the Peak Period; and

(b) for the period starting May 26th and ending December 25th ("Off-Peak Period") of any Agreement year, Client shall not carry a Commodity Loan balance of greater than twenty-five million dollars (\$25,000,000) ("Off-Peak Credit Limit") and Provider shall not be obligated to extend Client Commodity Loans beyond the Off-Peak Credit Limit during the Off-Peak Period.";

1.12 Insert the following new Section 3.4 in the Credit Agreement after the last line in Section 3.3 of the Credit Agreement:

"Section 3.4 Working Capital Request.

(a) In the event that Client desires Provider to increase the Peak Credit Limit and / or Off-Peak Credit Limit, the Client shall submit an application in writing to Provider requesting the specific amount of the Peak Credit Limit and / or Off-Peak Credit Limit increase. Client may submit such application at any time subject to the following conditions: (i) the Commodity Loans in aggregate at any one time have for the Peak Credit Limit or the Off-Peak Credit Limit during the Peak Period or the Off-Peak Period, respectively, equaled an amount outstanding of not less than ninety-five percent (95%) of the Peak Credit Limit or the Off-Peak Credit Limit and (ii) the aggregate of such Commodity Loans is not a one time event.

(b) Client's application for an increase in the Peak Credit Limit and / or the Off-Peak Credit Limit with respect to marketing growth and acquisition growth shall be based on the highest forward month during the Peak Credit Period and / or the Off-Peak Credit Period resulting from the product of (i) the price of natural gas through the end of the term of this Agreement as evidenced by the natural gas futures prices on the New York Mercantile Exchange plus basis and (ii) Client's base load volume of natural gas adjusted for an eight percent (8%) annual volumetric growth.

(c) Provider upon review of Client's written application for an increase in the Peak Credit Limit and / or the Off-Peak Credit Limit will in writing either provide Client (i) with the increase requested for the Peak Credit Limit and / or Off-Peak Credit Limit within thirty (30) days of receipt of such application from Client or (ii) will reject the application. Provider may reject such application for any reason or no reason.

(d) In the event Provider agrees to increase the Peak Credit Limit and / or Off-Peak Credit Limit, Provider and Client shall enter into an amendment to this Agreement to reflect such increase within ten (10) Business Days following the written notification by Provider to Client agreeing to increase the Peak Credit Limit and / or the Off-Peak Credit Limit as set forth in Client's application.

(e) In the event that the conditions set forth in Section 3.4(a) and (b) above have been met and Provider rejects Client's application for an increase in the Peak Credit Limit and / or the Off-Peak Credit Limit solely on the basis that Provider is unwilling to increase the Peak Credit Limit and / or the Off-Peak Credit Limit as opposed to rejection based on a miscalculation in Client's application, Provider shall be deemed to have waived the condition restricting Client from creating an Affiliate in Section 6.5.;

1.13 Section 6.5 [Transactions with Affiliates] of the Credit Agreement is hereby amended as follows:

Insert after the last paragraph in Section 6.5 [Transactions with Affiliates] of the Credit Agreement, the following new paragraph:

"Notwithstanding anything to the contrary in this Section, Client shall not organize, form, acquire, create a partnership with, merge with, amalgamate with or create any other Person to create an Affiliate for the purpose of engaging in the Client's business or other similar natural gas business; provided however, if such Affiliate enters into the same or similar arrangement with Provider *mutatis*

mutandis that is currently in place between Provider and Client, then Client will not be restricted from creating such Affiliate. In the event that Client submits an application to Provider as set forth in Section 3.4 [Working Capital Request] and Provider rejects such application solely on the basis that Provider will not increase the Peak Credit Limit and / or Off-Peak Credit Limit, Provider and Client agree that Client may create an Affiliate; provided however, that in the event such Affiliate is created, (i) Client shall not transfer more than fifteen percent (15%) of its then current natural gas load to such Affiliate and (ii) if Client transfers any of its then current natural gas load to such Affiliate subject to (i) above, such transfer shall only include the whole group of Customers behind a local distribution company.”;

1.14 Section 7.1 [Events of Default] of the Credit Agreement is hereby amended as follows:

Insert in Section 7.1 [Events of Default] of the Credit Agreement, the following new Section 7.1(xii):

“7.1(xii) the occurrence of any Affiliate of Client that is engaged in the same or similar natural gas business as Client in which (a) Provider does not have the same or similar arrangement with such Affiliate as the arrangement between Provider and Client and (b) Provider has not rejected an application from Client pursuant to Section 3.4 [Working Capital Request] of the Credit Agreement disallowing an increase to the Peak Credit Limit and / or the Off-Peak Credit Limit.”

2. Miscellaneous.

2.01. This AMENDMENT, including the Agreement, constitute the entire agreement between the Parties with respect to the subject matter of such documents and supersede all prior agreements, understandings and negotiations, both oral and written, between the Parties with respect to the subject matter of such documents. All terms of the Agreement not modified by this AMENDMENT shall remain in full force and effect as expressly set forth in the Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth in this AMENDMENT has been made or relied upon by the Parties in executing this AMENDMENT or in undertaking the commitments and obligations expressly contemplated in this AMENDMENT.

3. Counterparts.

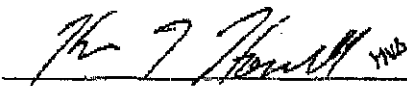
3.01 This AMENDMENT may be signed in counterpart, each of which shall be an original, with the same effect as if the signatures were upon the same instrument. The AMENDMENT shall become effective when each party to such AMENDMENT shall have received a counterpart of such AMENDMENT signed by the other Party.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties shall cause this AMENDMENT to be executed by their respective authorized officers on the day, month and year first below written.

VIRGINIA POWER ENERGY
MARKETING, INC.


METROMEDIA ENERGY, INC.

By: 

Name: Kevin T. Howell

Title: President

Date: April 12, 2005

By: 

Name:

Title: Vice Pres + Counsel

Date: