



amount of the unused commitments on a quarterly basis. Under the New FirstEnergy Facility, FirstEnergy will pay this fee on behalf of all borrowers under that facility and under the New FES/AESC Facility, the two borrowers will pay their pro rata shares of the fee.

In addition, under each of the New Facilities, borrowers may request from time to time the issuance of letters of credit which are renewable upon the request of the borrowers and which expire upon the earlier of one year from the date of issuance or the third business day preceding the latest termination date of the applicable New Facility. The stated amount of outstanding letters of credit will count against total commitments available under the applicable New Facilities and against the applicable borrower's sub-limit. Currently, the initial fronting banks have agreed to issue up to an aggregate amount of \$700 million of letters of credit under the New FirstEnergy Facility and \$2.5 billion of letters of credit under the New FES/AESC Facility. Each borrower will pay the lenders a fee equal to the then applicable margin for eurodollar rate advances for such borrower multiplied by the stated amount of each letter of credit issued for its account, in each case for the number of days that such letter of credit is issued but undrawn, payable quarterly.

Under each of the New Facilities, borrowings are available upon customary representations and warranties, terms and conditions for facilities of this type, and the borrowers are subject to certain customary affirmative and negative covenants, including limitations on the ability to sell, lease, transfer or dispose of assets, to grant or permit liens upon properties to secure debt, to merge or consolidate, subject to certain exceptions, the ability to enter into any prohibited transactions as defined in the Employee Retirement Income Security Act of 1974 or the ability to use the proceeds of any borrowing for prohibited purposes. Each borrower is also required to maintain a consolidated debt to total capitalization ratio, as defined in each of the New Facilities, of no more than 0.65 to 1.00.

Borrowings under each of the New Facilities are subject to acceleration upon the occurrence of events of default that each borrower considers usual and customary, including a cross-default for other indebtedness in excess of \$100 million. However, unlike FirstEnergy's Prior Facility, defaults by FES or AESC under the New FES/AESC Facility or other indebtedness generally will not cross-default to FirstEnergy under the New FirstEnergy Facility.

FirstEnergy and certain of the other borrowers and their affiliates maintain ordinary banking and investment

banking relationships with lenders under the New Facilities.

#### LACLEDE GROUP INC

**Official Changes:** On June 21, 2011, Co. announced that its Board of Directors named Suzanne Sitherwood, age 50, as successor to Mr. Douglas H. Yaeger, who will retire on February 1, 2012. Ms. Sitherwood will become President of the Co. effective September 1, 2011 and Chief Executive Officer effective upon Mr. Yaeger's retirement. Ms. Sitherwood has been Senior Vice President, Southern Operations of AGL Resources, Inc. since November 2004 and has also served as President of its Atlanta Gas Light, Chattanooga Gas and Florida City Gas subsidiaries since 2008. There are no related party transactions involving Ms. Sitherwood nor any family relationships between her and any existing director or officer of the Co.. There is no plan, contract or arrangement pursuant to which she has been named an executive officer of the Co.

In connection with Mr. Douglas H. Yaeger's previously announced transition to retirement, Mr. Yaeger will relinquish his title as President of the Co. on September 1, 2011.

(c) Ms. Sitherwood's annual base salary shall be \$550,000, with a sign on bonus of \$200,000 payable within 30 days of employment. This sign on bonus is subject to recoupment if Ms. Sitherwood is terminated for cause within the first 18 months of employment. She will participate in the Annual Incentive Plan with target and maximum awards of 75% and 100% of base salary, respectively.

With regard to the Co.'s 2006 Equity Incentive Plan, she will receive on September 1, 2011 restricted stock unit grants, 7,000 of which will be time-vested, and 10,000 of which will vest after two years of employment and the satisfaction of certain performance metrics. The time vested award will vest ratably over three years. The performance metrics provide for (a) 50% vesting if the Co.'s average stock price for any period of three consecutive calendar months exceeds by 10% the Co.'s average stock price for the three-month period of September 1, 2011 through November 30, 2011 or (b) 100% vesting if the Co.'s average stock price for any period of three consecutive calendar months exceeds by 15% the Co.'s average stock price for the three-month period of September 1, 2011 through November 30, 2011. These awards expire September 1, 2016 but vest automatically at 100% after a change in control, or, in the absence of a change in control, if Ms Sitherwood is terminated without cause or resigns for good reason after March 1, 2012.

The Co. and Ms. Sitherwood entered into a severance benefit agreement as of September 1, 2011, which expires September 1, 2014 and addresses benefits payable with or without a change in control upon her termination without cause or upon her resignation for good reason, each such case referred to as a 'qualifying termination.' If a qualifying termination occurs without a change in control, Ms. Sitherwood is entitled to payment of an amount equal to one times her annual base salary, payable in monthly installments over a twelve-month period, and a lump sum payment equal to the target amount for the Annual Incentive Plan performance award for the fiscal year in which the qualifying termination occurs, as well as continued medical, dental and vision benefits for a period of up to 18 months from the date of the qualifying termination. If a qualifying termination occurs after a change in control, she is entitled to payment of an amount equal to a non-discounted lump sum, equal to two times 'average annual compensation', as such term is referred to in Treasury Regulation Section 1.280G-1 Question and Answer 34 and such other guidance promulgated under Section 280G of the Internal Revenue Code of 1986, as amended (the 'Code'), paid for the five-year period (or if employed by the Co. for less than five years, such shorter period) immediately preceding such qualifying termination; plus an amount equal to the target amount for the Annual Incentive Plan performance award for the fiscal year in which the qualifying termination occurs, with such amount to be paid in a lump sum; plus continued medical, dental and vision benefits for a period of up to 18 months from the date of the qualifying termination. The severance benefits agreement contains confidentiality, non-disparagement, non-competition, and non-solicitation requirements.

The benefits under the severance benefits agreement are in lieu of participation in and benefits under the Management Continuity Protection Plan from September 1, 2011 through August 31, 2014. She will also participate in any other plan or program provided by the Co. for which she may qualify and will be entitled to receive any benefits payable in accordance with the terms of such plan or program, including after the severance benefits agreement expires, the Management Continuity Protection Plan.

#### PUBLIC SERVICE ENTERPRISE GROUP INC.

**Interest Sale Development:** On June 24, 2011, Co.'s subsidiary, PSEG Power LLC, agreed to the sale of its remaining Texas generating asset to Odessa Power, LLC, a subsidiary of Energy Capital Partners II, LP for \$335,000,000.

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