

SECURITIES AND EXCHANGE COMMISSION

FORM S-3/A

Registration statement for specified transactions by certain issuers [amend]

Filing Date: **1994-07-08**
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FILER

METROPOLITAN EDISON CO

CIK: **65350** | IRS No.: **230870160** | State of Incorporation: **PA** | Fiscal Year End: **1231**
Type: **S-3/A** | Act: **33** | File No.: **033-53673** | Film No.: **94538174**
SIC: **4911** Electric services

Business Address
2800 POTTSVILLE PIKE
MUHLENBERG TOWNSHIP
BERKS COUNTY PA 19605
2159293601

MET ED CAPITAL LP

CIK: **923074** | IRS No.: **510355042** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-3/A** | Act: **33** | File No.: **033-53673-01** | Film No.: **94538175**

Mailing Address
MELLON BANK CENTER
TENTH & MARKET STREETS
WILMINGTON DE 19801

Business Address
C/O GPU SERVICE
CORPORATION
100 INTERPACE PARKWAY
PARSIPPANY NJ 07054
201-263-6500

Registration Nos. 33-53673
33-53673-01

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

METROPOLITAN EDISON COMPANY
(Exact name of registrant as
specified in its charter)

MET-ED CAPITAL, L.P.
(Exact name of registrant as
specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of
incorporation or organization)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

23-0870160
(I.R.S. Employer
Identification No.)

51-0355042
(I.R.S. Employer
Identification No.)

2800 Pottsville Pike
Reading, Pennsylvania 19605
(610) 929-3601

Mellon Bank Center
Tenth and Market Streets
Wilmington, Delaware 19801
(302) 654-5893

(Addresses, including zip codes, and telephone numbers, including
area codes, of registrants' principal executive offices)

DON W. MYERS
Vice President and Treasurer
GPU Service Corporation
100 Interpace Parkway
Parsippany, New Jersey 07054-1149

(Name, address, including zip code, and telephone number, including area code, of agent for service for each registrant)

Please send copies of all communications to:

W. C. MATTHEWS, ESQ.
Secretary
Metropolitan Edison Company
2800 Pottsville Pike
P.O. Box 16001
Reading, Pennsylvania 19640
(610) 929-3601

W. EDWIN OGDEN, ESQ.
Ryan, Russell, Ogden &
Seltzer
1100 Berkshire Boulevard
P.O. Box 6219
Reading, Pennsylvania 19610
(610) 372-4761

DOUGLAS E. DAVIDSON, ESQ.
Berlack, Israels & Liberman
120 West 45th Street
New York, New York 10036-4003
(212) 704-0100

CLIVE D. CONLEY, ESQ.
Reid & Priest
40 West 57th Street
New York, New York 10019
(212) 603-2000

Approximate date of commencement of proposed sale to the public: to be determined by market conditions after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box: /X/

This Registration Statement shall hereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED JULY 7, 1994
PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED JULY , 1994

4,000,000 Preferred Securities

Met-Ed Capital

___% Cumulative Monthly Income Preferred Securities ("MIPS"),
Series A

(liquidation preference \$25 per Preferred Security)
guaranteed on a limited basis by

METROPOLITAN EDISON COMPANY

The ___% Cumulative Monthly Income Preferred Securities, Series A (the "Series A Preferred Securities"), representing the limited partner interests offered hereby, are being issued by Met-Ed Capital, L.P., a limited partnership formed under the laws of the State of Delaware ("Met-Ed Capital"). All of the general partner interests in Met-Ed Capital are owned by Met-Ed Preferred Capital, Inc. (the "General Partner"), a Delaware corporation and a wholly owned subsidiary of Metropolitan Edison Company, a Pennsylvania corporation (the "Company"). Met-Ed Capital exists for the sole purpose of issuing its partner interests and using the proceeds thereof to purchase the Company's subordinated debentures. The limited partner interests represented by the Series A Preferred Securities will have a preference with respect to cash distributions (hereinafter called "Dividends") and amounts payable on liquidation over the general partner interests in Met-Ed Capital. See "Description of Preferred Securities" in the accompanying Prospectus.

Holders of the Series A Preferred Securities will be entitled to receive cumulative preferential cash Dividends at an annual rate of ___% of the liquidation preference of \$25 per Series A Preferred Security, accruing from the date of original issuance and payable monthly in arrears on the last day of each calendar month of each year, commencing _____, 1994. The payment of Dividends, to the extent that Met-Ed Capital has sufficient cash on hand to permit such payments and funds legally available therefor, and payments on liquidation or redemption with respect to the Series A Preferred Securities are guaranteed on a limited basis by the Company to the extent set forth herein and in the accompanying Prospectus (the "Limited Guarantee"). See "Description of the Limited Guarantee" in the accompanying Prospectus. If the Company fails to make interest payments on

the ___% Deferrable Interest Subordinated Debentures, Series A ("Series A Deferrable Interest Subordinated Debentures") purchased by Met-Ed Capital with the proceeds of this offering, Met-Ed Capital will have insufficient funds to pay Dividends on the Series A Preferred Securities, and, since the Limited Guarantee does not cover the payment of Dividends for which Met-Ed Capital does not have sufficient funds available, the Company would not be obligated under the Limited Guarantee to make such undeclared Dividend payments. In such event, the remedy of a holder of Series A Preferred Securities is to enforce Met-Ed

Capital's rights under the Series A Deferrable Interest Subordinated Debentures. See "Description of the Deferrable Interest Subordinated Debentures - Enforcement of Certain Rights by Holders of Preferred Securities".

The Company's obligations under the Limited Guarantee and the Series A Deferrable Interest Subordinated Debentures are subordinate and junior in right of payment to all present and future Senior Indebtedness of the Company (which aggregated approximately \$730,000,000 at March 31, 1994). In addition, the Company may defer interest payments on the Series A Deferrable Interest Subordinated Debentures for up to 60 consecutive months. However, during any deferral period (which the Company considers remote), the Company may not declare or pay any dividends on, or redeem or acquire, any of its preferred or common stock.

The Series A Preferred Securities are redeemable at the option of Met-Ed Capital, in whole or in part, from time to time, on or after _____, 1999, at \$25 per Series A Preferred Security plus any accumulated, unpaid and additional Dividends accrued thereon to the date fixed for redemption (the "Redemption Price"), and will be redeemed at such price from the proceeds of any repayment or redemption of the Series A Deferrable Interest Subordinated Debentures. See "Description of Preferred Securities-Mandatory Redemption; Optional Redemption".

If at any time Met-Ed Capital or the Company, due to a change in law or a pronouncement or decision interpreting or applying any applicable law, is or would be required to pay certain additional amounts or to withhold or deduct certain amounts, the Series A Preferred Securities are redeemable in whole or in part at the Redemption Price at the option of Met-Ed Capital. In addition, upon the occurrence of certain special events arising from a change in law or a pronouncement or

decision interpreting or applying such law, the Series A Preferred Securities are redeemable in whole at the Redemption Price at the option of Met-Ed Capital. Upon the occurrence of such a special event, Met-Ed Capital may dissolve and cause Series A Deferrable Interest Subordinated Debentures to be distributed to the holders of the Series A Preferred Securities in liquidation of their interests in Met-Ed Capital. See "Description of Preferred Securities-Optional Redemption; Special Event Redemption or Distribution" and "Description of the Deferrable Interest Subordinated Debentures" in the accompanying Prospectus. If the Series A Deferrable Interest Subordinated Debentures are so distributed, the Company will use its best efforts to have them listed on the same exchange on which the Series A Preferred Securities are then listed.

In the event of the dissolution of Met-Ed Capital, the holders of Series A Preferred Securities will be entitled to a liquidation preference for each Series A Preferred Security of \$25 plus any accumulated, unpaid and additional Dividends accrued thereon to the date of payment, unless, in connection with such dissolution, Series A Deferrable Interest Subordinated Debentures are distributed to the holders of the Series A Preferred Securities. See "Description of Preferred Securities-Liquidation Distribution" in the accompanying Prospectus.

See "Certain Investment Considerations" for certain considerations relevant to an investment in the Series A Preferred Securities, including circumstances under which payment of Dividends on the Series A Preferred Securities may be deferred and optional redemption events.

Application will be made to list the Series A Preferred Securities on the New York Stock Exchange.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Initial Public Underwriting Proceeds to
Met-Ed

Per Series A		
Preferred		
Security.....\$	(2)	\$
Total.....\$	(2)	\$

(1) Met-Ed Capital and the Company have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting".

(2) In view of the fact that the proceeds of the sale of the Series A Preferred Securities will be used to purchase the Company's Series A Deferrable Interest Subordinated Debentures, the Company will pay the Underwriters, as compensation for their services, the amount of \$_____ per Series A Preferred Security (or \$_____ in the aggregate), except that such compensation will be \$_____ per Series A Preferred Security sold to certain institutions, thus reducing the aggregate compensation specified above. See "Underwriting".

(3) Expenses of the offering which are payable by the Company are estimated to be \$400,000.

The Series A Preferred Securities offered hereby are offered severally by the Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of certificates for the Series A Preferred Securities will be made only in book-entry form through the facilities of The Depository Trust Company on or about _____, 1994.

* An application has been filed by Goldman, Sachs & Co. with the United States Patent and Trademark Office for the registration of the MIPS servicemark.

- Goldman, Sachs & Co.
- Dean Witter Reynolds Inc.
- A.G. Edwards & Sons, Inc.
- Kidder, Peabody & Co. Incorporated
- Morgan Stanley & Co. Incorporated
- PaineWebber Incorporated
- Prudential Securities Incorporated

The date of this Prospectus Supplement is _____, 1994.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus supplement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The following information concerning the Series A Preferred Securities, the Limited Guarantee and the Series A Deferrable Interest Subordinated Debentures supplements and should be read in conjunction with the information contained in the accompanying Prospectus. Capitalized terms used in this Prospectus Supplement have the same meanings as in the accompanying Prospectus.

MET-ED CAPITAL

Met-Ed Capital is a limited partnership formed under the laws of the State of Delaware, all of the general partner interests in which are owned by the General Partner, a wholly owned special purpose subsidiary of the Company. Met-Ed Capital

exists solely for the purpose of issuing its partner interests and utilizing the proceeds thereof to acquire the Company's Deferrable Interest Subordinated Debentures. All of the business and affairs of Met-Ed Capital will be managed by the General Partner, subject to Met-Ed Capital's Amended and Restated Limited Partnership Agreement, which will be substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus Supplement and the accompanying Prospectus form a part.

METROPOLITAN EDISON COMPANY

The Company, a public utility furnishing electric service wholly within the Commonwealth of Pennsylvania, is a subsidiary of General Public Utilities Corporation ("GPU"), a holding company registered under the Public Utility Holding Company Act of 1935. In 1993, the Company provided retail service to approximately 445,000 customers in an area in eastern and south central Pennsylvania having an estimated population of 950,000. The Company also sells electricity at wholesale to four municipalities having an estimated population of over 11,000. The Company is affiliated with Jersey Central Power & Light Company and Pennsylvania Electric Company, which are also wholly owned subsidiaries of GPU.

CERTAIN INVESTMENT CONSIDERATIONS

Prospective purchasers of the Series A Preferred Securities should carefully review the information contained elsewhere in this Prospectus Supplement and in the accompanying Prospectus and should particularly consider the following matters:

Subordinate Obligations Under the Limited Guarantee and the Series A Deferrable Interest Subordinated Debentures. The Company's obligations under the Limited Guarantee and the Series A Deferrable Interest Subordinated Debentures are subordinate and junior in right of payment to all present and future Senior Indebtedness of the Company. At March 31, 1994, Senior Indebtedness of the Company aggregated approximately \$730,000,000. There are no terms in the Series A Preferred Securities, the Series A Deferrable Interest Subordinated Debentures or the Limited Guarantee that limit the Company's ability to incur additional indebtedness, including indebtedness that ranks senior to the Series A Deferrable Interest Subordinated Debentures and

the Limited Guarantee. See "Description of the Limited Guarantee-Status of the Limited Guarantee" and "Description of the Deferrable Interest Subordinated Debentures-Subordination" in the accompanying Prospectus.

Option to Extend Interest Payment Period. The Company has the right under the Indenture to extend the interest payment period on the Series A Deferrable Interest Subordinated Debentures at any time and from time to time to up to 60 consecutive months, and, as a consequence, monthly Dividends on the Series A Preferred Securities can be deferred by Met-Ed Capital during any such extended interest payment period (but will continue to accumulate, with Dividends accruing thereon at the rate applicable to the Series A Preferred Securities). In the event that the Company exercises its right to extend, the Company may not declare or pay dividends on any shares of its preferred or common stock until deferred interest on the Series A Deferrable Interest Subordinated Debentures is paid in full. Met-Ed Capital and the Company currently believe that the extension of an interest payment period on the Series A Deferrable Interest Subordinated Debentures is remote. See "Description of Preferred Securities-Dividends" and "Description of the Deferrable Interest Subordinated Debentures-Option to Extend Interest Payment Period" in the accompanying Prospectus.

Should an extended interest payment period occur, Met-Ed Capital will continue to accrue income for United States federal income tax purposes with respect to such deferred interest which income will be allocated, but not distributed, to holders of Series A Preferred Securities. As a result, such a holder will include such interest in gross income for United States federal income tax purposes in advance of the receipt of cash, and will not receive the cash related to such income from Met-Ed Capital if such a holder disposes of the Series A Preferred Securities prior to the record date for payment of Dividends. See "United States Taxation-Potential Extension of Interest Payment Period" in the accompanying Prospectus.

Special Event Redemption or Distribution. Upon the occurrence and continuation of a Tax Event arising from a change in law or a pronouncement or decision interpreting or applying any applicable law (see "Description of Preferred Securities - Special Event Redemption or Distribution" in the accompanying Prospectus), the General Partner may elect to either: (i) redeem the Series A Preferred Securities in whole (and not in part); or (ii) dissolve Met-Ed Capital and cause the Series A Deferrable Interest Subordinated

Debentures to be distributed to the holders of the Series A Preferred Securities in liquidation of such holders' interests in Met-Ed Capital, provided that Met-Ed Capital shall have received an opinion of counsel (which may be regular tax counsel to the Company or an affiliate but not an employee thereof) to the effect that the holders of the Series A Preferred Securities will not recognize any gain or loss for federal income tax purposes as a result of such

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dissolution and distribution. Alternatively, Met-Ed Capital may elect to cause the Series A Preferred Securities to remain outstanding. If an Investment Company Act Event (see "Description of Preferred Securities - Special Event Redemption or Distribution" in the accompanying Prospectus) shall occur and be continuing, Met-Ed Capital must elect either option (i) or (ii) above.

In April 1994, the Internal Revenue Service issued certain notices generally addressing the characteristics which distinguish debt from equity for various purposes under the federal income tax laws. In these notices, the IRS indicated that transactions involving securities that, like the securities offered hereunder, have both debt and equity characteristics would be reviewed with scrutiny to determine how they would be treated for tax purposes. Based upon advice from Carter, Ledyard & Milburn, the Company's special tax counsel, the Company believes that interest on the Series A Deferrable Interest Subordinated Debentures will be deductible under the tests referred to in these notices. If, as a result of a change in law or a pronouncement or decision interpreting or applying any applicable law, Met-Ed Capital receives an opinion of counsel to the effect that interest on the Series A Deferrable Interest Subordinated Debentures would not be deductible, Met-Ed Capital would have the option to redeem the Series A Preferred Securities or to dissolve and cause Series A Deferrable Interest Subordinated Debentures to be distributed to the holders of the Series A Preferred Securities, as described under "Description of Preferred Securities-Special Event Redemption or Distribution" in the accompanying Prospectus.

USE OF PROCEEDS

The proceeds to be received by Met-Ed Capital from the sale of the Series A Preferred Securities will be used to purchase Series A Deferrable Interest Subordinated Debentures of the Company and will be applied by the Company to the repayment of outstanding short-term debt, for construction purposes and for other general corporate purposes, including the redemption of outstanding senior securities pursuant to the optional redemption provisions thereof, if economical.

CERTAIN TERMS OF THE SERIES A PREFERRED SECURITIES

The following information should be read in conjunction with the statements under "Description of Preferred Securities" in the accompanying Prospectus.

Amount, Dividends, Redemption

An aggregate of _____ Series A Preferred Securities, having an aggregate stated liquidation preference of \$_____ (\$25 per Series A Preferred Security), are being offered hereby. Dividends on the Series A Preferred Securities

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will be cumulative, will accrue from _____, 1994 and will be payable monthly in arrears on the last day of each calendar month of each year, commencing _____, 1994, except as otherwise described in the accompanying Prospectus.

The Dividends payable on each Series A Preferred Security will be fixed at a rate per annum of ___% of the \$25 stated liquidation preference thereof.

The Series A Preferred Securities will be redeemable at the option of Met-Ed Capital, in whole or in part from time to time, on or after _____, 1999 at the Redemption Price. In addition, the Series A Preferred Securities are subject to redemption at the Redemption Price under circumstances described under "Description of Preferred Securities-Mandatory Redemption; Optional Redemption; Special Event Redemption or Distribution" in the accompanying Prospectus.

CERTAIN TERMS OF THE SERIES A DEFERRABLE INTEREST SUBORDINATED DEBENTURES

The following information should be read in conjunction with

the statements under "Description of the Deferrable Interest Subordinated Debentures" in the accompanying Prospectus.

General

The Series A Deferrable Interest Subordinated Debentures will be issued under the Indenture dated as of _____, 1994 between the Company and United States Trust Company of New York, as Trustee, and may be distributed to the holders of Series A Preferred Securities upon a dissolution of Met-Ed Capital under circumstances described under "Description of Preferred Securities-Special Event Redemption or Distribution" in the accompanying Prospectus.

Principal Amount, Interest, Maturity, Redemption

An aggregate of \$_____ principal amount of Series A Deferrable Interest Subordinated Debentures will be issued, such amount being the sum of the aggregate stated liquidation preference of the Series A Preferred Securities and the General Partner's related capital contribution.

Each Series A Deferrable Interest Subordinated Debenture will bear interest at the rate of __% per annum from the original date of issuance, payable monthly in arrears on the last day of each calendar month of each year, except as otherwise provided in the accompanying Prospectus.

The Series A Deferrable Interest Subordinated Debentures will mature on _____, 2043 and will be redeemable at the option of the Company at any time on or after _____, 1999 at a Debenture Redemption Price equal to 100% of their principal amount plus accrued and unpaid interest to the Redemption Date, together with any additional interest accrued thereon. The Series A Deferrable Interest Subordinated

Debentures are also redeemable upon the occurrence of certain events which cause the Series A Preferred Securities to become redeemable. Proceeds from the repayment or redemption of Series A Deferrable Interest Subordinated Debentures will be applied to redeem the Series A Preferred Securities.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, Met-Ed Capital has agreed to sell to each of the several Underwriters named below, and each of the Underwriters, for whom Goldman, Sachs & Co., Dean Witter Reynolds Inc., A.G. Edwards & Sons, Inc., Kidder, Peabody & Co. Incorporated, Morgan Stanley & Co. Incorporated, PaineWebber Incorporated and Prudential Securities Incorporated are acting as Representatives, has severally agreed to purchase from Met-Ed Capital the respective number of Series A Preferred Securities set forth opposite its name below:

Underwriter	Number of Series A Preferred Securities
Goldman, Sachs & Co.	
Dean Witter Reynolds Inc.	
A.G. Edwards & Sons, Inc.	
Kidder, Peabody & Co. Incorporated	
Morgan Stanley & Co. Incorporated	
PaineWebber Incorporated	
Prudential Securities Incorporated	
Total	4,000,000

Under the terms and conditions of the Underwriting Agreement, the Underwriters are committed to take and pay for all such Series A Preferred Securities offered hereby, if any are taken.

The Underwriters propose to offer the Series A Preferred Securities in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus Supplement, and in part to certain securities dealers at such price less a concession of \$_____ per Series A Preferred Security, except that such concession will be \$___ per Series A Preferred Security sold to certain institutions. The Underwriters may allow, and such dealers may reallow, a concession not in excess of \$_____ per Series A Preferred Security to certain brokers and dealers. After the Series A Preferred Securities are released for sale to the public, the offering price and other selling terms may from time to time be varied by the Representatives.

In view of the fact that the proceeds of the sale of the Series A Preferred Securities will be used to purchase the Company's Series A Deferrable Interest Subordinated Debentures, the Company will pay to the Underwriters, as compensation for their services, the amount of \$_____ per Series A Preferred Security for the accounts of the several Underwriters, except that such compensation will be \$_____ per Series A Preferred Security sold to certain institutions.

The Company and Met-Ed Capital have agreed, during the period beginning from the date of the Underwriting Agreement and continuing to and including the earlier of (i) the date, after the closing date, on which the distribution of the Series A Preferred Securities and the Limited Guarantee ceases, as determined by the Underwriters, or (ii) 90 days after the closing date, not to offer, sell, contract to sell, or otherwise dispose of any Series A Preferred Securities, any limited partner interests of Met-Ed Capital, or any preferred stock or any other securities of Met-Ed Capital or the Company which are substantially similar to the Series A Preferred Securities or the Limited Guarantee, or any securities convertible into or exchangeable for Series A Preferred Securities, limited partner interests, preferred stock or such substantially similar securities of either Met-Ed Capital or the Company without the prior written consent of the Underwriters.

Prior to this offering, there has been no public market for the Series A Preferred Securities. In order to meet one of the requirements for listing the Series A Preferred Securities on the New York Stock Exchange, the Underwriters will undertake to sell lots of 100 or more Series A Preferred Securities to a minimum of 400 beneficial holders.

Met-Ed Capital and the Company have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act.

Certain of the Underwriters engage in transactions with, and from time to time have performed services for, the Company and its affiliates in the ordinary course of business.

LEGAL OPINIONS

Certain legal matters will be passed upon for the Company and Met-Ed Capital by Berlack, Israels & Liberman, New York, New York, and Ryan, Russell, Ogden & Seltzer, Reading, Pennsylvania, and for the Underwriters by Reid & Priest, New York, New York. Certain matters of Delaware law relating to the validity of the Preferred Securities will be passed upon by Richards, Layton & Finger, P.A., Wilmington, Delaware, special Delaware counsel to Met-Ed Capital. Berlack, Israels & Liberman and Reid & Priest may rely on the opinion of Ryan, Russell, Ogden & Seltzer as to matters of Pennsylvania law, and Berlack, Israels & Liberman, Ryan, Russell, Ogden & Seltzer and Reid & Priest may rely on the opinion of Richards, Layton & Finger, P.A., as to matters of Delaware law. Members and attorneys of Berlack, Israels & Liberman own an aggregate of 12,091 shares of the Common Stock of

the Company's parent, GPU. In addition, one such member holds 986 such shares as custodian for his children. Members and attorneys of Ryan, Russell, Ogden & Seltzer own an aggregate of 2,000 shares of the Common Stock of GPU.

SUBJECT TO COMPLETION, DATED JULY 7, 1994

PROSPECTUS

\$125,000,000

MET-ED CAPITAL

Preferred Securities

guaranteed on a limited basis by

METROPOLITAN EDISON COMPANY

Met-Ed Capital, L.P. ("Met-Ed Capital"), a Delaware limited partnership, all of the general partner interests in which are owned by a wholly owned subsidiary of Metropolitan Edison Company (the "Company"), may offer, from time to time, its preferred securities, representing limited partner interests ("Preferred Securities"), in one or more series. The payment of periodic cash distributions (hereinafter called "Dividends") with respect to Preferred Securities of any series, out of funds held by Met-Ed Capital and legally available therefor, and payments on liquidation or redemption with respect to the Preferred Securities are guaranteed on a limited basis by the Company to the extent described herein (the "Limited Guarantee"). The Company's obligations under the Limited Guarantee are subordinate and junior in right of payment to all present and future Senior Indebtedness (as defined herein) of the Company but senior in right of payment to the Company's preferred and common stock. Deferrable Interest Subordinated Debentures of the Company ("Deferrable Interest Subordinated Debentures") will also be issued and sold from time to time in one or more series by the Company to Met-Ed Capital in connection with the investment of the proceeds from the offering of Preferred Securities. Deferrable Interest Subordinated Debentures subsequently may be distributed to holders of Preferred Securities in connection with a dissolution of Met-Ed Capital upon the occurrence of certain events as described under "Description of Preferred Securities - Special Event Redemption or Distribution". The Deferrable Interest Subordinated Debentures will be unsecured and subordinate and junior in right of payment to all present and future Senior Indebtedness of the Company. The Preferred Securities may be offered in amounts, at prices and on terms to be determined at the time of offering; provided, however, that the aggregate initial public offering price of all Preferred Securities offered hereby shall not exceed \$125,000,000.

The specific designation, Dividend rate (or method of determination thereof), and any other rights, preferences, privileges, limitations and restrictions relating to the Preferred Securities of the particular series in respect of which this Prospectus is being delivered will be set forth in a

Prospectus Supplement pertaining to such series (a "Prospectus Supplement").

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Preferred Securities may be sold to or through underwriters or dealers as designated from time to time. See "Plan of Distribution". The names of any such underwriters or dealers involved in the sale of the Preferred Securities of the particular series in respect of which this Prospectus is being delivered, the number of Preferred Securities to be purchased by any such underwriters or dealers and any applicable commissions or discounts will be set forth in a Prospectus Supplement. The net proceeds to the Company will also be set forth in a Prospectus Supplement.

The date of this Prospectus is _____, 1994.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Such reports and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street,

N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Seven World Trade Center, New York, New York 10048; and 500 West Madison Street, Chicago, Illinois 60661-2511. Copies of such material can also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Certain of the Company's securities are listed on, and reports and other information concerning the Company may also be inspected at the offices of, the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

This Prospectus does not contain all the information set forth in the Registration Statement on Form S-3 (herein, together with all amendments and exhibits thereto, referred to as the "Registration Statement"), which the Company and Met-Ed Capital have filed with the Commission under the Securities Act of 1933, as amended (the "Securities Act"). Statements contained or incorporated by reference herein concerning the provisions of documents are necessarily summaries of such documents, and each statement is qualified in its entirety by reference to the Registration Statement.

No separate financial statements of Met-Ed Capital have been included herein. The Company and Met-Ed Capital do not consider that such financial statements would be material to holders of Preferred Securities because Met-Ed Capital is a newly formed special purpose entity, has no operating history and no independent operations and is not engaged in, and does not propose to engage in, any activity other than as set forth below. See "Met-Ed Capital".

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents heretofore filed by the Company with the Commission pursuant to the Exchange Act are incorporated herein by reference:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 1993;
2. The Company's Current Reports on Form 8-K dated February 16, 1994, February 28, 1994 and June 10, 1994; and
3. The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of the securities offered hereby

shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents. Any statement contained herein or in a document all or a portion of which is incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in a Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any person receiving a copy of this Prospectus or any Prospectus Supplement may obtain, without charge, upon written or oral request, a copy of any or all of the documents incorporated herein or therein by reference (not including the exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Requests for such copies should be directed to Metropolitan Edison Company, P.O. Box 16001, Reading, Pennsylvania 19640, Attention: Secretary. The Company's telephone number is (610) 929-3601.

METROPOLITAN EDISON COMPANY

The Company, a public utility furnishing electric service wholly within the Commonwealth of Pennsylvania, is a subsidiary of General Public Utilities Corporation ("GPU"), a holding company registered under the Public Utility Holding Company Act of 1935. In 1993, the Company provided retail service to approximately 445,000 customers in an area in eastern and south central Pennsylvania having an estimated population of 950,000. The Company also sells electricity at wholesale to four municipalities having an estimated population of over 11,000. The Company's subsidiary, York Haven Power Company, is the owner and licensee of the York Haven Hydroelectric Project. The Company's principal executive offices are located at 2800 Pottsville Pike, Reading, Pennsylvania 19605, and its telephone number is (610) 929-3601.

For the year 1993, electric sales to residential customers accounted for about 43% of operating revenues from customers and 36% of kilowatt-hour ("kwh") sales to customers; sales to commercial customers accounted for about 28% of operating revenues from customers and 26% of kwh sales to customers; sales to industrial customers accounted for about 27% of operating revenues from customers and 35% of kwh sales to customers; and sales to rural electric cooperatives, municipalities (primarily

for street and highway lighting) and others accounted for about 2% of operating revenues from customers and 3% of kwh sales to customers. The Company also makes interchange and spot market sales of electricity to other utilities. The revenues derived from the largest single industrial customer accounted for approximately 2% of operating revenues from customers for the year 1993 and the 25 largest industrial customers in the aggregate accounted for approximately 11% of such revenues.

The electric generating and transmission facilities of the Company and its affiliates, Jersey Central Power & Light Company and Pennsylvania Electric Company, are physically interconnected and are operated as a single integrated and coordinated system. The transmission facilities of the integrated system are physically interconnected with neighboring nonaffiliated utilities in Pennsylvania, New Jersey, Maryland, New York and Ohio. The Company is a member of the Pennsylvania-New Jersey-Maryland Interconnection ("PJM") and the Mid-Atlantic Area Council, an organization providing coordinated review of the planning by utilities in the PJM area. The interconnection facilities are used for substantial capacity and energy interchange and purchased power transactions as well as emergency assistance.

The Company owns 50% undivided interests in Unit 1 and the inactive Unit 2 of the Three Mile Island nuclear generating station near Middletown, Pennsylvania. The Company's nuclear generating facilities are operated and maintained by GPU Nuclear Corporation, a subsidiary of GPU. The Company and its affiliates are seeking regulatory approvals for GPU Generation Corporation, a newly formed subsidiary of GPU, to operate and maintain their fossil-fueled and hydroelectric generating facilities.

FINANCING PROGRAM

Depending upon market conditions, during 1994 and 1995 Met-Ed Capital expects to offer up to \$125,000,000 stated liquidation preference of Preferred Securities, the proceeds of which would be used to purchase the Company's Deferrable Interest Subordinated Debentures. Pursuant to one or more separate offerings, the Company expects to offer during such period up to a maximum aggregate principal amount and stated value of \$250,000,000 of first mortgage bonds, which may be in the form of secured medium-term notes, and cumulative preferred stock. The

Company also expects to have short-term borrowings outstanding from time to time during such period.

CERTAIN COMPANY CONSOLIDATED FINANCIAL INFORMATION (1)
(Dollars In Thousands)

	Years Ended December 31,			Twelve Months Ended March 31, 1994 (unaudited)
	1991	1992	1993	
Income Summary:				
Operating Revenues	\$788,462	\$821,823	\$801,487	\$802,247
Net Income	62,341	73,077	77,875	88,619

March 31, 1994
(unaudited)

	Actual	%	Pro Forma (2)	%
	Amount		Amount	
Capital Structure:				
Long-term debt				
(including unamortized				

net discount) (3)	\$ 570,314	43.7%	\$ 570,314	
39.9%				
Preferred Stock (including premium)	58,659	4.5	58,659	4.1
Preferred Securities of Subsidiary	-	-	125,000	
8.7				
Common Equity	677,429	51.8	677,429	47.3
Total	\$1,306,402	100.0	\$1,431,402	100.0

(1) This information should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 1993.

(2) Gives effect to the issuance of \$125,000,000 aggregate stated liquidation preference of Preferred Securities and the use of the proceeds thereof to purchase the Company's Deferrable Interest Subordinated Debentures.

(3) Includes obligations due within one year.

COMPANY COVERAGE RATIOS

The Company's Ratio of Earnings to Fixed Charges for each of the periods indicated was as follows:

	Years Ended December 31,				Twelve Months Ended March 31, 1994 (unaudited)	
	1989	1990	1991	1992	1993	Actual ProForma(1)
	3.88	3.66	2.44	3.41	3.28	3.32 2.81

The Ratio of Earnings to Fixed Charges represents, on a pre-tax basis, the number of times earnings cover fixed charges. Earnings consist of Income Before Cumulative Effect of Accounting Change, to which has been added fixed charges and taxes based on income. Fixed charges consist of interest on funded indebtedness, other interest, amortization of net discount on debt and the interest portion of all rentals charged to income.

The Company's Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends for each of the periods indicated was as follows:

1989 Forma (1)	Years Ended December 31,				1993	Twelve Months Ended March 31, 1994 (unaudited)	
	1990	1991	1992			Actual	Pro
2.92	2.83	1.86	2.55	2.72	2.91	2.52	

(1) Gives effect to the issuance of \$125,000,000 aggregate principal amount of Deferrable Interest Subordinated Debentures at an assumed interest rate of 9% per annum.

The Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends represents, on a pre-tax basis, the number of times earnings cover fixed charges and preferred stock dividends. Earnings consist of Income Before Cumulative Effect of Accounting Change, to which has been added fixed charges and taxes based on income of the Company. Combined fixed charges and preferred stock dividends consist of interest on funded indebtedness, other interest, amortization of net discount on debt, preferred stock dividends (increased to reflect the pre-tax earnings required to cover such dividend requirements) and the interest portion of all rentals charged to income.

USE OF PROCEEDS

The proceeds to be received by Met-Ed Capital from the sale of the Preferred Securities will be used to purchase Deferrable Interest Subordinated Debentures of the Company and, unless otherwise specified in any Prospectus Supplement, will be applied by the Company to the repayment of outstanding short-term debt, for construction purposes and for other general corporate purposes, including the redemption of outstanding senior securities pursuant to the optional redemption provisions

thereof, if economical.

MET-ED CAPITAL

Met-Ed Capital is a limited partnership formed under the laws of the State of Delaware. All of its general partner interests, which are non-transferable, are owned by Met-Ed Preferred Capital, Inc. (the "General Partner"), a Delaware corporation and a wholly owned special purpose subsidiary of the Company, which will be the sole general partner of Met-Ed Capital. Met-Ed Capital's principal executive offices are located at Mellon Bank Center, Tenth and Market Streets, Wilmington, Delaware 19801, and its telephone number is (302) 654-5893. As a limited partnership, all of the business and affairs of Met-Ed Capital will be managed by the General Partner. Met-Ed Capital exists solely for the purpose of issuing its

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partner interests and utilizing the proceeds thereof to acquire the Company's Deferrable Interest Subordinated Debentures, which will be issued under and pursuant to the Indenture (the "Indenture") dated as of _____, 1994 between the Company and United States Trust Company of New York, as Trustee (the "Trustee").

Met-Ed Capital has been advised by its special Delaware counsel that, assuming that a holder of Preferred Securities acts in conformity with the provisions of Met-Ed Capital's Amended and Restated Limited Partnership Agreement, which will be substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus forms a part (the "Limited Partnership Agreement"), a holder of Preferred Securities (other than the General Partner) will not be liable for the debts, obligations and liabilities of Met-Ed Capital, whether arising in contract, tort or otherwise, solely by reason of being a limited partner of Met-Ed Capital (subject to the obligation of a limited partner to repay any funds wrongfully distributed to it).

Pursuant to the Limited Partnership Agreement, each holder of Preferred Securities, upon acquisition thereof, will be deemed to have appointed the General Partner as such holder's attorney-in-fact to execute, in the name, place and stead of such holder, certain instruments, documents and certificates as may be required from time to time for the purposes contemplated in the Limited Partnership Agreement.

General

All of the general partner interests of Met-Ed Capital will be owned by the General Partner. The Limited Partnership Agreement will authorize the General Partner to establish series of Preferred Securities having such designations, rights, privileges, restrictions, and other terms and provisions, whether in regard to distributions, return of capital or otherwise, as the General Partner may determine. Met-Ed Capital will therefore be authorized to issue and sell additional Preferred Securities from time to time, pursuant to the Registration Statement of which this Prospectus forms a part or otherwise; provided, however, that all Preferred Securities shall be of equal rank with regard to participation in the profits and the assets of Met-Ed Capital. The summary of certain terms and provisions of the Preferred Securities set forth below does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Limited Partnership Agreement.

Dividends

Dividends on each series of Preferred Securities will be cumulative, will accrue from the date of issuance thereof and will be payable monthly in arrears on the last day of each calendar month of each year, except as otherwise described below.

The Dividend rate applicable to a series of Preferred Securities shall be specified in a Prospectus Supplement.

The Company has the right under the Indenture to extend the interest payment period on the Deferrable Interest Subordinated Debentures at any time and from time to time to up to 60 consecutive months and, as a consequence, monthly Dividends on the Preferred Securities can be deferred (but will continue to accumulate) by Met-Ed Capital during any such extended interest payment period. Accrued and unpaid Dividends on the Preferred Securities will accrue additional Dividends in respect thereof at the Dividend rate per annum applicable to the Preferred Securities. In the event that the Company exercises its right to extend the interest payment period, the Company may not declare or pay dividends on, or redeem, purchase or acquire, any of its preferred or common stock. Met-Ed Capital and the Company currently believe that an extension of an interest payment period

on the Deferrable Interest Subordinated Debentures and thus on the Preferred Securities is remote. See "Voting Rights" and "Description of the Deferrable Interest Subordinated Debentures-Option to Extend Interest Payment Period".

The amount of the Dividends payable for any period will be computed on the basis of twelve 30-day months and a 360-day year and, for any period shorter than a full monthly Dividend period, will be computed on the basis of the actual number of days elapsed in such period.

Met-Ed Capital may not pay a Dividend or make a distribution to a partner to the extent that at the time of the Dividend or distribution, after giving effect thereto, all liabilities of Met-Ed Capital, other than liabilities to partners on account of their partner interests and liabilities for which the recourse of creditors is limited to specified property of Met-Ed Capital, exceed the fair value of the assets of Met-Ed Capital, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of Met-Ed Capital only to the extent that the fair value of that property exceeds that liability.

Dividends on the Preferred Securities must be paid by Met-Ed Capital in any calendar year or portion thereof to the extent that Met-Ed Capital has cash on hand sufficient to permit such payments and funds legally available therefor. It is anticipated that Met-Ed Capital's earnings will consist only of interest payable by the Company under the Deferrable Interest Subordinated Debentures. See "Description of the Deferrable Interest Subordinated Debentures-Interest".

Dividends on the Preferred Securities will be payable to the holders thereof as they appear on the books and records of Met-Ed Capital on the relevant record dates, which, so long as the Preferred Securities remain in book-entry-only form, will be one Business Day prior to the relevant payment dates. Subject to any applicable laws and regulations and the provisions of the Limited Partnership Agreement, each such payment will be made as described under "Book-Entry-Only Issuance-The Depository Trust Company". In the event that the Preferred Securities do not remain in book-entry-only form, the record dates will be the fifteenth day of each month. In the event that any date on which

Dividends are payable on the Preferred Securities is not a Business Day, then payment of the Dividend payable on such date

will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. A "Business Day" shall mean any day other than a day on which banking institutions in The City of New York are authorized or required by law to close.

Certain Restrictions on Met-Ed Capital

If Dividends have not been paid in full on any series of Preferred Securities, Met-Ed Capital may not:

(i) pay or declare any Dividends on any other series of Preferred Securities unless the amount of any Dividends paid or declared on any Preferred Securities is paid or declared on all Preferred Securities then outstanding on a pro rata basis on the date such Dividends are paid or declared, so that

(x) (a) the aggregate amount of Dividends paid or declared on such series of Preferred Securities bears to (b) the aggregate amount of Dividends paid or declared on all such Preferred Securities outstanding the same ratio as

(y) (a) the aggregate of all accumulated arrears of unpaid Dividends in respect of such series of Preferred Securities bears to (b) the aggregate of all accumulated arrears of unpaid Dividends in respect of all such Preferred Securities outstanding;

(ii) pay or declare any distributions on any of its general partner interests; or

(iii) redeem, purchase or otherwise acquire any Preferred Securities or its general partner interests;

until, in each case, such time as all accumulated and unpaid Dividends on all series of Preferred Securities shall have been paid in full for all prior Dividend periods. As of the date of this Prospectus, there are no Preferred Securities outstanding.

Mandatory Redemption

If the Company pays when due the Deferrable Interest Subordinated Debentures purchased by Met-Ed Capital with the proceeds of the sale of a series of Preferred Securities or

redeems such Deferrable Interest Subordinated Debentures at any time as described under "Description of the Deferrable Interest Subordinated Debentures-Optional Redemption", the proceeds will be applied to redeem the related series of Preferred Securities at a redemption price equal to the stated liquidation preference thereof, plus any accumulated, unpaid and additional Dividends

accrued thereon to the date fixed for redemption (the "Redemption Price").

Optional Redemption

The Preferred Securities of each series will be redeemable, at the option of Met-Ed Capital, in whole or in part, at such time or times as shall be specified in a Prospectus Supplement, at the Redemption Price.

If at any time after the issuance of any Preferred Securities, Met-Ed Capital is or would be required to pay Additional Amounts or the Company is or would be required to withhold or deduct certain amounts as described under "Additional Amounts" and "Description of the Limited Guarantee-Additional Amounts", then Met-Ed Capital may, at its option, redeem the Preferred Securities in whole or, if such requirement relates only to certain of the Preferred Securities, the Preferred Securities subject to such requirement, in each case at the Redemption Price.

Special Event Redemption or Distribution

If a Tax Event (as defined below) shall occur and be continuing, Met-Ed Capital may either: (i) redeem the Preferred Securities in whole (but not in part) at the Redemption Price within 90 days following the occurrence of such Special Event (as defined below); provided that, if at the time there is available to the General Partner the opportunity to eliminate, within such 90 day period, the Special Event by taking some ministerial action, such as filing a form or making an election, or pursuing some other similar reasonable measure which would not involve unreasonable cost or expense, which has no adverse effect on Met-Ed Capital or the Company, the General Partner will pursue such measure in lieu of redemption; or (ii) dissolve Met-Ed Capital and cause Deferrable Interest Subordinated Debentures with an aggregate principal amount equal to the aggregate stated liquidation preference of, and with an interest rate identical to, the Preferred Securities, to be distributed to the holders of

the Preferred Securities in liquidation of such holders' interests in Met-Ed Capital, within 90 days following the occurrence of such Special Event, provided, however, that Met-Ed Capital shall have received an opinion of counsel (which may be regular tax counsel to the Company or an affiliate but not an employee thereof) to the effect that the holders of the Preferred Securities will not recognize any gain or loss for federal income tax purposes as a result of such dissolution and distribution. Alternatively, Met-Ed Capital may elect to have the Preferred Securities remain outstanding. If an Investment Company Act Event (as defined below) shall occur and be continuing, Met-Ed Capital must elect either option (i) or (ii) above. Either a Tax Event or an Investment Company Act Event shall be deemed a "Special Event".

"Tax Event" means that Met-Ed Capital shall have received an opinion of counsel (which may be regular tax counsel to the Company or an affiliate but not an employee thereof) to the effect that, as a result of any amendment to, or change

(including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or as a result of any official administrative pronouncement or judicial decision interpreting or applying any applicable laws or regulations, which amendment or change is effective, or which pronouncement or decision has been issued or rendered, on or after the date of issuance of any series of Preferred Securities, there is more than an insubstantial risk that (i) Met-Ed Capital will be subject to federal income tax with respect to interest received on the Deferrable Interest Subordinated Debentures or Met-Ed Capital will otherwise not be taxed as a partnership, (ii) interest payable on the Deferrable Interest Subordinated Debentures will not be deductible for federal income tax purposes or (iii) Met-Ed Capital is subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Investment Company Act Event" means the occurrence of a change in law or regulation or a change in an official interpretation of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 40 Act Law") to the effect that Met-Ed Capital is or will be considered an "investment company" required to be registered under the Investment Company Act of 1940, as amended (the "1940

Act"), which Change in 40 Act Law becomes effective on or after the date of issuance of any series of Preferred Securities; provided that no Investment Company Act Event shall be deemed to have occurred if Met-Ed Capital shall have received an opinion of counsel (which may be regular counsel to the Company or an affiliate but not an employee thereof) to the effect that the Company and/or Met-Ed Capital have taken reasonable measures, in their discretion, to avoid such Change in 40 Act Law so that in the opinion of such counsel, notwithstanding such Change in 40 Act Law, Met-Ed Capital is not required to be registered as an "investment company" within the meaning of the 1940 Act.

After the date fixed for any such dissolution of Met-Ed Capital and distribution of Deferrable Interest Subordinated Debentures, (i) the Preferred Securities will no longer be deemed to be outstanding, (ii) The Depository Trust Company or its nominee, as the record holder of the Preferred Securities, will exchange the global certificate or certificates representing the Preferred Securities for a registered global certificate or certificates representing the Deferrable Interest Subordinated Debentures to be so delivered and (iii) any certificates representing Preferred Securities not held by The Depository Trust Company or its nominee will be deemed to represent Deferrable Interest Subordinated Debentures having a principal amount equal to the stated liquidation preference of such Preferred Securities until such certificates are presented to the Company or its agent for replacement.

Redemption Procedures

Met-Ed Capital may not redeem any outstanding Preferred Securities unless all accumulated and unpaid Dividends have been

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paid on all Preferred Securities for all monthly Dividend periods terminating on or prior to the date of redemption.

If Met-Ed Capital gives a notice of redemption in respect of a series of Preferred Securities (which notice will be given not less than 30 nor more than 90 days prior to the redemption date and will be irrevocable), then, on the redemption date, Met-Ed Capital will irrevocably deposit with The Depository Trust Company or its successor securities depository funds sufficient to pay the applicable Redemption Price and will give The Depository Trust Company or its successor securities depository irrevocable instructions and authority to pay the Redemption

Price to the Beneficial Owners (as defined under "Book-Entry-Only Issuance-The Depository Trust Company"). If notice of redemption shall have been given and funds deposited as required, then on the date of such deposit, all rights of holders of such series of Preferred Securities so called for redemption will cease, except the right of the holders of such series of Preferred Securities to receive the Redemption Price, but without interest. In the event that any date fixed for redemption of such series of Preferred Securities is not a Business Day, then payment of the Redemption Price payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that if such Business Day falls in the next succeeding calendar year, such payment will be made on the immediately preceding Business Day. In the event that payment of the Redemption Price in respect of any Preferred Securities is not made either by Met-Ed Capital or by the Company pursuant to the Limited Guarantee described under "Description of the Limited Guarantee", Dividends on such Preferred Securities will continue to accrue at the then applicable rate, from the original redemption date to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the Redemption Price.

In the event that less than all of a series of outstanding Preferred Securities are to be so redeemed, the Preferred Securities to be redeemed will be selected as described under "Book-Entry-Only Issuance-The Depository Trust Company". In the case of a partial redemption of a series of Preferred Securities resulting from a requirement that Met-Ed Capital pay Additional Amounts or the Company withhold or deduct certain amounts (see "Optional Redemption"), Met-Ed Capital will (i) cause the global certificates representing all of such series of Preferred Securities to be withdrawn from The Depository Trust Company or its successor securities depository (see "Book-Entry-Only Issuance-The Depository Trust Company"), (ii) issue certificates in definitive form representing such series of Preferred Securities, and (iii) redeem the Preferred Securities subject to such requirement to withhold or deduct Additional Amounts.

Subject to applicable law, the Company or its subsidiaries may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement.

If a partial redemption or a purchase of outstanding Preferred Securities by tender, in the open market or by private agreement would result in a delisting of such series of Preferred Securities from any national securities exchange on which such series of Preferred Securities is then listed, Met-Ed Capital may then only redeem or purchase such series of Preferred Securities in whole.

Liquidation Distribution

In the event of any voluntary or involuntary dissolution and winding up of Met-Ed Capital, other than in connection with the distribution of Deferrable Interest Subordinated Debentures in liquidation of all of the interests of the holders of Preferred Securities, as described under "Special Event Redemption or Distribution" ("Distribution Event"), the holders of a series of Preferred Securities at the time outstanding will be entitled to receive out of the assets of Met-Ed Capital, after satisfaction of liabilities to creditors as required by Delaware law, before any distribution of assets is made to holders of its general partner interests, but together with the holders of every other series of Preferred Securities outstanding, an amount equal to the aggregate of the stated liquidation preference thereof and any accumulated, unpaid and additional Dividends accrued thereon to the date of payment and any accrued and unpaid Additional Amounts (the "Liquidation Distribution").

If, upon such liquidation, the Liquidation Distribution can be paid only in part because Met-Ed Capital has insufficient assets available to pay in full the aggregate Liquidation Distribution and the aggregate liquidation distributions on all other Preferred Securities then outstanding, then the amounts payable directly by Met-Ed Capital on such series of Preferred Securities and on all other Preferred Securities then outstanding shall be paid on a pro rata basis, so that

(i) (x) the aggregate amount paid in respect of the Liquidation Distribution bears to (y) the aggregate amount paid as liquidation distributions on all other Preferred Securities then outstanding the same ratio as

(ii) (x) the aggregate Liquidation Distribution bears to (y) the aggregate liquidation distributions on all other Preferred Securities then outstanding.

Pursuant to the Limited Partnership Agreement, Met-Ed Capital shall be dissolved and its affairs shall be wound up: (i) upon the expiration of the term of Met-Ed Capital on June 30, 2060, (ii) upon the bankruptcy, liquidation, dissolution or winding up of the Company, (iii) upon the occurrence of an event that causes

the General Partner to cease being the general partner of Met-Ed Capital (provided that Met-Ed Capital will not be so dissolved under certain circumstances, including, without limitation, a transfer of the general partner interest to a permitted successor of the General Partner as set forth in the Limited Partnership Agreement), (iv) upon the entry of a decree of judicial dissolution, (v) in connection with a Distribution Event, or (vi)

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upon the written consent of the General Partner and all of the holders of the Preferred Securities.

Merger, Consolidation, Amalgamation, etc. of Met-Ed Capital

Met-Ed Capital may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other entity, except with the prior approval of the holders of not less than 66-2/3% of the aggregate stated liquidation preference of the outstanding Preferred Securities or except as described below. The General Partner may, without the consent of the holders of the Preferred Securities, cause Met-Ed Capital to consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, a corporation, a limited liability company, a limited partnership, a trust or other entity organized as such under the laws of the United States or any state thereof or the District of Columbia, provided that (i) such successor entity either (x) expressly assumes all of the terms and provisions of the Preferred Securities by which Met-Ed Capital is bound and the other obligations of Met-Ed Capital or (y) substitutes for the Preferred Securities other securities having substantially the same terms as the Preferred Securities (the "Successor Securities") so long as the Successor Securities rank, with regard to participation in the profits and the assets of the successor entity, at least as high as the Preferred Securities rank, with regard to participation in the profits and the assets of Met-Ed Capital, (ii) the Company confirms its obligation under the Limited Guarantee with regard to the Preferred Securities or Successor Securities, if any, (iii) such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease does not cause any series of Preferred Securities or Successor Securities, if any, to be delisted by any national securities exchange on which such series of Preferred Securities or Successor Securities, if any, is then listed, (iv) such consolidation, amalgamation, merger, replacement,

conveyance, transfer or lease does not cause the Preferred Securities or Successor Securities, if any, to be downgraded by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, (v) such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease does not adversely affect the powers, preferences and other special rights of holders of Preferred Securities or Successor Securities, if any, in any material respect, (vi) such successor entity has a purpose substantially identical to that of Met-Ed Capital and (vii) prior to such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease, Met-Ed Capital shall have received an opinion of counsel (which may be regular tax or other counsel to the Company or an affiliate but not an employee thereof) to the effect that (w) the holders of outstanding Preferred Securities will not recognize any gain or loss for federal income tax purposes as a result of the consolidation, amalgamation, merger, replacement, conveyance, transfer or lease, (x) such successor entity will be treated as a partnership for federal income tax purposes, (y) following such consolidation, amalgamation, merger, replacement, conveyance,

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transfer or lease, the Company and such successor entity will be in compliance with the 1940 Act without registering thereunder as an investment company, and (z) such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease will not adversely affect the limited liability of the holders of Preferred Securities.

Voting Rights

Except as provided below and under "Merger, Consolidation, Amalgamation, etc. of Met-Ed Capital", "Description of the Limited Guarantee-Amendments and Assignment" and "Description of the Deferrable Interest Subordinated Debentures-Amendment of the Indenture" and as otherwise required by law and the Limited Partnership Agreement, the holders of the Preferred Securities will have no voting rights.

If (i) Met-Ed Capital fails to pay Dividends in full on the Preferred Securities for 18 consecutive monthly Dividend periods, or (ii) an Event of Default (as defined in the Indenture) occurs and is continuing, or (iii) the Company is in default on any of its payment or other obligations under the Limited Guarantee (as described under "Description of the Limited Guarantee-Certain

Covenants of the Company"), then the holders of all Preferred Securities, acting as a single class, will be entitled, by a vote of the holders of a majority of the aggregate stated liquidation preference thereof, to appoint and authorize a special representative of Met-Ed Capital and the holders of Preferred Securities (a "Special Representative") to enforce Met-Ed Capital's rights under the Indenture, including, after failure to pay interest for 60 consecutive monthly interest periods, the payment of interest on the Deferrable Interest Subordinated Debentures, and to enforce the obligations of the Company under the Limited Guarantee. The Special Representative shall not be admitted as a partner in Met-Ed Capital or otherwise be deemed to be a partner in Met-Ed Capital and shall have no liability for the debts, obligations or liabilities of Met-Ed Capital.

For purposes of determining whether Met-Ed Capital has failed to pay Dividends in full for 18 consecutive monthly Dividend periods, Dividends shall be deemed to remain in arrears, notwithstanding any payments in respect thereof, until full cumulative Dividends have been or contemporaneously are paid with respect to all monthly Dividend periods terminating on or prior to the date of payment of such full cumulative Dividends. Subject to requirements of applicable law, not later than 30 days after such right to appoint a Special Representative arises, the General Partner will convene a general meeting for the above purpose. If the General Partner fails to convene such meeting within such 30-day period, the holders of 10% of the aggregate stated liquidation preference of the Preferred Securities will be entitled to convene such meeting. The provisions of the Limited Partnership Agreement relating to the convening and conduct of the general meetings of partners will apply with respect to any such meeting. Any Special Representative so appointed shall cease to act in such capacity immediately if Met-Ed Capital (or the Company pursuant to the Limited Guarantee) shall have paid in full all accumulated and unpaid Dividends on the Preferred

Securities or such default or breach, as the case may be, shall have been cured. Notwithstanding the appointment of any such Special Representative, the Company shall retain all rights under the Indenture, including the right to extend the interest payment period on the Deferrable Interest Subordinated Debentures as provided under "Description of the Deferrable Interest Subordinated Debentures-Option to Extend Interest Payment Period".

If any proposed amendment to the Limited Partnership Agreement provides for, or the General Partner otherwise proposes to effect, any action which would materially adversely affect the powers, preferences or special rights of any series of Preferred Securities, then the holders of such series of Preferred Securities will be entitled to vote on such amendment or action of the General Partner (but not on any other amendment or action) and, in the case of an amendment or action which would equally materially adversely affect the powers, preferences or special rights of any other series of Preferred Securities outstanding, all such series of Preferred Securities will be entitled to vote together as a single class on such amendment or action of the General Partner (but not on any other amendment or action), and such amendment or action shall not be effective except with the approval of the holders of not less than 66-2/3% of the aggregate stated liquidation preference of such Preferred Securities. Except in certain circumstances described under "Liquidation Distribution", which include a dissolution in connection with a Distribution Event, Met-Ed Capital will be dissolved and wound up only with the consent of the holders of all Preferred Securities then outstanding.

The rights attached to any Preferred Securities will be deemed not to be adversely affected by the creation or issue of, and no vote will be required for the creation or issue of, any further series of Preferred Securities, any other securities which are pari passu with the Preferred Securities or any general partner interests of Met-Ed Capital. Holders of Preferred Securities have no preemptive rights.

The Limited Partnership Agreement provides that the General Partner will not permit or cause Met-Ed Capital to file a voluntary petition in bankruptcy without the approval of the holders of not less than 66-2/3% of the aggregate stated liquidation preference of the outstanding Preferred Securities.

So long as any Deferrable Interest Subordinated Debentures are held by Met-Ed Capital, the General Partner shall not (i) direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or executing any trust or power conferred on the Trustee with respect to such series, (ii) waive any past default which is available under the Indenture, (iii) exercise any right to rescind or annul a declaration that the principal of all the Deferrable Interest Subordinated Debentures shall be due and payable, or (iv) consent to any amendment, modification or termination of the Indenture, where such consent shall be required, without, in each case, obtaining the prior approval of the holders of not less than 66-2/3% of the aggregate stated liquidation preference of all

Preferred Securities affected thereby, acting as a single class; provided, however, that where a consent under the Indenture would require the consent of each holder affected thereby, no such consent shall be given by the General Partner without the prior consent of each holder of Preferred Securities affected thereby. The General Partner shall not revoke any action previously authorized or approved by a vote of any holders of Preferred Securities. The General Partner shall notify all holders of Preferred Securities of any notice of default received from the Trustee with respect to the Deferrable Interest Subordinated Debentures.

Any required approval of holders of Preferred Securities may be given at a separate meeting of such holders convened for such purposes, at a general meeting of holders of Met-Ed Capital's partner interests or pursuant to written consent. Met-Ed Capital will cause a notice of any meeting at which holders of any series of Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be mailed to each holder of record of such series of Preferred Securities. Each such notice will include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any matter to be voted on at such meeting or upon which written consent is sought, and (iii) instructions for the delivery of proxies or consents.

No vote or consent of the holders of the Preferred Securities will be required for Met-Ed Capital to redeem and cancel Preferred Securities in accordance with the Limited Partnership Agreement.

Notwithstanding that holders of Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Preferred Securities that are owned by the Company or any entity owned more than 50% by the Company, either directly or indirectly, shall not be entitled to vote or consent and shall, for the purposes of such vote or consent, be treated as if they were not outstanding.

Holders of Preferred Securities will have no rights to remove or replace the General Partner.

Additional Amounts

All payments in respect of the Preferred Securities by Met-Ed Capital will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied upon or as a result of such payment by or on behalf of the United States, any state thereof or any other jurisdiction through which or from which such payment is made, or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event that any such withholding or deduction is required as a consequence of (i) the Deferrable Interest Subordinated Debentures not being treated as indebtedness for United States federal income tax purposes or (ii) Met-Ed Capital

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not being treated as a partnership for United States federal income tax purposes, Met-Ed Capital will pay as a Dividend such additional amounts as may be necessary in order that the net amounts received by the holders of the Preferred Securities after such withholding or deduction will equal the amounts which would have been receivable in respect of such Preferred Securities in the absence of such withholding or deduction ("Additional Amounts"), except that no such Additional Amounts will be payable to a holder of Preferred Securities (or a third party on such holder's behalf) with respect to Preferred Securities if:

(a) such holder is liable for such taxes, duties, assessments or governmental charges in respect of such Preferred Securities by reason of such holder's having a connection with the United States, any state thereof or any other jurisdiction through which or from which such payment is made, or in which such holder resides, conducts business or has other contacts, other than being a holder of Preferred Securities, or

(b) Met-Ed Capital has notified such holder of the obligation to withhold or deduct taxes and requested but not received from such holder a declaration of non-residence, a valid taxpayer identification number or other claim for exemption, and such withholding or deduction would not have been required had such declaration, taxpayer identification number or claim been received.

Book-Entry-Only Issuance-The Depository Trust Company

The Depository Trust Company ("DTC") will act as securities

depository for the Preferred Securities. Each series of Preferred Securities will be issued only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One or more fully-registered global Preferred Security certificates will be issued, representing in the aggregate the total number of Preferred Securities of each series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system

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is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

Purchases of Preferred Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Preferred Securities on DTC's records. The ownership interest of each actual purchaser of each Preferred Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners purchased Preferred Securities. Transfers of ownership interests

in the Preferred Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Preferred Securities, except in the event that use of the book-entry system for the Preferred Securities is discontinued.

DTC has no knowledge of the actual Beneficial Owners of the Preferred Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Preferred Securities are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If less than all of a series of Preferred Securities are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Although voting with respect to the Preferred Securities is limited, in those cases where a vote is required, neither DTC nor Cede & Co. will consent or vote with respect to Preferred Securities. Under its usual procedure, DTC would mail an Omnibus Proxy to Met-Ed Capital as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Preferred Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Dividend payments on the Preferred Securities will be made to DTC. DTC's practice is to credit Direct Participants'

accounts on the relevant payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on such payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customer practices and will be the responsibility of such Participants and not of DTC, Met-

Ed Capital, the General Partner or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of Dividends to DTC is the responsibility of Met-Ed Capital, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Met-Ed Capital and the Company believe to be reliable, but neither Met-Ed Capital nor the Company takes any responsibility for the accuracy thereof.

DTC may discontinue providing its services as securities depository with respect to the Preferred Securities at any time by giving reasonable notice to Met-Ed Capital. Under such circumstances, in the event that a successor securities depository is not obtained, Preferred Security certificates are required to be printed and delivered. Additionally, Met-Ed Capital (with the consent of the General Partner) may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Preferred Securities will be printed and delivered. Additionally, in the event that Met-Ed Capital exercises its option to redeem only a portion of a series of Preferred Securities because Met-Ed Capital or the Company is or would be required to withhold or deduct Additional Amounts in regard to such Preferred Securities to be redeemed, Met-Ed Capital will cause the global certificates representing all of such series of Preferred Securities to be withdrawn from DTC (or a successor depository) and will issue certificates in definitive form representing such series of Preferred Securities. Thereafter, the Preferred Securities subject to such requirement to withhold or deduct Additional Amounts will be redeemed.

Registrar, Transfer Agent and Paying Agent

In the event that the Preferred Securities do not remain in book-entry-only form, the following provisions would apply:

Mellon Bank, N.A. will act as registrar, transfer agent and paying agent for the Preferred Securities, but the Company may designate an additional or substitute registrar, transfer agent and paying agent at any time.

Registration of transfers of Preferred Securities will be effected without charge by or on behalf of Met-Ed Capital, but upon payment (with the giving of such indemnity as Met-Ed Capital or the transfer agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

Met-Ed Capital will not be required to register or cause to be registered the transfer of Preferred Securities after such Preferred Securities have been called for redemption.

Miscellaneous

The General Partner is authorized and directed to use its best efforts to conduct the affairs of, and to operate, Met-Ed Capital in such a way that Met-Ed Capital would not be deemed to be an "investment company" required to be registered under the 1940 Act or taxed as a corporation for federal income tax purposes and so that the Deferrable Interest Subordinated Debentures will be treated as indebtedness of the Company for federal income tax purposes. In this connection, the General Partner is authorized to take any action not inconsistent with applicable law, the Certificate of Limited Partnership of Met-Ed Capital or the Limited Partnership Agreement, that does not materially adversely affect the interests of holders of Preferred Securities, that the General Partner determines in its discretion to be necessary or desirable for such purposes.

DESCRIPTION OF THE LIMITED GUARANTEE

Set forth below is a summary of information concerning the Limited Guarantee which will be executed and delivered by the Company in connection with each series of Preferred Securities for the benefit of the holders from time to time of the series of Preferred Securities to which it relates. This summary describes certain terms and provisions of the Limited Guarantee, but does not purport to be complete. References to provisions of the Limited Guarantee are qualified in their entirety by reference to the text of the Limited Guarantee, which will be substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus forms a part.

General

The Company will agree, on a limited basis as set forth therein, to pay in full, to the holders of the Preferred Securities, the Limited Guarantee Payments (as defined below) (except to the extent paid by Met-Ed Capital), as and when due, regardless of any defense, right of set-off or counterclaim which

the Company or Met-Ed Capital may have or assert. The following payments to the extent not paid by Met-Ed Capital (the "Limited Guarantee Payments") will be subject to the Limited Guarantee (without duplication): (i) any accumulated and unpaid monthly Dividends on the Preferred Securities (except for monthly Dividends which are not paid during an Extension Period (as defined under "Description of the Deferrable Interest Subordinated Debentures-Option to Extend Interest Payment Period")) to the extent that Met-Ed Capital has sufficient cash on hand to permit such payments and funds legally available therefor, (ii) the Redemption Price with respect to any Preferred Securities called for redemption by Met-Ed Capital to the extent that Met-Ed Capital has sufficient cash on hand to permit such payments and funds legally available therefor, (iii) upon a liquidation of Met-Ed Capital other than in connection with a

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Distribution Event, the lesser of (a) the Liquidation Distribution and (b) the amount of assets of Met-Ed Capital available for distribution to holders of Preferred Securities in liquidation of Met-Ed Capital, and (iv) any Additional Amounts payable by Met-Ed Capital in respect of the Preferred Securities. The Limited Guarantee further provides that the Company shall (a) cause the General Partner to declare and pay Dividends to the extent that Met-Ed Capital has legally available funds and sufficient cash and (b) so long as any of the Preferred Securities are outstanding, cause the General Partner to remain the general partner of Met-Ed Capital and timely perform all its duties as such (including the duty to pay Dividends on the Preferred Securities) in all material respects, which include, among other things, the General Partner's duties under the Limited Partnership Agreement to directly pay all costs and expenses of Met-Ed Capital (thereby insuring that the full amount of the Company's payments on its Deferrable Interest Subordinated Debentures will be available to allow payment to the holders of the Preferred Securities) and the covenant of the General Partner in the Limited Partnership Agreement to at all times maintain a "fair market value net worth" of, initially, at least 10% of the total contributions (less redemptions) to Met-Ed Capital. Accordingly, the Limited Guarantee, together with the related covenants contained in the Limited Partnership Agreement and the Company's obligations under the Deferrable Interest Subordinated Debentures, provides for the Company's full and unconditional guarantee of the Preferred Securities as set forth above.

The Company's obligation to make a Limited Guarantee Payment

may be satisfied by direct payment of the required amounts by the Company to the holders of Preferred Securities or by payment of such amounts by Met-Ed Capital to such holders, and may be enforced directly by or for the benefit of the holders of Preferred Securities.

Certain Covenants of the Company

So long as any Preferred Securities remain outstanding, neither the Company, nor any majority owned subsidiary of the Company, will declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its preferred or common stock (other than dividends to the Company by a wholly owned subsidiary of the Company) (i) during an Extension Period (as defined under "Description of the Deferrable Interest Subordinated Debentures-Option to Extend Interest Payment Period") or (ii) if at such time the Company shall be in default with respect to its payment or other obligations under the Limited Guarantee or there shall have occurred any event that, with the giving of notice or the lapse of time or both, would constitute an Event of Default under the Indenture.

In addition, so long as any Preferred Securities remain outstanding, the Company will (i) maintain direct or indirect 100% ownership of the general partner interests in Met-Ed Capital; (ii) cause at least 3% of the total value of Met-Ed Capital and at least 3% of all interests in the capital, income, gain, loss, deduction and credit of Met-Ed Capital to be

represented by general partner interests; (iii) not cause Met-Ed Capital to be voluntarily dissolved and wound-up except upon the entry of a decree of judicial dissolution, in connection with a Distribution Event or certain mergers, consolidations or similar transactions permitted by the Limited Partnership Agreement or as otherwise described under "Description of Preferred Securities-Liquidation Distribution"; (iv) except as otherwise provided in the Limited Partnership Agreement, cause the General Partner to remain the general partner of Met-Ed Capital and timely perform all of its duties as general partner of Met-Ed Capital (including the duty to pay Dividends on the Preferred Securities out of cash on hand and funds legally available therefor) in all material respects, provided that any permitted successor of the Company under the Indenture may directly or indirectly succeed to the duties as general partner of Met-Ed Capital; and (v) use its

reasonable efforts to cause Met-Ed Capital to remain a limited partnership and otherwise continue to be treated as a partnership for United States federal income tax purposes.

Additional Amounts

All Limited Guarantee Payments will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied upon or as a result of such payment by or on behalf of the United States, any state thereof or any other jurisdiction through which or from which such payment is made, or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event that any such withholding or deduction is required as a consequence of (i) the Deferrable Interest Subordinated Debentures not being treated as indebtedness for United States federal income tax purposes or (ii) Met-Ed Capital not being treated as a partnership for United States federal income tax purposes, the Company will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Preferred Securities after such withholding or deduction will equal the amount which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction, except that no such additional amounts will be payable to a holder of Preferred Securities (or a third party on such holder's behalf) if:

(a) such holder is liable for such taxes, duties, assessments or governmental charges in respect of the Preferred Securities by reason of such holder's having a connection with the United States, any state thereof or any other jurisdiction through which or from which such payment is made, or in which such holder resides, conducts business or has other contacts, other than being a holder of Preferred Securities, or

(b) Met-Ed Capital or the Company has notified such holder of the obligation to withhold or deduct taxes and requested but not received from such holder a declaration of non-residence, a valid taxpayer identification number or other claim for exemption, and

such withholding or deduction would not have been required had such declaration, taxpayer identification

number or claim been received.

Amendments and Assignment

The Limited Guarantee may only be amended by a written instrument executed by the Company; provided that, so long as any of the Preferred Securities remain outstanding, any such amendment that materially adversely affects the holders of the related series of Preferred Securities, any termination of the Limited Guarantee and any waiver of compliance with any covenant thereunder shall be effected only with the prior approval of the holders of not less than 66-2/3% of the aggregate stated liquidation preference of the affected series of Preferred Securities. Except in connection with an assignment, merger, sale, transfer or lease involving the Company as may be permitted under the Indenture (see "Description of the Deferrable Interest Subordinated Debentures-Consolidation, Merger, Sale or Conveyance; Assignment"), the Company may not assign its obligations under the Limited Guarantee without the approval of the holders of not less than 66-2/3% of the aggregate stated liquidation preference of the related series of Preferred Securities. See "Description of Preferred Securities-Voting Rights". All guarantees and agreements contained in the Limited Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Company and shall inure to the benefit of the holders of the Preferred Securities.

Termination of the Limited Guarantee

The Limited Guarantee will terminate and be of no further force and effect upon full payment of the Redemption Price of all of the related series of Preferred Securities or upon full payment of the amounts payable upon liquidation of Met-Ed Capital or upon consummation of a Distribution Event. The Limited Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of such series of Preferred Securities must restore payment of any sums paid under such Preferred Securities or the Limited Guarantee.

Status of the Limited Guarantee

The Limited Guarantee will constitute an unsecured obligation of the Company and will rank (i) subordinate and junior in right of payment to all present and future Senior Indebtedness of the Company, and (ii) senior in right of payment to the Company's preferred and common stock. The Limited Partnership Agreement provides that each holder of Preferred

Securities by acceptance thereof agrees to the subordination provisions and other terms of the Limited Guarantee.

The Limited Guarantee will constitute a limited guarantee of payment and not of collection. The Limited Guarantee will be held for the benefit of the holders of the related series of Preferred Securities. If appointed, a Special Representative may enforce the Limited Guarantee. If no Special Representative has been appointed to enforce the Limited Guarantee, the General

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Partner has the right to enforce the Limited Guarantee on behalf of the holders of the Preferred Securities. If the General Partner or the Special Representative fails to enforce the Limited Guarantee, any holder of Preferred Securities may institute a legal proceeding directly against the Company to enforce its rights under the Limited Guarantee, without first instituting a legal proceeding against Met-Ed Capital or any other person or entity.

DESCRIPTION OF THE DEFERRABLE INTEREST SUBORDINATED DEBENTURES

Set forth below is a description of the Deferrable Interest Subordinated Debentures which will be purchased by Met-Ed Capital with the proceeds of the sale of the Preferred Securities and the General Partner's related capital contribution. This description is a brief summary of certain provisions contained in the Indenture, does not purport to be complete and is qualified in its entirety by reference to the text of the Indenture, including the definition therein of certain capitalized terms, a copy of which is filed as an exhibit to the Registration Statement of which this Prospectus forms a part.

Under certain circumstances following the occurrence of a Special Event, Met-Ed Capital may dissolve and cause Deferrable Interest Subordinated Debentures to be distributed to the holders of the Preferred Securities in liquidation of their interests in Met-Ed Capital. See "Description of Preferred Securities-Special Event Redemption or Distribution".

General

Deferrable Interest Subordinated Debentures will be issued

in series under the Indenture. Each series of Deferrable Interest Subordinated Debentures will be limited in aggregate principal amount to the amount of the aggregate stated liquidation preference of the related series of Preferred Securities together with any related capital contribution from the General Partner.

So long as any Preferred Securities remain outstanding, any Special Representative appointed by the holders of Preferred Securities, as described under "Description of Preferred Securities-Voting Rights", will be entitled to enforce the Company's obligations under the Indenture and the Deferrable Interest Subordinated Debentures directly against the Company.

The Deferrable Interest Subordinated Debentures will become due and payable, together with (i) all accrued and unpaid interest to the date of payment, including Additional Interest (as defined under "Additional Interest"), if any, and (ii) any accrued interest thereon, on the 49th anniversary of the date of issuance thereof.

Mandatory Prepayment

If Met-Ed Capital redeems Preferred Securities in accordance with their terms, the related Deferrable Interest Subordinated Debentures will become due and payable in a principal amount

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equal to the aggregate stated liquidation preference of the Preferred Securities so redeemed, together with (i) all accrued and unpaid interest to the date of payment, including Additional Interest, if any, and (ii) any accrued interest thereon.

Optional Redemption

The Company will have the right to redeem the Deferrable Interest Subordinated Debentures, without premium or penalty, at a price equal to 100% of their principal amount, together with (i) all accrued and unpaid interest on the Deferrable Interest Subordinated Debentures being redeemed to the Redemption Date, including Additional Interest, if any, and (ii) any accrued interest thereon (collectively, the "Debenture Redemption Price")

(x) in whole or in part at such time or times as shall be specified in a Prospectus Supplement; and

(y) in whole at any time if the Company is or would be required to pay Additional Interest on the Deferrable Interest Subordinated Debentures or in part at any time if the Company is or would be required to pay Additional Interest with respect to only a portion of the Deferrable Interest Subordinated Debentures, provided that if a partial redemption would, through the corresponding partial redemption required under the terms of the related series of Preferred Securities, result in a delisting of the related series of Preferred Securities from any national securities exchange on which such series of Preferred Securities is then listed, the Company may only redeem the Deferrable Interest Subordinated Debentures in whole. In no event, however, shall the Company have the right to redeem the Deferrable Interest Subordinated Debentures, or a portion thereof, under this clause (y) based on a de minimis obligation to pay Additional Interest. For purposes of the foregoing, in the event that the Company is advised by counsel (which may be regular tax counsel to the Company or an affiliate but not an employee thereof) that more than an insubstantial risk exists that Met-Ed Capital will incur penalties, interest or tax under the Internal Revenue Code of 1986, as amended, or other applicable law if it does not withhold or deduct certain amounts as may be required in connection with monthly Dividends or other payments made by it with respect to the Preferred Securities, or that the Company will incur such penalties, interest or tax if it does not withhold or deduct in connection with payments made by it under the Deferrable Interest Subordinated Debentures, the Company shall have the right to redeem the Deferrable Interest Subordinated Debentures, or a portion thereof, under this clause (y) unless the obligation to pay Additional Interest, if Met-Ed Capital or the Company does so withhold, is a de minimis obligation.

Redemption Procedures

If the Company gives a notice of redemption in respect of a series of Deferrable Interest Subordinated Debentures (which notice will be given not less than 30 nor more than 90 days prior to the redemption date and will be irrevocable), then, on the

redemption date, the Company will irrevocably deposit with the Trustee funds sufficient to pay the applicable Debenture Redemption Price. If notice of redemption shall have been given and funds deposited as required, then on the date of such deposit, all rights of holders of such Deferrable Interest Subordinated Debentures so called for redemption will cease, except the right of the holders of such Deferrable Interest Subordinated Debentures to receive the Debenture Redemption Price, but without interest. In the event that any date fixed for redemption of Deferrable Interest Subordinated Debentures is not a Business Day, then payment of the Debenture Redemption Price payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day.

In the event that less than all of a series of outstanding Deferrable Interest Subordinated Debentures are to be so redeemed following a Distribution Event, the Deferrable Interest Subordinated Debentures to be redeemed will be selected as described under "Description of Preferred Securities-Book-Entry-Only Issuance-The Depository Trust Company".

Subject to applicable law, after a Distribution Event the Company or its subsidiaries may at any time and from time to time purchase outstanding Deferrable Interest Subordinated Debentures by tender, in the open market or by private agreement.

If a partial redemption or a purchase of outstanding Deferrable Interest Subordinated Debentures by tender, in the open market or by private agreement would result in a delisting of such series of Deferrable Interest Subordinated Debentures from any national securities exchange on which such series of Deferrable Interest Subordinated Debentures is then listed, the Company may then only redeem or purchase such series of Deferrable Interest Subordinated Debentures in whole.

Interest

Each Deferrable Interest Subordinated Debenture will bear interest at a rate per annum equal to the Dividend rate on the related series of Preferred Securities, payable monthly in arrears on the last day of each calendar month of each year (each an "Interest Payment Date"), to the person in whose name such Deferrable Interest Subordinated Debenture is registered, subject to certain exceptions, at the close of business on the Business

Day next preceding such Interest Payment Date (the "Regular Record Date"). In the event that the Deferrable Interest Subordinated Debentures do not remain in book-entry-only form, the record dates will be the fifteenth day of each month.

The amount of interest payable for any period will be computed on the basis of twelve 30-day months and a 360-day year and, for any period shorter than a full monthly interest period, on the basis of the actual number of days elapsed. In the event that any date on which interest is payable on the Deferrable Interest Subordinated Debentures is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date.

Option to Extend Interest Payment Period

The Company will have the right at any time and from time to time during the term of the Deferrable Interest Subordinated Debentures, so long as the Company is not in default in the payment of interest on the Deferrable Interest Subordinated Debentures, to extend the interest payment period on the Deferrable Interest Subordinated Debentures to up to 60 consecutive months, provided that at the end of each such period (an "Extension Period") the Company shall pay all interest then accrued and unpaid (together with interest thereon at the rate specified for the Deferrable Interest Subordinated Debentures to the extent permitted by applicable law). During any such Extension Period, neither the Company, nor any majority owned subsidiary of the Company, may declare or pay any dividends on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock (other than dividends to the Company by a wholly owned subsidiary of the Company). No interest shall be due and payable during an Extension Period, except at the end thereof. If Met-Ed Capital shall be the sole holder of the Deferrable Interest Subordinated Debentures, the Company shall give Met-Ed Capital notice of its selection of such extended interest payment period one Business Day prior to the earlier of (i) the date the related Dividend on the Preferred Securities is payable or (ii) the date Met-Ed Capital is required

to give notice to any national securities exchange on which the Preferred Securities are listed or other applicable self-regulatory organization or to the holders of the Preferred Securities of the record date or the date such Dividend is payable, but in any event not less than one Business Day prior to such record date. The Company shall cause Met-Ed Capital to give notice of the Company's selection of such extended interest payment period to the holders of the Preferred Securities. If Met-Ed Capital shall not be the sole holder of the Deferrable Interest Subordinated Debentures, the Company will give the holders of the Deferrable Interest Subordinated Debentures notice of its selection of such extended interest payment period ten Business Days prior to the earlier of (i) the Interest Payment Date or (ii) the date the Company is required to give notice of the record or payment date of such related interest payment to any national securities exchange on which the Deferrable Interest Subordinated Debentures are then listed or other applicable self-regulatory organization or to holders of the Deferrable Interest

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Subordinated Debentures, but in any event not less than two Business Days prior to such record date.

Additional Interest

If at any time Met-Ed Capital is required to pay any Additional Amounts in respect of the Preferred Securities pursuant to the terms thereof, then the Company will pay as interest ("Additional Interest") on the Deferrable Interest Subordinated Debentures an amount equal to such Additional Amounts. In addition, if Met-Ed Capital would be required to pay any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States, or any other taxing authority, then, in any such case, the Company will also pay as Additional Interest such amounts as shall be required so that the net amounts received and retained by Met-Ed Capital after paying any such taxes, duties, assessments or governmental charges will be not less than the amounts Met-Ed Capital would have received had no such taxes, duties, assessments or governmental charges been imposed.

Credit

Prior to a Distribution Event, the Company shall receive a credit against any payment it is otherwise required to make under the Deferrable Interest Subordinated Debentures to the extent it

has theretofore made, or is concurrently making, a payment under the Limited Guarantee.

Subordination

All payments by the Company in respect of the Deferrable Interest Subordinated Debentures shall be subordinated to the prior payment in full of all amounts payable on Senior Indebtedness. "Senior Indebtedness" consists of (i) the principal of and premium (if any) in respect of (A) indebtedness of the Company for money borrowed and (B) indebtedness evidenced by securities, debentures, bonds or other similar instruments (including purchase money obligations) for payment of which the Company is responsible or liable; (ii) all capital lease obligations of the Company; (iii) all obligations of the Company issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Company and all obligations of the Company under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business); (iv) certain obligations of the Company for the reimbursement of any obligor on any letter of credit, banker's acceptance, security purchase facility or similar credit transaction; (v) all obligations of the type referred to in clauses (i) through (iv) of other persons for the payment of which the Company is responsible or liable as obligor, guarantor or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (v) of other persons secured by any lien on any property or asset of the Company (whether or not such obligation is assumed by the Company), except for any such indebtedness that is by its terms subordinated to or pari passu with the Deferrable Interest Subordinated Debentures.

Upon any payment or distribution of assets or securities of the Company or upon any dissolution or winding up or total or partial liquidation or reorganization of the Company, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other proceedings, all amounts payable on Senior Indebtedness (including any interest accruing on such Senior Indebtedness subsequent to the commencement of a bankruptcy, insolvency or similar proceeding) shall first be paid in full before the Trustee or the holders of Preferred Securities or Deferrable Interest Subordinated Debentures (or the Special Representative) will be entitled to receive from the Company any

payment of principal of, or interest on, or any other amounts in respect of, the Deferrable Interest Subordinated Debentures.

No direct or indirect payment by or on behalf of the Company of principal of or interest on the Deferrable Interest Subordinated Debentures whether pursuant to the terms of the Deferrable Interest Subordinated Debentures or upon acceleration or otherwise may be made if, at the time of such payment, there exists, (i) a default in the payment of all or any portion of any Senior Indebtedness or (ii) any other default (other than a default of the nature described in clause (i) above) affecting Senior Indebtedness permitting its acceleration, as the result of which the maturity of Senior Indebtedness has been accelerated, and in either case requisite notice has been given to the Company and the Trustee and such default shall not have been cured or waived by or on behalf of the holders of such Senior Indebtedness.

If the Trustee or any holder of Preferred Securities or Deferrable Interest Subordinated Debentures (or the Special Representative) has received any payment on account of the principal of or interest on the Deferrable Interest Subordinated Debentures when such payment is prohibited and before all amounts payable on Senior Indebtedness are paid in full, then and in such event such payment or distribution shall be received and held in trust for the holders of Senior Indebtedness and shall be paid over or delivered first to the holders of the Senior Indebtedness remaining unpaid to the extent necessary to pay such Senior Indebtedness in full.

Upon the payment in full of all Senior Indebtedness, the Trustee and the holders of Preferred Securities or Deferrable Interest Subordinated Debentures (and the Special Representative) shall be subrogated to the rights of the holders of such Senior Indebtedness to receive payments or distributions of assets of the Company made on such Senior Indebtedness until the Deferrable Interest Subordinated Debentures are paid in full.

Certain Covenants of the Company

Neither the Company nor any majority owned subsidiary shall declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its preferred or common stock (other than dividends to the Company by a wholly owned subsidiary of the Company) (i) during an Extension Period, (ii) if there shall have occurred and is continuing any event that, with the giving of notice or the lapse of time or both,

would constitute an Event of Default under the Indenture or (iii) so long as any Preferred Securities remain outstanding, if the Company shall be in default with respect to its payment or other obligations under the Limited Guarantee.

Book-Entry and Settlement

If Deferrable Interest Subordinated Debentures are distributed to holders of Preferred Securities, the Deferrable Interest Subordinated Debentures will be issued in book-entry-only form. For a description of DTC and the specific terms of the depository arrangements, see "Description of Preferred Securities-Book-Entry-Only Issuance-The Depository Trust Company", which would also apply to the Deferrable Interest Subordinated Debentures in book-entry-only form.

Neither the Company, the Trustee, any paying agent nor any other agent of the Company or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global security for such Deferrable Interest Subordinated Debentures or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Discontinuance of the Depository's Services. A global security will be exchangeable for Deferrable Interest Subordinated Debentures registered in the names of persons other than the depository or its nominee only if (i) the depository notifies the Company that it is unwilling or unable to continue as depository for such global security or if at any time the depository ceases to be a clearing agency registered under the Exchange Act at a time when the depository is required to be so registered to act as such depository, (ii) the Company in its sole discretion determines that such global security shall be so exchangeable or (iii) there shall have occurred and be continuing a default in the payment of principal of, or interest on, such Deferrable Interest Subordinated Debentures or an Event of Default or an event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default with respect to such Deferrable Interest Subordinated Debentures. Any

global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for Deferrable Interest Subordinated Debentures registered in such names as the depository shall direct. It is expected that such instructions will be based upon directions received by the depository from its Participants with respect to ownership of beneficial interests in such global security.

Payment; Registration and Transfer

In the event that the Deferrable Interest Subordinated Debentures do not remain in book-entry-only form, the following provisions would apply:

Payment of principal of any Deferrable Interest Subordinated Debenture will be made only against surrender to the Trustee or the Paying Agent appointed by the Company, if not the Trustee, of

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such Deferrable Interest Subordinated Debenture. Principal of, and interest on, Deferrable Interest Subordinated Debentures will be payable, subject to any applicable laws and regulations, at the office of the Trustee or such Paying Agent as the Company may designate from time to time, except that at the option of the Company payment of any interest may be made by check mailed to the address of the person entitled thereto as such address shall appear in the security Register with respect to such Deferrable Interest Subordinated Debentures. Payment of interest on a Deferrable Interest Subordinated Debenture on any Interest Payment Date will be made to the person in whose name such Deferrable Interest Subordinated Debenture is registered at the close of business on the Regular Record Date for such interest, with certain exceptions.

The Corporate Trust Office of the Trustee in The City of New York shall initially be designated as the Company's sole Paying Agent for payments with respect to Deferrable Interest Subordinated Debentures of each series. The Company may at any time designate other or additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts.

Deferrable Interest Subordinated Debentures may be presented for registration of transfer (with the form of transfer endorsed

thereon duly executed), at the office of the Registrar appointed by the Company without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. The Company has initially appointed the Trustee as Registrar with respect to the Deferrable Interest Subordinated Debentures. The Company shall not be required to make, and the Registrar need not register, the transfer or exchange of (i) any Deferrable Interest Subordinated Debenture during a period beginning at the opening of business five days before the mailing of a notice of redemption of Deferrable Interest Subordinated Debentures, and ending at the close of business on the day of such mailing, or (ii) any Deferrable Interest Subordinated Debenture selected, called or being called for redemption, in whole or in part, except in the case of any Deferrable Interest Subordinated Debenture to be redeemed in part, the portion thereof not to be redeemed.

Amendment of the Indenture

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than a majority in principal amount of the Deferrable Interest Subordinated Debentures which are affected by the amendment or waiver, to amend the Indenture or the Deferrable Interest Subordinated Debentures or to waive compliance by the Company with any provision of the Indenture or the Deferrable Interest Subordinated Debentures; provided that no such amendment or waiver may, without the consent of the holder of each outstanding Deferrable Interest Subordinated Debenture affected thereby, (a) reduce the principal amount of the Deferrable Interest Subordinated Debentures, (b) reduce the percentage of principal amount of outstanding Deferrable Interest Subordinated Debentures of any series, the consent of holders of which is required for

amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults, (c) change the stated maturity date of the principal of, or the interest or the rate of interest on, the Deferrable Interest Subordinated Debentures, (d) change the redemption provisions applicable to the Deferrable Interest Subordinated Debentures adversely to the holders thereof, (e) impair the right to institute suit for the enforcement of any payment with respect to the Deferrable Interest Subordinated Debentures, (f) change the currency in which payments with respect to the Deferrable Interest Subordinated Debentures are to be made, (g) change the subordination provisions applicable to the Deferrable Interest

Subordinated Debentures adversely to the holders thereof, or (h) waive a default in the payment of the principal of, or interest on, any Deferrable Interest Subordinated Debenture. The Indenture or the Deferrable Interest Subordinated Debentures may be amended, without the consent of the holders of the Deferrable Interest Subordinated Debentures, to cure any ambiguity, defect or inconsistency or to make other changes that do not adversely affect the rights of such holders.

Events of Default

The following are Events of Default under the Indenture: (i) default for 15 days in payment of any interest (including Additional Interest, if any) on Deferrable Interest Subordinated Debentures (whether by virtue of the provisions described above under "Subordination" or otherwise); provided that an extension of the interest payment period by the Company as described under "Option to Extend Interest Payment Period" shall not constitute a default in the payment of interest for this purpose; (ii) default in payment of principal of Deferrable Interest Subordinated Debentures when due (whether by virtue of the provisions described above under "Subordination" or otherwise); (iii) default for 30 days after notice in the performance of any other covenant in the Indenture; or (iv) certain events of bankruptcy, insolvency or reorganization of the Company. If an Event of Default shall occur and be continuing, the Trustee or the holders of not less than a majority in principal amount of the Deferrable Interest Subordinated Debentures then outstanding may declare the principal of, and all accrued and unpaid interest (including Additional Interest, if any, and any interest accrued but not paid during an Extension Period) on, the Deferrable Interest Subordinated Debentures to be due and payable; provided that, upon certain events of bankruptcy, insolvency or reorganization of the Company, such amounts shall immediately become due and payable without any declaration or other action by the Trustee or such holders. The Company is required to furnish to the Trustee annually a statement as to the performance by the Company of its obligations under the Indenture and as to any default in such performance. Under certain circumstances, any declaration of acceleration with respect to the Deferrable Interest Subordinated Debentures may be rescinded and past defaults (except, unless theretofore cured, a default in the payment of principal of, or interest on, the Deferrable Interest Subordinated Debentures) may be waived by the holders of a majority in principal amount of the Deferrable Interest Subordinated Debentures then outstanding. The Indenture provides that the Trustee may withhold notice to

the holders of the Deferrable Interest Subordinated Debentures of any continuing default (except in the payment of the principal of, or interest on, the Deferrable Interest Subordinated Debentures) if the Trustee considers it in the interests of holders of Deferrable Interest Subordinated Debentures to do so.

Enforcement of Certain Rights by Holders of Preferred Securities

So long as any Deferrable Interest Subordinated Debentures are held by Met-Ed Capital, the holders of any outstanding Preferred Securities will have the rights referred to under "Description of Preferred Securities-Voting Rights", including the right to appoint a Special Representative authorized to exercise Met-Ed Capital's right, as the holder of Deferrable Interest Subordinated Debentures, to accelerate the principal amount of the Deferrable Interest Subordinated Debentures and to enforce the Company's obligations under the Indenture and the Deferrable Interest Subordinated Debentures directly against the Company, without first proceeding against Met-Ed Capital or any other person or entity.

Consolidation, Merger, Sale or Conveyance

The Indenture provides that the Company may not consolidate with or merge into any other Person or sell, convey, transfer or lease all or substantially all of its properties and assets to any Person, unless (i) the successor Person shall be organized and existing under the laws of the United States or any state thereof or the District of Columbia; (ii) the successor Person shall expressly assume (x) by a supplemental indenture, all of the Company's obligations under the Deferrable Interest Subordinated Debentures and the Indenture and (y) so long as any Preferred Securities remain outstanding, the Company's obligations under the Limited Guarantee; (iii) so long as any Preferred Securities remain outstanding, the successor Person becomes or acquires the General Partner; and (iv) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance, transfer or lease and such supplemental indenture comply with the Indenture. In case of any such consolidation, merger, sale, conveyance, transfer or lease, such successor Person will succeed to and be substituted for the Company as obligor on the Deferrable Interest Subordinated Debentures, with the same effect as if it had been named in the Indenture as the issuer in place of the Company.

The Indenture does not contain any other covenant which restricts the Company's ability to consolidate or merge with, or sell, convey, transfer or lease all or substantially all of its assets to, any Person, firm or corporation or otherwise engage in

restructuring transactions.

Title

The Company, the Trustee and any agent of the Company or the Trustee may treat the registered owner of any Deferrable Interest Subordinated Debenture as the absolute owner thereof (whether or not such Deferrable Interest Subordinated Debenture shall be

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overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.

Defeasance and Discharge

Under the terms of the Indenture, the Company will be discharged from any and all obligations in respect of the Deferrable Interest Subordinated Debentures of any series (except in each case for certain obligations to register the transfer or exchange of Deferrable Interest Subordinated Debentures, replace stolen, lost or mutilated Deferrable Interest Subordinated Debentures, maintain paying agencies and hold monies for payment in trust) if the Company deposits with the Trustee, in trust, (i) money and/or (ii) U. S. Government Obligations (as defined in the Indenture) sufficient to pay all the principal of, and interest on, the Deferrable Interest Subordinated Debentures of such series on the dates such payments are due; provided that no Event of Default has occurred and is continuing. In connection with such a defeasance and discharge, the Company, among other things, will deliver to the Trustee an Opinion of Counsel to the effect that (i) the deposit and related defeasance would not cause the holders of the Deferrable Interest Subordinated Debentures of such series to recognize income, gain or loss for federal income tax purposes, or a copy of a ruling or other formal statement or action to such effect received from or published by the Internal Revenue Service; and (ii) the trust resulting from the defeasance is a valid trust and will not constitute a regulated investment company under the 1940 Act.

Replacement of Deferrable Interest Subordinated Debentures

Any mutilated Deferrable Interest Subordinated Debenture will be replaced by the Company at the expense of the holder upon its surrender to the Trustee. Deferrable Interest Subordinated Debentures that become destroyed, lost or stolen will be replaced

by the Company at the expense of the holder upon delivery to the Trustee of evidence of the destruction, loss or theft thereof satisfactory to the Company and the Trustee. In the case of a destroyed, lost or stolen Deferrable Interest Subordinated Debenture, an indemnity satisfactory to the Trustee and the Company may be required at the expense of the holder of such Deferrable Interest Subordinated Debenture before a replacement Deferrable Interest Subordinated Debenture will be issued.

Governing Law

The Indenture and the Deferrable Interest Subordinated Debentures will be governed by and construed in accordance with the laws of the State of New York.

Information Concerning the Trustee

Subject to the provisions of the Indenture relating to its duties, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the holders thereunder, unless such holders shall have offered to the Trustee reasonable indemnity. Subject to such provision for indemnification, the holders of a

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majority in principal amount of the Deferrable Interest Subordinated Debentures then outstanding thereunder will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee thereunder, or exercising any trust or power conferred on the Trustee.

The Indenture contains limitations on the right of the Trustee, as a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. In addition, the Trustee may be deemed to have a conflicting interest and may be required to resign as Trustee if at the time of default under the Indenture it is a creditor of the Company.

United States Trust Company of New York, the Trustee under the Indenture, has from time to time engaged in transactions with, or performed services for, the Company and its affiliates in the ordinary course of business.

Miscellaneous

For restrictions on certain actions of the General Partner

with respect to Deferrable Interest Subordinated Debentures held by Met-Ed Capital, see "Description of Preferred Securities-Voting Rights".

UNITED STATES TAXATION

General

This section is a summary of certain United States federal income tax considerations that may be relevant to prospective purchasers of Preferred Securities and represents the opinion of Carter, Ledyard & Milburn, special tax counsel to the Company and Met-Ed Capital, insofar as it relates to matters of law and legal conclusions. This section is based upon current provisions of the Internal Revenue Code of 1986, as amended ("Code"), existing and proposed regulations thereunder and current administrative rulings and court decisions, all of which are subject to change. Subsequent changes may cause tax consequences to vary substantially from the consequences described below.

No attempt has been made in the following discussion to comment on all United States federal income tax matters affecting purchasers of Preferred Securities. Moreover, the discussion focuses on holders of Preferred Securities who are individual citizens or residents of the United States and has only limited application to corporations, estates, trusts or non-resident aliens. Accordingly, each prospective purchaser of Preferred Securities should consult, and should depend on, his or her own tax advisor in analyzing the federal, state, local and foreign tax consequences of the purchase, ownership or disposition of Preferred Securities.

Income from Preferred Securities

In the opinion of Carter, Ledyard & Milburn, Met-Ed Capital will be treated as a partnership for federal income tax purposes.

Accordingly, each holder of Preferred Securities (a "Preferred Securityholder") will be required to include in gross income such holder's distributive share of the income of Met-Ed Capital. Such income will not exceed Dividends received on such Preferred Securities, except in limited circumstances as described below under "Potential Extension of Interest Payment Period". No portion of such income will be eligible for the dividends received deduction.

Disposition of Preferred Securities

Gain or loss will be recognized on a sale (including a redemption for cash) of Preferred Securities in an amount equal to the difference between the amount realized and the Preferred Securityholder's tax basis for the Preferred Securities sold. Gain or loss recognized by a Preferred Securityholder on the sale or exchange of a Preferred Security held for more than one year will generally be taxable as long-term capital gain or loss.

Receipt of Deferrable Interest Subordinated Debentures Upon Liquidation of Met-Ed Capital

Under certain circumstances described under the caption "Description of Preferred Securities-Special Event Redemption or Distribution", Met-Ed Capital may dissolve and cause Deferrable Interest Subordinated Debentures to be distributed to the holders of Preferred Securities in liquidation of such holders' interests in Met-Ed Capital. As described in "Description of Preferred Securities-Special Event Redemption or Distribution", in the case of a Special Event, Deferrable Interest Subordinated Debentures may not be distributed to the holders of Preferred Securities in connection with a dissolution of Met-Ed Capital unless Met-Ed Capital receives an opinion of counsel to the effect that the holders of the Preferred Securities will not recognize any gain or loss for federal income tax purposes as a result of such dissolution and distribution. Such a tax-free transaction would result in the holder of Preferred Securities receiving an aggregate tax basis in the Deferrable Interest Subordinated Debentures equal to such holder's aggregate tax basis in the holder's Preferred Securities. A holder's holding period in such Deferrable Interest Subordinated Debentures would include the period for which the Preferred Securities were held by such holder.

Met-Ed Capital Information Returns and Audit Procedures

The General Partner will furnish each Preferred Securityholder with a Schedule K-1 each year setting forth such Preferred Securityholder's allocable share of income for the prior calendar year. The General Partner is required to furnish such schedules as soon as practicable following the end of the year, but in any event prior to March 31.

Any person who holds Preferred Securities as a nominee for another person is required to furnish to Met-Ed Capital (a) the name, address and taxpayer identification number of the beneficial owner and the nominee; (b) information as to whether the beneficial owner is (i) a person that is not a United States

person, (ii) a foreign government, an international organization or any wholly owned agency or instrumentality of either of the foregoing, or (iii) a tax-exempt entity; (c) the amount and description of Preferred Securities held, acquired or transferred for the beneficial owner; and (d) certain information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales. Brokers and financial institutions are required to furnish additional information, including whether they are United States persons and certain information on Preferred Securities they acquire, hold or transfer for their own accounts. A penalty of \$50 per failure (up to a maximum of \$100,000 per calendar year) is imposed by the Code for failure to report such information to Met-Ed Capital. The nominee is required to supply the beneficial owners of Preferred Securities with the information furnished to Met-Ed Capital.

Potential Extension of Interest Payment Period

Under the terms of the Indenture, the Company has the right to extend from time to time the interest payment period on the Deferrable Interest Subordinated Debentures to a period not exceeding 60 consecutive months. In the event that the Company exercises this right, the Company may not, among other things, declare dividends on any of its capital stock. Met-Ed Capital and the Company currently believe that the extension of an interest payment period is remote. In the event that the interest payment period is extended, Met-Ed Capital will continue to accrue income, on an economic accrual basis, generally equal to the amount of the interest payment due at the end of the extended interest payment period, over the length of the extended interest payment period.

Accrued income will be allocated, but not distributed, to holders of record on the Business Day preceding the last day of each calendar month. As a result, holders of record during an extended interest payment period will include interest in gross income in advance of the receipt of cash, and any such holders who dispose of Preferred Securities prior to the record date for the payment of Dividends following such extended interest payment period will include interest in gross income but will not receive any cash related thereto from the Company or Met-Ed Capital. The tax basis of a Preferred Security will be increased by the amount

of any interest that is included in income without a receipt of cash, and will be decreased when and if such cash is subsequently received from Met-Ed Capital. The subsequent receipt of such cash will not be includible in gross income.

United States Alien Holders

For purposes of this discussion, a "United States Alien Holder" is any holder who or which is (i) a nonresident alien individual or (ii) a foreign corporation, partnership or estate or trust, in either case not subject to United States federal income tax on a net income basis in respect of a Preferred Security.

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Under current United States federal income tax law, subject to the discussion below with respect to backup withholding, and assuming satisfaction by the Company of its withholding tax obligations, if any:

(i) payments by Met-Ed Capital or any of its paying agents to any holder of a Preferred Security who or which is a United States Alien Holder will not be subject to United States federal withholding tax provided that (a) the beneficial owner of the Preferred Security does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company or 10% or more of the Preferred Securities entitled to vote, (b) the beneficial owner of the Preferred Security is not a controlled foreign corporation that is related to the Company or Met-Ed Capital through stock ownership, and (c) either: (x) the beneficial owner of the Preferred Security certifies to Met-Ed Capital or its agent, under penalties of perjury, that it is a United States Alien Holder and provides its name and address or (y) the holder of the Preferred Security is a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution"), and such holder certifies to Met-Ed Capital or its agent, under penalties of perjury, that such statement has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes Met-Ed Capital or its agent with a copy thereof; and

(ii) a United States Alien Holder of a Preferred Security will generally not be subject to United States federal withholding tax on any gain realized on the sale or exchange of a Preferred Security unless such holder is present in the United States for 183 days or more in the taxable year of sale and either has a "tax home" in the United States or certain other requirements are met.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to payments of the proceeds of the sale of Preferred Securities within the United States to noncorporate United States holders, and "backup withholding" at a rate of 31% will apply to such payments if the United States holder fails to provide an accurate taxpayer identification number.

Payments of the proceeds from the sale by a United States Alien Holder of Preferred Securities made to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that, if the broker is a United States person, a controlled foreign corporation for United States tax purposes or a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period, information reporting

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may apply to such payments. Payments of the proceeds from the sale of Preferred Securities to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its non-United States status or otherwise establishes an exemption from information reporting and backup withholding.

PLAN OF DISTRIBUTION

Met-Ed Capital may offer or sell Preferred Securities to one or more underwriters for public offering and sale by them. Met-Ed Capital may sell Preferred Securities as soon as practicable after effectiveness of the Registration Statement, provided that favorable market conditions exist. Any such underwriter involved in the offer and sale of the Preferred Securities will be named in an applicable Prospectus Supplement.

Underwriters may offer and sell the Preferred Securities at

a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. In connection with the sale of Preferred Securities, underwriters may be deemed to have received compensation from the Company and/or Met-Ed Capital in the form of underwriting discounts or commissions. Underwriters may sell Preferred Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters.

Any underwriting compensation paid by the Company and/or Met-Ed Capital to underwriters in connection with the offering of Preferred Securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in an applicable Prospectus Supplement. Underwriters and dealers participating in the distribution of the Preferred Securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the Preferred Securities may be deemed to be underwriting discounts and commissions, under the Securities Act. Underwriters and dealers may be entitled, under agreement with the Company and/or Met-Ed Capital, to indemnification against and contribution toward certain liabilities, including liabilities under the Securities Act, and to reimbursement by the Company and/or Met-Ed Capital for certain expenses.

Underwriters and dealers may engage in transactions with, or perform services for, the Company and/or Met-Ed Capital and/or any of their affiliates in the ordinary course of business.

Each series of Preferred Securities will be a new issue of securities and will have no established trading market. Any underwriters to whom Preferred Securities are sold by Met-Ed Capital for public offering and sale may make a market in such Preferred Securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The Preferred Securities may or may not be listed on a national securities exchange. No assurance can be

given as to the liquidity of or the trading markets for any Preferred Securities.

LEGAL OPINIONS

Certain legal matters will be passed upon for the Company and Met-Ed Capital by Berlack, Israels & Liberman, New York, New York, and Ryan, Russell, Ogden & Seltzer, Reading, Pennsylvania, and for any underwriters by Reid & Priest, New York, New York. Certain matters of Delaware law relating to the validity of the Preferred Securities will be passed upon by Richards, Layton & Finger, P.A., Wilmington, Delaware, special Delaware counsel to Met-Ed Capital. Berlack, Israels & Liberman and Reid & Priest may rely on the opinion of Ryan, Russell, Ogden & Seltzer as to matters of Pennsylvania law, and Berlack, Israels & Liberman, Ryan, Russell, Ogden & Seltzer and Reid & Priest may rely on the opinion of Richards, Layton & Finger, P.A., as to matters of Delaware law. Members and attorneys of Berlack, Israels & Liberman own an aggregate of 12,091 shares of the Common Stock of the Company's parent, GPU. In addition, one such member holds 986 such shares as custodian for his children. Members and attorneys of Ryan, Russell, Ogden & Seltzer own an aggregate of 2,000 shares of the Common Stock of GPU.

EXPERTS

The financial statements and financial statement schedules included in the Company's Annual Report on Form 10-K for the year ended December 31, 1993 are incorporated herein by reference in reliance on the report of Coopers & Lybrand, independent accountants, given on the authority of said firm as experts in auditing and accounting. The report of Coopers & Lybrand, included in the Company's Annual Report on Form 10-K for the year ended December 31, 1993 incorporated herein by reference, contains explanatory paragraphs related to a contingency which has resulted from the accident at Unit 2 of the Three Mile Island nuclear generating station and the change in the method of accounting for unbilled revenues in 1991.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus Supplement or the Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus Supplement and the Prospectus do not constitute an offer to sell or a solicitation of an offer to buy any securities other than the securities described in this Prospectus Supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus Supplement or the Prospectus nor any Securities, sale made hereunder or thereunder shall, under any circumstances, create any implication that the information contained herein or therein is correct as of any time subsequent to the date of such information.

4,000,000 Preferred Securities

Met-Ed Capital

guaranteed on a limited basis by

METROPOLITAN EDISON COMPANY

% Cumulative Monthly Income Preferred

Series A

PROSPECTUS SUPPLEMENT

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

Filing fees - Securities and Exchange Commission	\$ 45,104
Printing and engraving	10,000*
New York Stock Exchange listing fee	15,000*
Legal fees:	
Berlack, Israels & Liberman	85,000*
Ryan, Russell, Ogden & Seltzer	45,000*
Carter, Ledyard & Milburn	55,000*

Richards, Layton & Finger, P.A.	25,000*
Blue Sky fees and expenses	15,000*
Accounting fees:	
Coopers & Lybrand	15,000*
Indenture Trustee fees and expenses	20,000*
Rating agencies fees and expenses	48,125*
Miscellaneous	21,771*
Total	\$400,000*

*Estimated

Item 16. Exhibits:

Exhibit No.	Description
1-A	- Form of Underwriting Agreement relating to Preferred Securities.
3-D	- By-Laws of Met-Ed Preferred Capital, Inc. - Incorporated by reference to Exhibit A-2, Application on Form U-1, SEC File No. 70-8401.
4-A	- Form of Subordinated Debenture Indenture - Incorporated by reference to Exhibit A-8, Application on Form U-1, SEC File No. 70-8401.
4-A(1)	- Cross-reference sheet showing location in the Subordinated Debenture Indenture of provisions of Sections 310(a) through 318(a) of the Trust Indenture Act of 1939.
4-C	- Form of Subordinated Debenture - Incorporated by reference to form of Deferrable Interest Subordinated Debenture contained in Exhibit 4-A.
4-D	- Revised form of Payment and Guarantee Agreement.
5-A	- Opinion of Berlack, Israels & Liberman.
5-B	- Opinion of Ryan, Russell, Ogden & Seltzer.

- 5-C - Opinion of Richards, Layton & Finger, P.A.
- 8 - Opinion of Carter, Ledyard & Milburn.
- 23-A - Consent of Berlack, Israels & Liberman (included in their opinion filed as Exhibit 5-A).
- 23-B - Consent of Ryan, Russell, Ogden & Seltzer (included in their opinion filed as Exhibit 5-B).
- 23-C - Consent of Richards, Layton & Finger, P.A. (included in their opinion filed as Exhibit 5-C).
- 23-D - Consent of Carter, Ledyard & Milburn (included in their opinion filed as Exhibit 8).
- 24-A - Certified copy of resolution of the Executive Committee of the Company's Board of Directors authorizing attorney-in-fact to sign the registration statement.

The Exhibits listed above which have heretofore been filed with the Securities and Exchange Commission and which are designated in prior filings as noted above, are hereby incorporated by reference and made a part hereof with the same effect as if filed herewith.

Item 17. Undertakings.

The undersigned registrants hereby undertake:

(5) That for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(6) That for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this amendment to its registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Reading, Commonwealth of Pennsylvania, on the 7th day of July, 1994.

METROPOLITAN EDISON COMPANY

By: *
F.D. Hafer, President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that Metropolitan Edison Company and each of its undersigned officers and directors hereby constitute and appoint each of John G. Graham, Don W. Myers and Ira H. Jolles his/its true and lawful attorney-in-fact and agent with full power of substitution and resubstitution for him/it and in his/its name, place and stead, in any and all capacities, to sign all or any amendments (including post-effective amendments) of and supplements to this Registration Statement on Form S-3 and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, to all intents and purposes and as fully as said corporation itself and each said officer or director might or could do in person, hereby ratifying and confirming all that each such attorney-in-fact and agent, or his substitutes, may lawfully do or cause to be done by virtue

hereof.

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed below by the following persons in the capacities with respect to Metropolitan Edison Company and on the dates indicated.

Signature	Title	Date
* (J.R. Leva)	Chairman (Principal Executive Officer) and Director	July 7, 1994
* (F.D. Hafer)	President and Director	July 7, 1994
* (J.G. Graham)	Vice President (Principal Financial Officer) and Director	July 7, 1994
* (D.L. O'Brien)	Comptroller (Principal Accounting Officer)	July 7, 1994
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(G.R. Repko)	Vice President and Director	July 7, 1994
(R.S. Zechman)	Vice President and Director	July 7, 1994
(J.F. Furst)	Vice President and Director	July 7, 1994
* (R.C. Arnold)	Vice President and Director	July 7, 1994

*By:

Don W. Myers, Attorney-in fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this amendment to its registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Reading, Commonwealth of Pennsylvania on the 7th day of July, 1994.

MET-ED CAPITAL, L.P.

By: Met-Ed Preferred Capital, Inc.
its general partner

By: _____
F.D. Hafer, President

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed below by the following person in the capacity on behalf of Met-Ed Preferred Capital, Inc., as the general partner of Met-Ed Capital, L.P., and on the date indicated.

Signature	Title	Date
(F.D. Hafer)	President and Director	July 7, 1994

EXHIBIT INDEX

Exhibit No.	Description
1-A	- Form of Underwriting Agreement relating to Preferred Securities.
3-D	- By-Laws of Met-Ed Preferred Capital, Inc. - Incorporated by reference to Exhibit A-2, Application on Form U-1, SEC File No. 70-8401.
4-A	- Form of Subordinated Debenture Indenture - Incorporated by reference to Exhibit A-8, Application on Form U-1, SEC File No. 70-8401.
4-A(1)	- Cross-reference sheet showing location in the Subordinated Debenture Indenture of provisions of Sections 310(a) through 318(a) of the Trust Indenture Act of 1939.
4-C	- Form of Subordinated Debenture - Incorporated by reference to form of Deferrable Interest Subordinated Debenture contained in Exhibit 4-A.
4-D	- Revised form of Payment and Guarantee Agreement.
5-A	- Opinion of Berlack, Israels & Liberman.
5-B	- Opinion of Ryan, Russell, Ogden & Seltzer.
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8	- Opinion of Carter, Ledyard & Milburn.
23-A	- Consent of Berlack, Israels & Liberman (included in their opinion filed as Exhibit 5-A).

- 23-B - Consent of Ryan, Russell, Ogden & Seltzer (included in their opinion filed as Exhibit 5-B).
- 23-C - Consent of Richards, Layton & Finger, P.A. (included in their opinion filed as Exhibit 5-C).
- 23-D - Consent of Carter, Ledyard & Milburn (included in their opinion filed as Exhibit 8).
- 24-A - Certified copy of resolution of the Executive Committee of the Company's Board of Directors

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authorizing attorney-in-fact to sign the registration statement.

The Exhibits listed above which have heretofore been filed with the Securities and Exchange Commission and which are designated in prior filings as noted above, are hereby incorporated by reference and made a part hereof with the same effect as if filed herewith.

EXHIBITS TO BE FILED BY EDGAR

Exhibits:

- 1-A - Form of Underwriting Agreement relating to Preferred Securities.
- 4-A(1) - Cross-reference sheet showing location in the Subordinated Debenture Indenture of provisions of Sections 310(a) through

318(a) of the Trust Indenture Act of 1939.

- 4-D - Revised form of Payment and Guarantee Agreement.
- 5-A - Opinion of Berlack, Israels & Liberman.
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- 8 - Opinion of Carter, Ledyard & Milburn.
- 24-A - Certified copy of resolution of the Executive Committee of the Company's Board of Directors authorizing attorney-in-fact to sign the registration statement.

MET-ED CAPITAL, L.P.
____% Cumulative Monthly Income
Preferred Securities, Series A
(liquidation preference \$25 per Preferred Security)
guaranteed on a limited basis
by Metropolitan Edison Company

Underwriting Agreement

_____, 1994

Goldman, Sachs & Co.,
Dean Witter Reynolds Inc.
A.G. Edwards & Sons, Inc.
Kidder, Peabody & Co. Incorporated
Morgan Stanley & Co. Incorporated
PaineWebber Incorporated
Prudential Securities Incorporated

As representatives of the several Underwriters
named in Schedule I hereto,
c/o Goldman, Sachs & Co.,
85 Broad Street,
New York, New York 10004.

Dear Sirs:

Met-Ed Capital, L.P. ("Met-Ed Capital"), a limited partnership formed under the laws of the State of Delaware, and Metropolitan Edison Company, a Pennsylvania corporation, as guarantor (the "Guarantor"), propose, subject to the terms and conditions stated herein, that Met-Ed Capital issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of _____ preferred partner interests of Met-Ed Capital of a series designated the ____% Cumulative Monthly Income Preferred Securities, Series A (liquidation preference \$25 per Preferred Security) (the "Preferred Securities"), guaranteed by the Guarantor as to the payment of distributions, to the extent Met-Ed Capital has sufficient cash on hand to permit such payments

and funds legally available therefor, and as to payments on liquidation or redemption described in any Final Supplemented Prospectus (as defined in Section 1(a) hereof) (the "Limited Guarantee").

1. Each of Met-Ed Capital and the Guarantor jointly and severally represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-3 in respect of, among other things, the Preferred Securities, the Limited

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Guarantee and the ___% Deferrable Interest Subordinated Debentures due _____ of the Guarantor (the "___% Subordinated Debentures", and collectively with the Preferred Securities and the Limited Guarantee, the "Securities") (File Nos. 33-_____ and 33-_____ - ____), has been filed by Met-Ed Capital and the Guarantor with the Securities and Exchange Commission (the "Commission"); such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto but including all documents incorporated by reference in the prospectus contained therein, to you for each of the other Underwriters, have been declared effective by the Commission in such form; as of the date of this Agreement, no other document with respect to such registration statement or document incorporated by reference therein has heretofore been filed with the Commission; and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in such registration statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Securities Act of 1933, as amended (the "Act"), is hereinafter called a "Preliminary Prospectus" or a "Preliminary Supplemented Prospectus," as the case may be; the various parts of such registration statement, including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the registration statement at the time such part of the registration statement became effective but excluding Form T-1, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the "Registration Statement"; the prospectus relating to the Securities, in the form in which it was included

in the Registration Statement at the time it became effective, is hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Guarantor filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement; and the Prospectus as amended or supplemented in final form in relation to the Securities in the form in which it is filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section

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5(a) hereof, including any documents incorporated by reference therein as of the date of such filing, being hereinafter called the "Final Supplemented Prospectus");

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act, the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to Met-Ed Capital or the Guarantor by an Underwriter through you expressly for use therein;

(c) The documents incorporated by reference in the

Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to Met-Ed Capital or the Guarantor by an Underwriter through you expressly for use in the Preliminary Supplemented Prospectus or the Final Supplemented Prospectus;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act, the Trust Indenture Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and

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warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to Met-Ed Capital or the Guarantor by an Underwriter through you expressly for use therein, or to any statements in or omissions from the Form T-1 of the Trustee (as defined below), but nothing contained herein is intended as a waiver of compliance with the Act or the Exchange Act regulations or any rule or regulation of the Commission thereunder;

(e) Met-Ed Capital has no subsidiaries. Since the respective dates as of which information is given in the Registration

Statement and the Prospectus, there has not been any change in the capital stock or material change in the long-term debt of the Guarantor (including all of its subsidiaries taken as a whole) (except for such preferred stock and long-term debt acquired for sinking fund purposes or redeemed pursuant to sinking fund or optional redemption provisions or changes in obligations under capital leases incurred in the ordinary course of the Guarantor's business or for any increase in common stock as a result of capital contributions or any decrease in capital stock as a result of the declaration by the Guarantor of either regular quarterly dividends on the Guarantor's preferred stock or dividends on its common stock) or in the capital accounts or long-term debt of Met-Ed Capital, or any material adverse change in or affecting (i) the condition (financial or otherwise), stockholder's equity, business affairs, operating properties, business prospects or results of operations of the Guarantor and its subsidiaries taken as a whole or (ii) the condition (financial or otherwise), capital accounts, business affairs, operating properties, business prospects or results of operations of Met-Ed Capital, in any such case otherwise than as set forth or contemplated in the Final Supplemented Prospectus;

(f) Met-Ed Capital has been duly formed and is validly existing in good standing as a limited partnership under the laws of the State of Delaware, with power and authority to own its properties and conduct its business as described in the Final Supplemented Prospectus, and is duly qualified as a foreign limited partnership for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; Met-Ed Preferred Capital, Inc., a Delaware corporation, is the sole general partner (the "General Partner") of Met-Ed Capital; the General Partner is a wholly owned subsidiary of the Guarantor; and the General Partner has been duly incorporated and is validly existing in good standing as a corporation under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the Final Supplemented Prospectus;

(g) The Guarantor is duly incorporated and is validly existing in good standing as a corporation under the laws of its jurisdiction of incorporation, with corporate power and authority to own its properties and conduct its business as described in the Final Supplemented Prospectus and is duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

(h) The Guarantor has an authorized capitalization as set forth in the Final Supplemented Prospectus; and all of the issued limited partner interests of Met-Ed Capital have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the descriptions thereof contained in the Final Supplemented Prospectus;

(i) The Preferred Securities have been duly and validly authorized by Met-Ed Capital, and, when issued and delivered against payment therefor at the Time of Delivery (as defined herein) will be duly and validly issued and fully paid and non-assessable and will conform to the descriptions thereof contained in the Final Supplemented Prospectus;

(j) The indenture (the "Indenture") to be dated as of _____, 1994 between the Guarantor and United States Trust Company as trustee (the "Trustee") and the ___% Subordinated Debentures to be issued thereunder, have been duly authorized; the Indenture, which is substantially in the form filed as an exhibit to the Registration Statement, has been duly qualified under the Trust Indenture Act, and, at the Time of Delivery, will have been duly executed and delivered and will constitute, and the ___% Subordinated Debentures, when duly executed and authenticated in accordance with the Indenture and issued and delivered under the circumstances provided in the Final Supplemented Prospectus, will constitute, valid and legally binding obligations of the Guarantor enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms and the ___% Subordinated Debentures when duly executed, authenticated, issued and delivered, will conform to the descriptions thereof in the Final Supplemented Prospectus;

(k) The Amended and Restated Limited Partnership Agreement, dated as of _____, 1994 (the "Limited Partnership Agreement"), has been duly authorized by the General Partner and constitutes a valid and legally binding obligation of the General Partner, in

its capacity as general partner of Met-Ed Capital, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(l) The Limited Guarantee has been duly authorized and when executed and delivered by the Guarantor will constitute a valid and legally binding obligation of the Guarantor, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Limited Guarantee will conform to the description thereof in the Final Supplemented Prospectus;

(m) All of the issued general and limited partner interests of Met-Ed Capital (other than the Preferred Securities) are owned indirectly by the Guarantor and the Class A Limited Partner (as defined in the Limited Partnership Agreement), respectively, and have been duly and validly authorized and validly issued, free and clear of all liens, encumbrances, equities or claims; and Met-Ed Capital is not a party to or otherwise bound by any agreement other than those described in the Final Supplemented Prospectus;

(n) The issue and sale of the Preferred Securities by Met-Ed Capital, the compliance by Met-Ed Capital with all of the provisions of this Agreement, and the consummation of the transactions herein contemplated have been duly authorized by all necessary action of Met-Ed Capital and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Met-Ed Capital is a party or by which Met-Ed Capital is bound or to which any of the property or assets of Met-Ed Capital is subject, nor will such action result in any violation of the provisions of the Certificate of Limited Partnership of Met-Ed Capital or the Limited Partnership Agreement or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over Met-Ed Capital or any of its properties; and no consent, approval, authorization, order,

registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Preferred Securities or the consummation by Met-Ed Capital of the transactions contemplated by this Agreement, except such as have been obtained regarding the registration under the Act of the Securities, the qualification of the Indenture under the Trust Indenture Act, the approval of the Commission under the Public Utility Holding Company Act of 1935, as amended (the "1935 Act") and the approvals of the Pennsylvania Public Utility Commission (the "PaPUC"), and such consents, approvals,

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authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase of the Preferred Securities and distribution of the Securities by the Underwriters and the filing of Certificates Pursuant to Rule 24 under the 1935 Act;

(o) The issue and sale of the Preferred Securities by Met-Ed Capital, the compliance by Met-Ed Capital and the Guarantor with all of the provisions of this Agreement, the execution, delivery and performance by the Guarantor of the Limited Guarantee, the execution, delivery and performance by the Guarantor of the Indenture and the issuance and delivery by the Guarantor of the ___% Subordinated Debentures thereunder and the consummation of the transactions herein and therein contemplated have been duly authorized by all necessary action of the Guarantor, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Guarantor is a party or by which the Guarantor is bound or to which any of the property or assets of the Guarantor is subject except for such conflicts, breaches or violations which, individually or in the aggregate, would not have a material adverse effect on the condition (financial or otherwise), stockholder's equity, business affairs, operating properties, business prospects or results of operations of the Guarantor (including all of its subsidiaries taken as a whole), nor will such action result in any violation of the provisions of the Restated Articles of Incorporation or By-laws of the Guarantor or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Guarantor or any of its subsidiaries or any of their properties; and no consent, approval, authorization, order,

registration or qualification of or with any such court or governmental agency or body is required for the issuance of the Limited Guarantee, the issuance of ___% Subordinated Debentures, or the consummation by the Guarantor of the transactions contemplated by this Agreement, except such as have been obtained regarding the registration under the Act of the Securities, the qualification of the Indenture under the Trust Indenture Act and the approval of the Commission under the 1935 Act and the approvals of the PaPUC and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase of the Preferred Securities and distribution of the Securities by the Underwriters and the filing of Certificates Pursuant to Rule 24 under the 1935 Act;

(p) Neither Met-Ed Capital nor the Guarantor is in violation of its charter, or, in the case of Met-Ed Capital, its Certificate of Limited Partnership or the Limited Partnership Agreement, or in default in the performance or observance of any material obligation, agreement, covenant or condition contained

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in any material contract, indenture, mortgage, loan agreement, note, lease, or other instrument to which it or any of them is a party or by which it or any of them or their properties may be bound;

(q) Other than as set forth in the Final Supplemented Prospectus, there are no legal or governmental proceedings pending to which Met-Ed Capital or the Guarantor is a party or of which any property of Met-Ed Capital or the Guarantor is the subject which, if determined adversely to Met-Ed Capital or the Guarantor, would individually or in the aggregate have a material adverse effect on (i) the consolidated financial position, stockholder's equity or results of operations of the Guarantor (including all of its subsidiaries taken as a whole) or (ii) the financial position, capital accounts or results of operations of Met-Ed Capital; and, to the best of Met-Ed Capital's and the Guarantor's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(r) Neither Met-Ed Capital nor the Guarantor is and, after giving effect to the offering and sale of the Securities, will be an investment company, unit investment trust or face-amount

certificate company that is or is required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"); and neither Met-Ed Capital nor the Guarantor is directly or indirectly controlled by or acting on behalf of any person that is such a company or trust;

(s) Neither Met-Ed Capital nor the Guarantor nor their affiliates does business with the government of Cuba or with any person located in Cuba within the meaning of Section 517.075 of Florida Statutes (chapter 92-198, Laws of Florida); and

(t) Coopers & Lybrand, who have certified certain financial statements of the Guarantor and its subsidiaries, are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

2. Subject to the terms and conditions herein set forth, Met-Ed Capital agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from Met-Ed Capital, at a purchase price per Preferred Security of \$25, the number of Preferred Securities set forth opposite the name of such Underwriter in Schedule I hereto. The Guarantor agrees to issue the Limited Guarantee and ___% Subordinated Debentures concurrently with the issue and sale of the Preferred Securities as contemplated herein.

The Guarantor hereby guarantees the timely performance by Met-Ed Capital of its obligations under this Section 2, Section 6 and Section 11. As compensation to the Underwriters for their commitments hereunder, and in view of the fact that the proceeds

of the sale of the Preferred Securities will be used to purchase ___% Subordinated Debentures of the Guarantor, the Guarantor hereby agrees to pay at the Time of Delivery (as defined in Section 4 hereof) to Goldman, Sachs & Co., for the accounts of the several Underwriters, an amount equal to \$___ per Preferred Security for the Preferred Securities to be delivered by Met-Ed Capital hereunder at the Time of Delivery, except that such amount will be \$___ per Preferred Security with respect to those Preferred Securities sold to certain institutions.

3. Upon the authorization by you of the release of the Preferred Securities, the several Underwriters propose to offer the Preferred Securities for sale upon the terms and conditions

set forth in the Final Supplemented Prospectus.

4. The Preferred Securities to be purchased by each Underwriter hereunder will be represented by a global certificate in book-entry form which will be deposited by or on behalf of Met-Ed Capital with The Depository Trust Company ("DTC") or its designated custodian and registered in the name of Cede & Co., as nominee for DTC. Met-Ed Capital will deliver the Preferred Securities to Goldman, Sachs & Co., for the account of each Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by certified or official bank check or checks, payable to the order of Met-Ed Capital in New York Clearing House (next day) funds, by causing DTC to credit the Preferred Securities to the account of Goldman, Sachs & Co. at DTC. Met-Ed Capital will cause the certificate representing the Preferred Securities to be made available to Goldman, Sachs & Co. for checking at least twenty-four hours prior to the Time of Delivery at the office of DTC or its designated custodian (the "Designated Office"). The time, date and location of such delivery and payment shall be _____, New York City time, on _____, 1994 or such other time and date as Goldman, Sachs & Co. and Met-Ed Capital may agree upon in writing at the offices of Berlack, Israels & Liberman, 120 West 45th Street, New York, New York 10036. Such time and date are herein called the "Time of Delivery".

At the Time of Delivery, the Guarantor will pay, or cause to be paid, the commission payable at the Time of Delivery to the Underwriters under Section 2 hereof by certified or official bank check or checks, payable to the order of Goldman, Sachs & Co. in New York Clearing House funds.

5. Each of Met-Ed Capital and the Guarantor jointly and severally agrees with each of the Underwriters:

(a) To prepare the Final Supplemented Prospectus in a form approved by you and to file such Final Supplemented Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if

applicable, such earlier time as may be required by Rule 424(b) under the Act; to make no further amendment or any supplement to

the Registration Statement or Final Supplemented Prospectus prior to the Time of Delivery which shall be reasonably disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; in the case of the Guarantor, to file promptly all reports and any definitive proxy or information statements required to be filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Securities, and during such same period to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amendment to the Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Securities, provided that in connection therewith neither Met-Ed Capital nor the Guarantor shall be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) To furnish the Underwriters with copies of the Final Supplemented Prospectus in such quantities as you may from time to time reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in

order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act, to notify you and upon your request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Securities at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) In the case of the Guarantor, to make generally available to its security holders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earning statement of the Guarantor and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations thereunder (including Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the earlier of (i) the date, after the Time of Delivery, on which the distribution of the Securities ceases, as determined by Goldman, Sachs & Co., or (ii) the date which is 90 days after the Time of Delivery, not to offer, sell, contract to sell or otherwise dispose of any Preferred Securities, any limited partner interests of Met-Ed Capital, or any preferred stock or any other securities of Met-Ed Capital or the Guarantor which are substantially similar to the Preferred Securities or the Limited Guarantee, or any securities convertible into or exchangeable for Preferred Securities, limited partner interests, preferred stock or such substantially similar securities of either Met-Ed Capital or the Guarantor without your prior written consent;

(f) To the extent necessary to comply with New York Stock Exchange rules and regulations or the rules and regulations of any other exchange on which the Preferred Securities are listed, to furnish to the holders of the Preferred Securities as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, capital stock and cash flows of the Guarantor and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three

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quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), consolidated summary financial information of the Guarantor and its subsidiaries for such quarter in reasonable detail;

(g) During a period of three years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to the holders of the Preferred Securities generally, and deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of Met-Ed Capital or Guarantor is listed; and (ii) such additional information concerning the business and financial condition of the Guarantor as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Guarantor and its subsidiaries are consolidated in reports furnished to the holders of the Preferred Securities generally or to the Commission);

(h) To use its best efforts to list, subject to notice of issuance, the Preferred Securities on the New York Stock Exchange; and

(i) To use its best efforts to list the ___% Subordinated Debentures, upon issuance to the holders of the Preferred Securities, on the same exchange on which the Preferred Securities are then listed.

6. Met-Ed Capital and the Guarantor jointly and severally covenant and agree with the several Underwriters that Met-Ed

Capital and the Guarantor will pay or cause to be paid the following: (i) the fees, disbursements and expenses of Met-Ed Capital's and the Guarantor's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus, the Prospectus, the Preliminary Supplemented Prospectus, the Final Supplemented Prospectus and any amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters not to exceed \$15,000 incurred in connection with such qualification and in connection with the Blue Sky survey; (iv) any fees charged by securities rating services for rating

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the Securities; (v) any filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities (vi) the cost of preparing certificates for the Preferred Securities; (vii) the cost and charges of any transfer agent or registrar; (viii) the cost of qualifying the Securities with The Depository Trust Company; (ix) the fees and expenses of any Trustee and any agent of any Trustee and the fees or disbursements of counsel for any Trustee in connection with the Indenture and the ___ % Subordinated Debentures; and (x) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, Section 8 and Section 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Preferred Securities by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder shall be subject, in their discretion, to the condition that all representations and warranties and other statements of Met-Ed

Capital and the Guarantor herein are, at and as of the Time of Delivery, true and correct, the condition that Met-Ed Capital and the Guarantor shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Final Supplemented Prospectus shall have been electronically filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Reid & Priest, counsel for the Underwriters, shall have furnished to you such opinion or opinions, dated the Time of Delivery, with respect to: the incorporation of the Guarantor and the formation of Met-Ed Capital; insofar as the Federal laws of the United States and the laws of the State of New York are concerned, the validity of the ___% Subordinated Debentures and the Limited Guarantee; this Agreement; the Preferred Securities; the Indenture; the Registration Statement; the Final Supplemented Prospectus; and other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such

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matters; provided, that in rendering such opinion, Reid & Priest may rely upon the opinion of Ryan, Russell, Ogden & Seltzer delivered pursuant to subsection (c) hereof as to all matters of Pennsylvania law and upon the opinion of Richards, Layton & Finger delivered pursuant to subsection (e) hereof as to matters of Delaware law relating to Met-Ed Capital, the Preferred Securities and the Limited Partnership Agreement.

(c) Berlack, Israels & Liberman and Ryan, Russell, Ogden & Seltzer, counsel for Met-Ed Capital and the Guarantor, shall have furnished to you their written opinions, dated the Time of Delivery, in form and substance satisfactory to you, to the

effect that:

(i) Met-Ed Capital has been duly formed and is validly existing as a limited partnership in good standing under the Delaware Revised Uniform Limited Partnership Act ("DRULPA"), with, under the Limited Partnership Agreement and DRULPA, partnership power and authority to own its properties and conduct its business as described in the Final Supplemented Prospectus, and is duly qualified as a foreign limited partnership for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

(ii) The Guarantor is duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with corporate power and authority to own its properties and conduct its business as described in the Final Supplemented Prospectus, and is duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

(iii) The Guarantor has the authorized capital stock as set forth in the Final Supplemented Prospectus; and all of the issued general partner interests of Met-Ed Capital have been duly and validly authorized and validly issued and are owned by the General Partner, free of all liens, encumbrances, equities or claims;

(iv) The Preferred Securities have been duly and validly authorized and are validly issued and, subject to the qualifications set forth in Section 7(e)(iv) hereof, are fully paid and nonassessable limited partner interests in Met-Ed Capital;

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(v) The Indenture and the ____% Subordinated Debentures

to be issued thereunder, have been duly authorized; the Indenture has been duly qualified under the Trust Indenture Act, and has been duly executed and delivered and constitutes, and the ___% Subordinated Debentures, when duly executed and authenticated in accordance with the Indenture and issued and delivered under the circumstances provided in the Final Supplemented Prospectus, will constitute, valid and legally binding obligations of the Guarantor enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms and the ___% Subordinated Debentures, when duly executed, authenticated, issued and delivered, will conform to the descriptions thereof in the Final Supplemented Prospectus;

(vi) The Limited Partnership Agreement has been duly authorized by the General Partner and constitutes a valid and legally binding obligation of the General Partner, in its capacity as general partner of Met-Ed Capital, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(vii) The Limited Guarantee has been duly authorized, executed and delivered by the Guarantor and constitutes a valid and legally binding obligation of the Guarantor, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Limited Guarantee conforms to the description thereof in the Final Supplemented Prospectus;

(viii) The issue and sale of the Preferred Securities by Met-Ed Capital, the compliance by Met-Ed Capital with the provisions of this Agreement, and the consummation of the transactions herein and therein contemplated have been duly authorized by all necessary action of Met-Ed Capital and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Met-Ed Capital is a party or by which Met-Ed Capital is bound or to which any of the property or assets of Met-Ed Capital is subject, nor will such action result in any violation of the provisions of the Certificate of Limited Partnership of Met-Ed Capital or Limited Partnership Agreement of Met-Ed Capital or any statute or any order, of which such counsel is aware, rule or

regulation of any court or governmental agency or body having jurisdiction over Met-Ed Capital or any of its properties;

(ix) The issue and sale of the Preferred Securities by Met-Ed Capital, the compliance by Met-Ed Capital and the Guarantor with the provisions of this Agreement, the execution, delivery and performance by the Guarantor of the Limited Guarantee, the execution, delivery and performance by the Guarantor of the Indenture and the issuance and delivery by the Guarantor of the ___% Subordinated Debentures thereunder and the consummation of the transactions herein and therein contemplated have been duly authorized by all necessary action of the Guarantor and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Guarantor is a party or by which the Guarantor is bound or to which any of the property or assets of the Guarantor is subject of which such counsel is aware except for such conflicts, breaches or violations which, individually or in the aggregate, would not have a material adverse effect on the condition (financial or otherwise), stockholder's equity, business affairs, operating properties, business prospects or results of operations of the Guarantor (including all of its subsidiaries taken as a whole), nor will such action result in any violation of the provisions of the Restated Articles of Incorporation or By-laws of the Guarantor or any statute or any order, of which such counsel is aware, or any rule or regulation of any court or governmental agency or body having jurisdiction over the Guarantor or any of its subsidiaries or any of their properties;

(x) No consent, approval, authorization or order of, or filing with, any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement in connection with the issuance and delivery of the Securities or the consummation by Met-Ed Capital and the Guarantor of the transactions contemplated herein except such as have been made or obtained under the Act, the 1935 Act, the PaPUC, and the Trust Indenture Act, and such as may be required under state securities laws in connection with the purchase of the Preferred Securities by the Underwriters and

the distribution of the Securities by the Underwriters and the filing of Certificates Pursuant to Rule 24 under the 1935 Act;

(xi) This Agreement has been duly authorized, executed and delivered by each of Met-Ed Capital and the Guarantor;

(xii) The statements made in the Prospectus under the caption "Description of Preferred Securities", insofar as they purport to constitute summaries of the terms of the Preferred Securities are accurate and fair summaries;

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(xiii) The documents incorporated by reference in the Final Supplemented Prospectus or any amendment or supplement thereto (other than the financial statements and related schedules therein and other financial or statistical data included or incorporated by reference therein, as to which such counsel need express no opinion), when they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder;

(xiv) The Registration Statement and the Prospectus and any further amendments and supplements thereto made by Met-Ed Capital prior to the Time of Delivery (other than the financial statements and related schedules therein and other financial or statistical data included or incorporated by reference therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act, the Trust Indenture Act and the rules and regulations thereunder; and they do not know of any amendment to the Registration Statement required to be filed or of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be incorporated by reference into the Prospectus or required to be described in the Registration Statement or the Prospectus which are not filed or incorporated by reference or described as required;

(xv) Neither Met-Ed Capital nor the Guarantor is and, after giving effect to the offering and sale of the Preferred Securities, will be an investment company, unit investment

trust or face-amount certificate company that is or is required to be registered under the Investment Company Act; and neither Met-Ed Capital nor the Guarantor is directly or indirectly controlled by or acting on behalf of any person that is such a company or trust;

In addition, each such counsel shall state that to the best of such counsel's knowledge and other than as set forth in the Final Supplemented Prospectus, there are no legal or governmental proceedings pending to which Met-Ed Capital or the Guarantor is a party or of which any property of Met-Ed Capital or the Guarantor is the subject which, if determined adversely to Met-Ed Capital or the Guarantor, would individually or in the aggregate have a material adverse effect on (i) the consolidated financial position, stockholder's equity or results of operations of the Guarantor and the Guarantor's subsidiaries taken as a whole or (ii) the financial position, capital accounts or results of operations of Met-Ed Capital; and, to the best of such counsel's knowledge, no such proceedings are overtly threatened or

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contemplated by governmental authorities or overtly threatened by others;

In addition, each such counsel shall state that although they do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus, except for those covered by their opinion in subsection (xii) of this section 7(c), they have no reason to believe that, as of its effective date, the Registration Statement or any further amendment thereto made by Met-Ed Capital or the Guarantor prior to the Time of Delivery (other than the financial statements and related schedules and other financial or statistical data included or incorporated by reference therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of its date, the Prospectus or any further amendment or supplement thereto made by Met-Ed Capital or the Guarantor prior to the Time of Delivery (other than the financial statements and related schedules and other financial or statistical data included or

incorporated by reference therein, as to which such counsel need express no opinion) contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading or that, as of the Time of Delivery, the Prospectus or any further amendment or supplement thereto made by Met-Ed Capital or the Guarantor prior to the Time of Delivery (other than the financial statements and related schedules and other financial or statistical data included or incorporated by reference therein, as to which such counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

In rendering their opinions, (A) Berlack, Israels & Liberman may rely upon the opinion of Ryan, Russell, Ogden & Seltzer as to all matters involving laws of the Commonwealth of Pennsylvania, and (B) such counsel may rely, as to matters of Delaware Law relating to Met-Ed Capital, the Preferred Securities and the Limited Partnership Agreement, upon the opinion of Richards, Layton & Finger, delivered pursuant to subsection (e) hereof;

(d) Carter, Ledyard & Milburn, special tax counsel for Met-Ed Capital and the Guarantor, shall have furnished to you their written opinion, dated the Time of Delivery, in form and substance satisfactory to you, to the effect that such counsel confirms its opinion as set forth under "United States Taxation" in the Final Supplemented Prospectus;

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(e) Richards, Layton & Finger, special Delaware counsel for Met-Ed Capital and the Guarantor, shall have furnished to you their written opinion, dated the Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) Met-Ed Capital has been duly formed and is validly existing in good standing as a limited partnership under DRULPA;

(ii) Under the Limited Partnership Agreement and DRULPA, Met-Ed Capital has all necessary partnership power and authority to own its properties and conduct its business, all as described in the Final Supplemented Prospectus;

(iii) The general partner and limited partner interests in

Met-Ed Capital issued to the General Partner and the Class A Limited Partner have been duly and validly authorized and are validly issued;

(iv) The Preferred Securities issued to the limited partners of Met-Ed Capital, who hold the Preferred Securities (the "Preferred Security Holders") have been duly and validly authorized and are validly issued and, subject to the qualifications set forth herein, are fully paid and nonassessable limited partner interests in Met-Ed Capital, as to which, assuming that the Preferred Security Holders, as limited partners of Met-Ed Capital, do not participate in the control of the business of Met-Ed Capital, the Preferred Security Holders, as limited partners of Met-Ed Capital, will have no liability in excess of their obligations to make payments provided for in the Limited Partnership Agreement and their share of Met-Ed Capital's assets and undistributed profits (subject to the obligation of a Preferred Security Holder to repay any funds wrongfully distributed to it);

(v) There are no provisions in the Limited Partnership Agreement the inclusion of which, subject to the terms and conditions therein, or, assuming that the Preferred Security Holders, as limited partners of Met-Ed Capital, take no action other than actions permitted by the Limited Partnership Agreement, the exercise of which, in accordance with the terms and conditions therein, would cause the Preferred Security Holders, as limited partners of Met-Ed Capital, to be deemed to be participating in the control of the business of Met-Ed Capital;

(vi) The Limited Partnership Agreement constitutes a legal, valid and binding agreement of the General Partner, and is enforceable against the General Partner, in its capacity as general partner of Met-Ed Capital, in accordance with its terms subject to bankruptcy, insolvency, moratorium, fraudulent conveyance, receivership, reorganization, liquidation and other similar laws relating to or affecting the rights and remedies of creditors generally and to principles of equity (regardless of whether considered and applied in a proceeding in equity or at law);

(vii) Under the Limited Partnership Agreement and DRULPA,

Met-Ed Capital has all necessary partnership power and authority to execute and deliver, and to perform its

obligations under, this Agreement;

(viii) Under the Limited Partnership Agreement and DRULPA, the execution and delivery by Met-Ed Capital of this Agreement, and the performance by Met-Ed Capital of its obligations hereunder, have been duly authorized by all necessary partnership action on the part of Met-Ed Capital;

(ix) The issuance and sale by Met-Ed Capital of the Preferred Securities pursuant to this Agreement and the execution, delivery and performance by Met-Ed Capital of this Agreement will not violate (i) any Delaware statute, rule or regulation, or (ii) the Certificate of Limited Partnership of Met-Ed Capital or the Limited Partnership Agreement;

(x) No consent, approval, authorization, order, registration or qualification of or with any Delaware court or Delaware governmental agency or body is required solely as a result of the issuance and sale by Met-Ed Capital of the Preferred Securities pursuant to this Agreement, the execution, delivery and performance by Met-Ed Capital of this Agreement or the consummation of the transactions contemplated in this Agreement; and

(xi) Such counsel has reviewed the statements in the Final Supplemented Prospectus under the caption "Met-Ed Capital" and, insofar as it contains statements of Delaware law, such statements are fairly presented.

(xii) Assuming that Met-Ed Capital is treated as a partnership for Federal income tax purposes, and assuming that Met-Ed Capital derives no income from or connected with sources within the State of Delaware and has no assets, activities (other than the maintenance of a registered office and registered agent in the State of Delaware and the filing of documents with the Delaware Secretary of State) or employees in the State of Delaware, the Preferred Security Holders (other than those Preferred Security Holders who reside or are domiciled in the State of Delaware), will have no liability for Delaware income taxes solely as a result of their participation in Met-Ed Capital, and Met-Ed Capital will not be liable for any Delaware income tax.

(f) On the date of this Agreement and at the Time of Delivery, Coopers & Lybrand shall have furnished to you a letter, dated the date of delivery thereof, in form and substance satisfactory to you, to the effect set forth in Annex I hereto;

(g) Since the respective dates as of which information is given in the Prospectus there shall not have been any change in the capital stock or material change in the long-term debt of the Guarantor (including all of its subsidiaries taken as a whole) (except for such preferred stock and long-term debt acquired for sinking fund purposes or redeemed pursuant to sinking fund or optional

redemption provisions or changes in obligations under capital leases incurred in the ordinary course of the Guarantor's business or for any increase in common stock as a result of capital contributions or any decrease in capital stock as a result of the declaration by the Guarantor either of regular quarterly dividends on the Guarantor's preferred stock or dividends on its common stock) or in the capital accounts or long-term debt of Met-Ed Capital, or any change in or affecting (x) the condition (financial or otherwise), stockholder's equity, business affairs, operating properties, business prospects or results of operations of the Guarantor and its subsidiaries taken as a whole or (y) the condition (financial or otherwise), capital accounts, business affairs, operating properties, business prospects or results of operations of Met-Ed Capital, in any such case otherwise than as set forth or contemplated in the Final Supplemented Prospectus, the effect of which is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering of the Securities or the delivery of the Preferred Securities on the terms and in the manner contemplated in the Final Supplemented Prospectus;

(h) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Guarantor's debt securities or preferred stock or Met-Ed Capital's Preferred Securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Guarantor's debt securities or preferred stock or Met-Ed Capital's Preferred Securities;

(i) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in Met-Ed Capital's Preferred Securities on the New York Stock Exchange or the Guarantor's preferred stock on the Philadelphia Stock Exchange; (iii) a general moratorium on commercial banking

activities in New York declared by either Federal or New York State authorities; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States, of a national emergency or war if the effect of any such event specified in this Clause (iv) in your judgment makes it impracticable or inadvisable to proceed with the public offering of the Securities or the delivery of the Preferred Securities on the terms and in the manner contemplated in the Final Supplemented Prospectus;

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(j) Provided the listing requirement concerning the minimum number of Preferred Security Holders shall have been satisfied, the Preferred Securities shall have been duly listed, subject to notice of issuance, on the New York Stock Exchange;

(k) Met-Ed Capital and the Guarantor shall have furnished or caused to be furnished to you at the Time of Delivery, a certificate or certificates of the General Partner and a certificate or certificates of officers of the Guarantor, respectively, satisfactory to you as to the accuracy of the representations and warranties of Met-Ed Capital and the Guarantor herein at and as of such Time of Delivery, as to the performance by each of Met-Ed Capital and the Guarantor of all of their obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (g) of this Section and as to such other matters as you may reasonably request; and

(l) A Special Event (as defined in the Final Supplemented Prospectus) shall not have occurred and be continuing; provided that it shall also be a condition of the obligations of Met-Ed Capital and the Guarantor hereunder, to issue and sell the Preferred Securities, that a Special Event shall not have occurred and be continuing.

8. (a) Met-Ed Capital and the Guarantor will jointly and severally indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact

contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, the Preliminary Supplemented Prospectus, the Final Supplemented Prospectus or any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that neither Met-Ed Capital nor the Guarantor shall be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus, the Preliminary Supplemented Prospectus, the Final Supplemented Prospectus or any other prospectus relating to the Securities, or any such amendment or supplement in reliance upon and in conformity with written

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information furnished to Met-Ed Capital or the Guarantor by any Underwriter through you expressly for use therein; and provided, further that neither Met-Ed Capital nor the Guarantor shall be liable to any Underwriter under this subsection (a) with respect to any Preliminary Prospectus or Preliminary Supplemented Prospectus to the extent that any such loss, claim, damage or liability of such Underwriter results from the fact that such Underwriter sold the Securities to a person as to whom it shall be established that there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Final Supplemented Prospectus (excluding documents incorporated by reference) or of the Final Supplemented Prospectus as then amended or supplemented (excluding documents incorporated by reference) in any case where such delivery is required by the Act if Met-Ed Capital or the Guarantor has previously furnished copies thereof in sufficient quantity to such Underwriter and the loss, claim, damage or liability of such Underwriter results from an untrue statement or omission of a material fact contained in the Preliminary Prospectus or Preliminary Supplemented Prospectus and corrected in the Final Supplemented Prospectus (excluding documents incorporated by reference) or in the Prospectus as then amended or supplemented (excluding documents incorporated by

reference).

(b) Each Underwriter will indemnify and hold harmless Met-Ed Capital and the Guarantor against any losses, claims, damages or liabilities to which Met-Ed Capital or the Guarantor may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, the Preliminary Supplemented Prospectus, the Final Supplemented Prospectus or any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement, the Prospectus, the Preliminary Supplemented Prospectus, the Final Supplemented Prospectus or any other prospectus relating to the Securities, or any such amendment or supplement in reliance upon and in conformity with written information furnished to Met-Ed Capital or the Guarantor by such Underwriter through you expressly for use therein; and will reimburse Met-Ed Capital and the Guarantor for any legal or other expenses reasonably incurred by Met-Ed Capital or the Guarantor in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall

wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (plus any local counsel retained in the indemnified party's reasonable judgment), approved by you in the case of paragraph (a) of this Section 8 representing the indemnified parties under such paragraph (a) who are parties to such action), (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

(d) If the indemnification provided for in this Section 8 is held unavailable, in whole or on part, to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect

thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified

party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by Met-Ed Capital and the Guarantor on the one hand and the Underwriters on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of Met-Ed Capital and the Guarantor on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by Met-Ed Capital and the Guarantor on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by Met-Ed Capital bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Final Supplemented Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by Met-Ed Capital and the Guarantor on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Met-Ed Capital, the Guarantor and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Preferred Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation

(within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of Met-Ed Capital and the Guarantor under this Section 8 shall be in addition to any liability which Met-Ed Capital and the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of Met-Ed Capital and the Guarantor and to each person, if any, who controls Met-Ed Capital and the Guarantor within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Preferred Securities which it has agreed to purchase hereunder, you may in your discretion arrange for you or another party or other parties to purchase such Preferred Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Preferred Securities, then Met-Ed Capital and the Guarantor shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Preferred Securities on such terms. In the event that, within the respective prescribed periods, you notify Met-Ed Capital and the Guarantor that you have so arranged for the purchase of such Preferred Securities, or Met-Ed Capital or the Guarantor notifies you that it has so arranged for the purchase of such Preferred Securities, you or Met-Ed Capital and the Guarantor shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Final Supplemented Prospectus, or in any other documents or arrangements, and Met-Ed Capital and the Guarantor agree to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in your opinion may thereby be

made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Preferred Securities.

(b) If, after giving effect to any arrangements for the purchase of the Preferred Securities of a defaulting Underwriter or Underwriters by you and Met-Ed Capital and the Guarantor as provided in subsection (a) above, the aggregate number of such Preferred Securities which remains unpurchased does not exceed

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one-eleventh of the aggregate number of all the Preferred Securities, then Met-Ed Capital and the Guarantor shall have the right to require each non-defaulting Underwriter to purchase the number of Preferred Securities which such Underwriter agreed to purchase hereunder and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Preferred Securities which such Underwriter agreed to purchase hereunder) of the Preferred Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Preferred Securities of a defaulting Underwriter or Underwriters by you and Met-Ed Capital and the Guarantor as provided in subsection (a) above, the aggregate number of such Preferred Securities which remains unpurchased exceeds one-eleventh of the aggregate number of all the Preferred Securities, or if Met-Ed Capital and the Guarantor shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Preferred Securities of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter, Met-Ed Capital or the Guarantor except for the expenses to be borne by Met-Ed Capital, the Guarantor and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of Met-Ed

Capital, the Guarantor and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or Met-Ed Capital, the Guarantor, or any officer or director or controlling person of Met-Ed Capital or the Guarantor, and shall survive delivery of and payment for the Preferred Securities.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, Met-Ed Capital and the Guarantor shall not then be under any liability to any Underwriter except as provided in Section 6 and Section 8 hereof; but, if for any other reason (including the issuance of any stop order suspending the effectiveness of the Registration Statement under the Act or proceedings therefor initiated or threatened by the Commission, or, if for any reason there shall not be in full force and effect appropriate orders of the Commission under the 1935 Act and of the PaPUC authorizing the issuance and sale of the Securities and

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to the extent necessary the other transactions contemplated hereby), Preferred Securities are not delivered by or on behalf of Met-Ed Capital (or the related Limited Guarantee and ___% Subordinated Debentures issuable by the Guarantor are not concurrently issued by the Guarantor) as provided herein, Met-Ed Capital and the Guarantor will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Preferred Securities (or the Limited Guarantee and ___ % Subordinated Debentures not so issued), but Met-Ed Capital and the Guarantor shall then be under no further liability to any Underwriter except as provided in Section 6 and Section 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Goldman, Sachs & Co. on behalf of you as the representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the representatives in care of Goldman, Sachs & Co., at 85 Broad Street, New York, N.Y. 10004, Attention: Registration Department; and if to Met-Ed Capital or the Guarantor shall be delivered or sent by mail to the address of the Guarantor set forth in the Registration Statement, Attention: Treasurer; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to Met-Ed Capital or the Guarantor by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, Met-Ed Capital, the Guarantor and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Guarantor and each person who controls Met-Ed Capital and the Guarantor or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Preferred Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As

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used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding,

please sign and return to us twelve (12) counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters, on one hand, and Met-Ed Capital and the Guarantor, on the other hand. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to Met-Ed Capital and the Guarantor for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

MET-ED CAPITAL, L. P.

By: Met-Ed Preferred Capital, Inc.
its General Partner

By:

Name:

Title:

METROPOLITAN EDISON COMPANY

By:

Name:

Title:

Accepted as of the date hereof:

Goldman, Sachs & Co.

Dean Witter Reynolds Inc.

A.G. Edwards & Sons, Inc.

Kidder, Peabody & Co. Incorporated

Morgan Stanley & Co. Incorporated

PaineWebber Incorporated

Prudential Securities Incorporated

Acting on its own behalf and

as Representative of the

Several Underwriters referred

to in the foregoing Agreement

By:

(Goldman, Sachs & Co.)

SCHEDULE I

Underwriter	Total Number of Preferred Securities to be Purchased
GOLDMAN, SACHS & CO. DEAN WITTER REYNOLDS INC. A.G. EDWARDS & SONS, INC. KIDDER, PEABODY & CO. INCORPORATED MORGAN STANLEY & CO. INCORPORATED PAINWEBBER INCORPORATED PRUDENTIAL SECURITIES INCORPORATED	

[FORM OF LETTER OF ACCOUNTANTS]

Pursuant to Section 7(f) of the Underwriting Agreement, the accountants shall furnish letters to the Underwriters to the effect that:

(1) They are independent certified public accountants with respect to the Guarantor and its subsidiaries within the meaning of the Act and the applicable published rules and regulations thereunder;

(2) In their opinion, the financial statements and any supplementary financial information and schedules (and, if applicable, prospective financial statements and/or pro forma financial information) audited by them and included or incorporated by reference in the Prospectus or the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder;

(3) On the basis of procedures referred to in such letter, including a reading of the minutes and the latest available interim financial statements of the Guarantor and inquiries of officials of the Guarantor responsible for financial and accounting matters, nothing caused them to believe that:

(A) Any material modifications should be made to the unaudited financial statements, if any, included or incorporated by reference in the Prospectus, for them to be in conformity with generally accepted accounting principles;

(B) the unaudited financial statements, if any, included or incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act or the Exchange Act and the published rules and regulations of the Commission thereunder;

(C) the unaudited pro forma condensed consolidated financial statements, if any, included or incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act or the Exchange Act and the published rules and regulations of the Commission thereunder or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements;

(D) at the date of the latest available internal balance sheet of the Guarantor and at a subsequent specified date

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not more than five days prior to the date of such letter, there was any change in the common stock, preferred stock without mandatory redemption, preferred stock with mandatory redemption or long-term debt (other than from currency fluctuations and normal repurchases of long-term debt and preferred stock for sinking fund purposes and scheduled repayments or changes in obligations under capital leases incurred in the ordinary course of the Guarantor's business) of the Guarantor and its subsidiaries consolidated or any decrease in its common stockholder's equity (excluding any decrease as a result of the declaration by the Guarantor of regular quarterly dividends on its preferred stock and dividends on its common stock) as compared with amounts shown in the latest balance sheet included or incorporated by reference in the Prospectus, except in all cases for changes, increases or decreases that the Prospectus discloses have occurred or may occur or as may be set forth in such letter; or

(4) In addition to their audit referred to in their reports included or incorporated by reference in the Registration Statement and Prospectus and the procedures referred to in (3)

above, they have carried out certain other specified procedures, not constituting an audit, with respect to certain specified dollar amounts, percentages and other financial information (in each case to the extent that such dollar amounts, percentages and other financial information are derived, directly or by analysis or computation, from the general accounting records of the Guarantor and its subsidiaries) that are included or incorporated by reference in the Prospectus and appear in the Prospectus or incorporated documents and have found such dollar amounts, percentages and financial information to be in agreement with the general accounting records of the Guarantor and its subsidiaries.

For purposes of this letter, all references in this Annex I to the Prospectus shall be deemed to the Final Supplemented Prospectus in the form in which it is proposed to be filed but otherwise as defined in the Underwriting Agreement (including all documents incorporated by reference therein) as of the date of the letter delivered on the date of the Underwriting Agreement and to the Final Supplemented Prospectus as defined in the Underwriting Agreement (including all documents incorporated by reference therein), or, if the Prospectus has at such time been further amended or supplemented, to the Prospectus as so further amended or supplemented, as of the date of the letter delivered at the Time of Delivery.

METROPOLITAN EDISON COMPANY

CROSS-REFERENCE TABLE
of Provisions of the Indenture
Required by the Trust Indenture Act of 1939

Trust Indenture Act Section	Provision of Indenture
Section 310 (a) (1)	7.10
(a) (2)	7.10
(a) (3)	Not Applicable
(a) (4)	Not Applicable
(b)	7.08; 7.10; 11.01
(c)	Not Applicable
Section 311 (a)	7.11
(b)	7.11
(c)	Not Applicable
Section 312 (a)	2.06
(b)	11.03
(c)	11.03
Section 313 (a)	7.06
(b) (1)	Not Applicable
(b) (2)	7.06
(c)	7.06; 11.02
(d)	7.06
Section 314 (a)	4.03; 11.02
(b)	Not Applicable
(c) (1)	2.02; 11.04
(c) (2)	2.02; 11.04
(c) (3)	Not Applicable
(d)	Not Applicable
(e)	11.05
(f)	Not Applicable
Section 315 (a)	7.01 (2)
(b)	7.05; 11.02
(c)	7.01 (1)
(d)	7.01 (3)
(e)	6.11
Section 316 (a) (1) (A)	6.05
(a) (1) (B)	6.04

(a) (2)	Not Applicable
(a) (last sentence)	2.09
(b)	6.07
Section 317(a) (1)	6.08
(a) (2)	6.09
(b)	2.05
Section 318(a)	11.01

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be part of the Indenture.

PAYMENT AND GUARANTEE AGREEMENT

THIS PAYMENT AND GUARANTEE AGREEMENT ("Guarantee Agreement"), dated as of _____, 1994, is executed and delivered by Metropolitan Edison Company, a Pennsylvania corporation (the "Guarantor"), for the benefit of the Holders (as defined below) from time to time of the Preferred Securities (as defined below) of Met-Ed Capital, L.P., a Delaware limited partnership (the "Issuer").

WHEREAS, the Issuer is issuing on the date hereof \$_____ aggregate stated liquidation preference of preferred limited partner interests of a series designated the _____% Cumulative Monthly Income Preferred Securities, Series A (the "Preferred Securities"), and the Guarantor desires to enter into this Guarantee Agreement for the benefit of the Holders, as provided herein;

WHEREAS, the Issuer will use (i) the proceeds from the issuance and sale of the Preferred Securities to the Holders and (ii) the capital contributions relating to the issuance of the Issuer's general partner interests (the "Common Securities") to Met-Ed Preferred Capital, Inc., a Delaware corporation and a wholly-owned subsidiary of the Guarantor (the "General Partner"), to purchase Subordinated Debentures (as defined below) issued by the Guarantor under the Indenture (as defined below); and

WHEREAS, the Guarantor desires irrevocably and unconditionally to agree to the extent set forth herein to pay to the Holders the Guarantee Payments (as defined below) and to make certain other payments on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and other consideration, receipt of which is hereby acknowledged, the Guarantor, intending to be legally bound hereby, agrees as follows:

ARTICLE I

As used in this Guarantee Agreement, the terms set forth below shall, unless the context otherwise requires, have the following meanings. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Issuer's Amended and Restated Limited Partnership Agreement dated as of _____, 1994 (the "Limited Partnership Agreement").

"Guarantee Payments" shall mean the following payments, without duplication, to the extent not paid by the Issuer: (i) any accumulated and unpaid monthly distributions on the Preferred Securities (except for monthly distributions which are not paid during an Extension Period (as defined in the Indenture)) to the extent that the Issuer has sufficient cash on hand to permit such payments and funds legally available therefor, (ii) the

Redemption Price (as defined below) payable with respect to any Preferred Securities called for redemption by the Issuer to the extent that the Issuer has sufficient cash on hand to permit such payments and funds legally available therefor, (iii) upon a liquidation of the Issuer other than in connection with a distribution of Subordinated Debentures (a "Distribution Event") following a dissolution of the Issuer resulting from a Special Event (as defined in the Limited Partnership Agreement), the lesser of (a) the Liquidation Distribution (as defined below) and (b) the amount of assets of the Issuer available for distribution to Holders in liquidation of the Issuer, and (iv) any Additional Amounts (as defined in the Limited Partnership Agreement) payable by the Issuer in respect of the Preferred Securities.

"Holder" shall mean any holder from time to time of any Preferred Securities of the Issuer; provided, however, that in determining whether the Holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor or any entity owned more than 50% by the Guarantor, either directly or indirectly.

"Indenture" shall mean the Indenture dated as of _____, 1994 between the Guarantor and United States Trust Company of New York, as Trustee.

"Liquidation Distribution" shall mean the aggregate of the stated liquidation preference of \$25 per Preferred Security and

all accumulated and unpaid distributions to the date of payment, together with any additional distributions accrued thereon.

"Redemption Price" shall mean the aggregate of \$25 per Preferred Security, plus accumulated and unpaid distributions to the date fixed for redemption, together with any Additional Distributions (as defined in the Limited Partnership Agreement) accrued thereon.

"Subordinated Debentures" shall mean the Guarantor's ____% Deferrable Interest Subordinated Debentures, Series A, due _____, 2043, issued under and pursuant to the Indenture.

ARTICLE II

SECTION 2.01. (a) The Guarantor hereby irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments, as and when due (except to the extent paid by the Issuer), to the fullest extent permitted by law, regardless of any defense, right of set-off or counterclaim which the Guarantor or the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment by the Guarantor to the Holders or by payment of such amounts by the Issuer to the Holders. Notwithstanding anything to the contrary herein, the Guarantor retains all of its rights under Section 4.01(c) of the Indenture to extend the interest payment period thereunder and the Guarantor shall not be

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obligated hereunder to pay during an Extension Period (as defined in the Indenture) any monthly distributions on the Preferred Securities which are not paid by the Issuer during such Extension Period.

(b) All Guarantee Payments shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied upon or as a result of such payment by or on behalf of the United States, any state thereof or any other jurisdiction through which or from which such payment is made, or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event that any such withholding or deduction is required

as a consequence of (i) the Subordinated Debentures not being treated as indebtedness for United States federal income tax purposes or (ii) Penelec Capital not being treated as a partnership for United States federal income tax purposes, the Guarantor shall pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts received by the Holders after such withholding or deduction will equal the amount which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction, except that no such additional amounts will be payable to any Holder (or a third party on such Holder's behalf):

i) if such Holder is liable for such taxes, duties, assessments or governmental charges in respect of the Preferred Securities by reason of such Holder's having a connection with the United States, any state thereof or any other jurisdiction through which or from which such payment is made, or in which such Holder resides, conducts business or has other contacts, other than being a Holder, or

ii) if the Issuer or the Guarantor has notified such Holder of the obligation to withhold or deduct taxes and requested but not received from such Holder a declaration of non-residence, a valid taxpayer identification number or other claim for exemption, and such withholding or deduction would not have been required had such declaration, taxpayer identification number or claim been received.

SECTION 2.02. The Guarantor hereby waives notice of acceptance of this Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 2.03. Except as otherwise set forth herein, the obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall to the fullest extent

permitted by law in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the monthly distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities;

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, any of the Preferred Securities; or

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

The Holders shall have no obligation to give notice to, or obtain consent of, the Guarantor with respect to the occurrence of any of the foregoing.

SECTION 2.04. This is a guarantee of payment and not of collection. A Holder may enforce this Guarantee Agreement directly against the Guarantor, and the Guarantor will waive any right or remedy to require that any action be brought against the Issuer or any other person or entity before proceeding against the Guarantor. Subject to Section 2.05, all waivers hereunder shall be without prejudice to the Holders' right at the Holders' option to proceed against the Issuer, whether by separate action or by joinder. The Guarantor agrees that this Guarantee Agreement shall not be discharged except by payment of the

and by complete performance of all obligations of the Guarantor contained in this Guarantee Agreement.

SECTION 2.05. The Guarantor will be subrogated to all rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement and shall have the right to waive payment by the Issuer of any amount of distributions in respect of which payment has been made to the Holders by the Guarantor pursuant to Section 2.01; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of a payment under this Guarantee Agreement, if, at the time of any such payment, any amounts remain due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to pay over such amount to the Holders.

SECTION 2.06. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred Securities and that the Guarantor shall be liable as principal and sole debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (f), inclusive, of Section 2.03 hereof.

SECTION 2.07. The Guarantor expressly acknowledges that (i) this Guarantee Agreement will be deposited with the General Partner to be held for the benefit of the Holders; (ii) in the event of the appointment of a Special Representative pursuant to the Limited Partnership Agreement, the Special Representative may enforce this Guarantee Agreement on behalf of the Holders and take possession of this Guarantee Agreement for such purpose; (iii) if no Special Representative has been appointed, the General Partner has the right to enforce this Guarantee Agreement on behalf of the Holders; (iv) the Holders of not less than a majority in aggregate stated liquidation preference of the Preferred Securities have the right to direct the time, method

and place of conducting any proceeding for any remedy available in respect of this Guarantee Agreement, including the giving of directions to the General Partner or the Special Representative, as the case may be; and (v) if the General Partner or Special Representative fails to enforce this Guarantee Agreement as above provided, any Holder may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a legal proceeding against the Issuer or any other person or entity.

Any such Special Representative may enforce the Issuer's rights against the Guarantor under the Indenture, including, after failure to pay interest for 60 consecutive monthly interest periods, the payment of interest on the Subordinated Debentures, enforce the obligations of the Guarantor

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under this Guarantee Agreement and enforce the Guarantor's obligations under the Indenture and the Subordinated Debentures directly against the Guarantor; the Guarantor, upon request of a Special Representative, agrees to execute and deliver such documents as may be necessary, appropriate or convenient for such Special Representative with respect to such enforcement.

ARTICLE III

SECTION 3.01. So long as any Preferred Securities remain outstanding, neither the Guarantor nor any majority-owned subsidiary of the Guarantor shall declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its preferred or common stock (other than dividends to the Guarantor by a wholly-owned subsidiary of the Guarantor) (i) during an Extension Period (as defined in the Indenture) or (ii) if at such time the Guarantor shall be in default with respect to its payment or other obligations hereunder or there shall have occurred any event that, with the giving of notice or the lapse of time or both, would constitute an Event of Default under the Indenture. The Guarantor shall take all actions necessary to ensure the compliance of its subsidiaries with this Section 3.01.

SECTION 3.02. The Guarantor covenants, so long as any Preferred Securities remain outstanding: (i) to maintain direct

or indirect 100% ownership of the Common Securities; (ii) to cause at least 3% of the total value of the Issuer and at least 3% of all interests in the capital, income, gain, loss, deduction and credit of the Issuer to be represented by Common Securities; (iii) not to cause the Issuer to be voluntarily dissolved, wound-up or terminated, except upon the entry of a decree of judicial dissolution or in connection with a Distribution Event or certain mergers, consolidations or other transactions permitted by the Limited Partnership Agreement; (iv) except as otherwise provided in the Limited Partnership Agreement, to cause the General Partner to remain the general partner of the Issuer and timely perform all of its duties as general partner of the Issuer (including the duty to pay distributions on the Preferred Securities out of cash on hand and funds legally available therefor) in all material respects, provided that any permitted successor of the Guarantor under the Indenture may directly or indirectly succeed to the duties as general partner of the Issuer; and (v) to use its reasonable efforts to cause the Issuer to remain a limited partnership and otherwise continue to be treated as a partnership for United States federal income tax purposes.

SECTION 3.03. This Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank (i) subordinate and junior in right of payment to all present and future Senior Indebtedness (as defined in the Indenture) of the Guarantor, and (ii) senior in right of payment to the Guarantor's preferred and common stock.

ARTICLE IV

This Guarantee Agreement shall terminate and be of no further force and effect upon full payment of the Redemption Price of all Preferred Securities or upon full payment of the amounts payable to the Holders upon liquidation of the Issuer or upon consummation of a Distribution Event; provided, however, that this Guarantee Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any Holder of Preferred Securities must restore payments of any sums paid under the Preferred Securities or under this Guarantee Agreement for any reason whatsoever.

ARTICLE V

SECTION 5.01. All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders. The Guarantor may not assign its obligations hereunder without the prior approval of the Holders of not less than 66 2/3% of the aggregate stated liquidation preference of all Preferred Securities then outstanding; provided that nothing herein shall preclude any transaction involving the Guarantor pursuant to Section 5.01 of the Indenture. No such permitted transaction shall be deemed an assignment of the Guarantor's obligations hereunder for purposes hereof.

SECTION 5.02. This Guarantee Agreement may only be amended by a written instrument executed by the Guarantor; provided that, so long as any of the Preferred Securities remain outstanding, any such amendment that materially adversely affects the holders of Preferred Securities, any termination of this Guarantee Agreement and any waiver of compliance with any covenant hereunder shall be effected only with the prior approval of the Holders of not less than 66 2/3% of the aggregate stated liquidation preference of all Preferred Securities then outstanding.

SECTION 5.03. All notices, requests or other communications required or permitted to be given hereunder to the Guarantor shall be deemed given if in writing and delivered personally or by recognized overnight courier or express mail service or by facsimile transmission (confirmed in writing) or by registered or certified mail (return receipt requested), addressed to the Guarantor at the following address (or at such other address as shall be specified by notice to the Holders):

Metropolitan Edison Company
c/o GPU Service Corporation
100 Interpace Parkway
Parsippany, NJ 07054

Attention: Treasurer

All notices, requests or other communications required or permitted to be given hereunder to the Holders shall be deemed given if in writing and delivered by the Guarantor in the same manner as notices sent by the Issuer to the Holders.

SECTION 5.04. This Guarantee Agreement is solely for the benefit of the Holders and is not separately transferable from the Preferred Securities.

SECTION 5.05. THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.

THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

METROPOLITAN EDISON COMPANY

By _____
Name:
Title:

(Berlack, Israels & Liberman Letterhead)

July 7, 1994

Metropolitan Edison Company
2800 Pottsville Pike
Reading, Pennsylvania 19640

Met-Ed Capital, L.P.
Mellon Bank Center
Tenth and Market Streets
Wilmington, Delaware 19801

Re: Registration Statement on Form S-3

Dear Sirs:

Metropolitan Edison Company (the "Company") and Met-Ed Capital, L.P. ("Met-Ed Capital") have filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), dated May 17, 1994, and Amendment No. 1 thereto, dated today's date, of which this opinion is to be a part. The Registration Statement relates to the proposed issuance and sale by Met-Ed Capital of up to 5,000,000 preferred securities, representing preferred limited partner interests (the "Preferred Securities"), the proceeds of which, together with the capital contribution of Met-Ed Capital's general partner, Met-Ed Preferred Capital, Inc., a wholly owned subsidiary of the Company, will be used to purchase subordinated debentures issued by the Company (the "Subordinated Debentures"). The Company will guarantee (the "Guarantee") the payment by Met-Ed Capital of distributions on the Preferred Securities and of amounts due upon liquidation of Met-Ed Capital or redemption of the Preferred Securities, all to the extent set forth in the Guarantee. The Preferred Securities are to be issued by Met-Ed Capital pursuant to an Amended and Restated Limited Partnership Agreement and one or more Actions thereunder (collectively, the "Limited Partnership Agreement") and the Subordinated Debentures

are to be issued by the Company pursuant to an indenture between the Company and United States Trust Company of New York, as Trustee (the "Indenture").

We have been counsel to the Company for many years. In such capacity, we are familiar with the affairs of the Company and Met-Ed Capital and the transactions that are the subject matter of the Registration Statement. We have examined such records of the Company and Met-Ed Capital and such other instruments, documents, certificates and agreements, including the forms of Limited Partnership Agreement and Indenture, and made such further investigation as we have deemed necessary as a basis for this opinion. With respect to all matters of Pennsylvania law, we have relied on the opinion of Ryan, Russell, Ogden & Seltzer, and with respect to all matters of Delaware law, we have relied on the opinion of Richards, Layton & Finger, P.A., which are

being filed

Metropolitan Edison Company
July 7, 1994
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as Exhibits 5-B and 5-C, respectively, to the Registration Statement.

For the purposes of this opinion, we have assumed that (1) the proposed transactions are carried out on the basis set forth in the Registration Statement and in conformity with the requisite authorizations, approvals, consents or exemptions under the securities laws of the various States and other jurisdictions of the United States, (2) all necessary corporate and partnership action required on the part of the Company, Met-Ed Preferred Capital, Inc. and Met-Ed Capital shall have been duly taken, (3) the Commission shall have issued an order declaring effective (a) the Registration Statement under the 1933 Act and (b) the Company's related Application, as amended, and as may be further

amended, on Form U-1 under the Public Utility Holding Company Act of 1935, as amended (the "1935 Act"), (4) the Indenture shall have been qualified under the Trust Indenture Act of 1939, as amended, and (5) the issuance and sale of the Preferred Securities and Subordinated Debentures do not violate Section 12(f) of the 1935 Act or Rule 70 thereunder.

Based upon the foregoing, we are of the opinion that, subject to the foregoing assumptions and qualifications, (1) the Preferred Securities to be issued and sold in accordance with the Registration Statement, when properly issued, delivered and paid for, will be legally issued, fully paid and non-assessable limited partner interests, and (2) when properly authenticated and delivered by the Trustee under the Indenture, the Subordinated Debentures will be legally issued and will be binding obligations of the Company and, when properly executed and delivered, the Guarantee will be legally issued and will be a binding obligation of the Company, subject, in each case, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors rights generally (including, without limitation, the Atomic Energy Act and applicable regulations of the Nuclear Regulatory Commission thereunder) and general equitable principles.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and as a part thereof. We also consent to the reference to our firm under "Legal Opinions" in the Prospectus which is a part of the Registration Statement.

Very truly yours,

BERLACK, ISRAELS & LIBERMAN

(LETTERHEAD OF RYAN, RUSSELL, OGDEN & SELTZER)

EXHIBIT 5-B

July 7, 1994

Metropolitan Edison Company
2800 Pottsville Pike
Reading, Pennsylvania 19640

Met-Ed Capital, L.P.
Mellon Bank Center
Tenth and Market Streets
Wilmington, Delaware 19801

Re: Registration Statement on Form S-3

Dear Sirs:

Metropolitan Edison Company (the "Company") and Met-Ed Capital, L.P. ("Met-Ed Capital") have filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"), a Registration Statement on Form S-3 (the "Registration Statement"), dated May 17, 1994, and Amendment No. 1 thereto, dated today's date, of which this opinion is to be a part. The Registration Statement relates to the proposed issuance and sale by Met-Ed Capital of up to 5,000,000 preferred securities, representing preferred limited partner interests (the "Preferred Securities"), the proceeds of which, together with the capital contribution of Met-Ed Capital's general partner, Met-Ed Preferred Capital, Inc., a wholly owned subsidiary of the Company, will be used to purchase subordinated

debentures issued by the Company (the "Subordinated Debentures"). The Company will guarantee (the "Guarantee") the payment by Met-Ed Capital of distributions on the Preferred Securities and of amounts due upon liquidation of Met-Ed Capital or redemption of the Preferred Securities, all to the extent set forth in the Guarantee. The Preferred Securities are to be issued by Met-Ed Capital pursuant to an Amended and Restated Limited Partnership Agreement and one or more Actions thereunder (collectively, the "Limited Partnership Agreement") and the Subordinated Debentures are to be issued by the Company pursuant to an indenture between the Company and United States Trust Company of New York, as Trustee (the "Indenture").

Metropolitan Edison Company
July 7, 1994
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We have participated in the preparation of or examined the Registration Statement; copies, signed, certified or otherwise proven to our satisfaction, of the Restated Articles of Incorporation and By-Laws of the Company; the forms of Limited Partnership Agreement and Indenture; and the securities certificate and application filed by the Company with the Pennsylvania Public Utility Commission ("PaPUC"), and the Order and Opinion of the PaPUC, dated May 4, 1994, registering the securities certificate and approving the issuance of a Certificate of Public Convenience, as well as said Certificate of Public Convenience.

We are familiar with the corporate history of the Company and the terms of its outstanding securities. We have also examined such other instruments, agreements and documents and made such further investigation as we have deemed necessary as a basis for this opinion.

With respect to all matters of Delaware law, we have relied upon the opinion of Richards, Layton & Finger, P.A., which is being filed as Exhibit 5-C to the Application.

For the purposes of this opinion, we have assumed that (1) the proposed transactions are carried out on the basis set forth in the Registration Statement and in conformity with the

requisite authorizations, approvals, consents or exemptions under the securities laws of the various States and other jurisdictions of the United States, (2) all necessary corporate and partnership action required on the part of the Company, Met-Ed Preferred Capital, Inc. and Met-Ed Capital shall have been duly taken, (3) the Commission shall have issued an order declaring effective (a) the Registration Statement under the 1933 Act and (b) the Company's related Application, as amended, and as may be further amended, on Form U-1 under the Public Utility Holding Company Act of 1935, as amended (the "1935 Act"), (4) the Indenture shall have been qualified under the Trust Indenture Act of 1939, as amended, and (5) the issuance and sale of the Preferred Securities and Subordinated Debentures do not violate Section 12(f) of the 1935 Act or Rule 70 thereunder.

Based upon the foregoing, we are of the opinion that, subject to the foregoing assumptions and qualifications, (1) the Preferred Securities to be issued and sold in accordance with the Registration Statement, when properly issued, delivered and paid for, will be legally issued, fully paid and non-assessable limited partner interests, and (2) when properly authenticated and delivered by the Trustee under the Indenture, the Subordinated Debentures will be legally issued and will be binding obligations of the Company and, when properly executed and delivered, the Guarantee will be legally issued and will be a

binding obligation

Metropolitan Edison Company

July 7, 1994

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of the Company, subject, in each case, to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors rights generally (including, without limitation, the Atomic Energy Act and applicable regulations of the Nuclear Regulatory Commission thereunder) and general equitable principles.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and as a part thereof. We also consent to the reference to our firm under "Legal Opinions" in the Prospectus which is a part of the Registration Statement. The firm of Berlack, Israels & Liberman is authorized to rely on this opinion for the purpose of rendering its opinion, dated the date hereof, which is being filed as Exhibit 5-A to the Registration Statement.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER

(Letterhead of Carter, Ledyard & Milburn)

July 7, 1994

Metropolitan Edison Company
2800 Pottsville Pike
Reading, Pennsylvania 19605

Met-Ed Capital, L.P.
Mellon Bank Center
Tenth and Market Streets
Wilmington, Delaware 19801

Re: Metropolitan Edison Company and
Met-Ed Capital, L.P. -
Registration Statement on Form S-3

Gentlemen:

We have acted as special tax counsel to Metropolitan Edison Company, a Pennsylvania corporation (the "Company"), and Met-Ed Capital, L.P., a Delaware limited partnership ("Met-Ed Capital"), in connection with the proposed issuance and sale of up to a maximum of \$125,000,000 aggregate initial offering price of limited partner interests of Met-Ed Capital (the "Preferred Securities") the proceeds of which together with the capital contribution of Met-Ed Preferred Capital, Inc., the general partner of Met-Ed Capital, will be used to purchase Subordinated Debentures of the Company pursuant to a prospectus (the "Prospectus") which constitutes a part of a registration statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), which was initially filed on May 17, 1994, with the Securities and Exchange Commission (the "Registration Statement").

We have examined originals or copies, certified or otherwise identified to our satisfaction, of those agreements, certificates and other statements of corporate officers and other representatives of the Company and of Met-Ed Preferred Capital, Inc., the general partner of Met-Ed Capital, as we have deemed necessary as a basis for this opinion. In such examination we

have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies.

Based on and subject to the foregoing, we are of the opinion that the section entitled "United States Taxation" in the Prospectus contains an accurate general description, under currently applicable law, of the material United States federal income tax considerations that apply to holders of the Preferred Securities.

Metropolitan Edison Company
July 7, 1994
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We consent to the filing of this opinion as an Exhibit to the Registration Statement and to the references to our firm under the caption "United States Taxation" in the Prospectus. In giving this consent we do not hereby agree that we come within the category of persons whose consent is required by the Securities Act or the rules and regulations promulgated thereunder.

Very truly yours,

CARTER, LEDYARD & MILBURN

(Letterhead of Richards, Layton & Finger)

July 7, 1994

Met-Ed Capital, L.P.
Mellon Bank Center
Tenth and Market Streets
Wilmington, Delaware 19801

Re: Met-Ed Capital, L.P.

Ladies and Gentlemen:

We have acted as special Delaware counsel for Met-Ed Capital, L.P. a Delaware limited partnership (the "Partnership"), in connection with the matters set forth herein. At your request, this opinion is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

(a) The Certificate of Limited Partnership of the Partnership, dated as of May 10, 1994 (the "Partnership Certificate"), as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on May 10, 1994;

(b) The Agreement of Limited Partnership of the Partnership, dated as of May 10, 1994;

(c) Amendment No. 1 to the registration statement (the "Registration Statement") on Form S-3, including a related prospectus (the "Prospectus") and a prospectus supplement (the "Prospectus Supplement"), filed by Metropolitan Edison Company, a Pennsylvania corporation, and the Partnership with the Securities and Exchange Commission on or about July 7, 1994;

(d) A form of Amended and Restated Limited Partnership Agreement of the Partnership, attached as an exhibit to the Registration Statement (the "Agreement");

(e) A form of Action of Met-Ed Preferred Capital, Inc., a Delaware corporation (the "General Partner"), relating to the Preferred Partner Interests (the "Action");

(f) The Certificate of Incorporation of the General Partner, dated May 6, 1994 (the "Certificate of Incorporation"), as filed in the office of the Secretary of State on May 6, 1994;

(g) The By-Laws of the General Partner (the "By-Laws");

Met-Ed Capital, L.P.
July 7, 1994
Page 2

(h) A certificate of an officer of the General Partner;

(i) A Certificate of Good Standing for the Partnership, dated July 7, 1994, obtained from the Secretary of State; and

(j) A Certificate of Good Standing for the General Partner, dated July 7, 1994, obtained from the Secretary of State.

The Agreement as amended and supplemented by the Action is hereinafter referred to as the "LP Agreement." Initially capitalized terms used herein and not otherwise defined are used as defined in the LP Agreement.

For purposes of this opinion, we have not reviewed any documents other than the documents listed in paragraphs (a) through (j) above. In particular, we have not reviewed any document (other than the documents listed in paragraphs (a) through (j) above) that is referred to in or incorporated by reference into the LP Agreement or the Registration Statement.

We have assumed that there exists no provision in any document that we have not reviewed that is inconsistent with the opinions stated herein. We have conducted no independent factual investigation of our own but rather have relied solely upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the LP Agreement constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the admission of partners to, and the creation, operation and termination of, the Partnership, and that the LP Agreement and the Partnership Certificate are in full force and effect and have not been amended, (ii) that the Board of Directors of the General Partner has duly adopted resolutions (collectively, the "Resolutions") authorizing the General Partner's execution and delivery of, and the performance of its obligations under, the LP Agreement, (iii) that the Certificate of Incorporation and the By-Laws are in full force and effect and have not been amended, (iv) except to the extent provided in paragraph 1 below, the due organization or due formation, as the case may be, and valid existence in good standing of each party

to the documents examined by us under the laws of the jurisdiction governing its organization or formation, (v) the legal capacity of natural persons who are

Met-Ed Capital, L.P.
July 7, 1994
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parties to the documents examined by us, (vi) except to the extent set forth in the last sentence of paragraph 2 below, that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents, (vii) the due authorization, execution and delivery by all parties thereto of all documents examined by us, including the LP Agreement, (viii) the receipt by each Preferred Partner of a Certificate and the payment for the Preferred Partner Interests acquired by it, in accordance with the LP Agreement, (ix) that the books and records of the Partnership set forth all information required by the LP Agreement and the Delaware Revised Uniform Limited Partnership Act (6 Del. C. Section 17-101, et seq.) (the "Act"), including all information with respect to all Persons to be admitted as Partners and their contributions to the Partnership, and (x) that the Preferred Partner Interests are issued and sold to the Preferred Partners in accordance with the Registration Statement and the LP Agreement. We have not participated in the preparation of the Registration Statement and assume no responsibility for its contents.

This opinion is limited to the laws of the State of Delaware (excluding the securities laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto. Our opinions are rendered only with respect to Delaware laws and rules, regulations and orders thereunder which are currently in effect.

Based upon the foregoing, and upon our examination of such questions of law and statutes of the State of Delaware as we have considered necessary or appropriate, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Partnership has been duly formed and is validly existing in good standing as a limited partnership under the Act.

2. Assuming that the Preferred Partners, as limited partners of the Partnership, do not participate in the control of the business of the Partnership, upon issuance and payment as contemplated by the LP Agreement, the Preferred Partner Interests will be validly issued and, subject to the qualifications set forth herein, will be fully paid and nonassessable limited partner interests in the Partnership, as to which the Preferred Partners, as limited partners of the Partnership, will have no liability in excess of their obligations to make payments provided for in the LP Agreement and their share of the Partnership's assets and undistributed profits (subject to the

obligation of a Preferred

Met-Ed Capital, L.P.

July 7, 1994

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Partner to repay any funds wrongfully distributed to it.) The General Partner has the requisite corporate power and authority under the General Corporation Law of the State of Delaware (8 Del C. Section 101, et seq.), the Certificate of Incorporation, the By-Laws and the Resolutions to execute and deliver, and to perform its obligations under, the LP Agreement.

3. There are no provisions in the LP Agreement the inclusion of which, subject to the terms and conditions therein, or, assuming that the Preferred Partners, as limited partners of the Partnership, take no action other than actions permitted by the LP Agreement, the exercise of which, in accordance with the terms and conditions therein, would cause the Preferred Partners, as limited partners of the Partnership, to be deemed to be participating in the control of the business of the Partnership.

We consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement. We also consent to Berlack, Israels & Liberman's and Ryan, Russell, Ogden & Seltzer's relying as to matters of Delaware law upon this opinion in connection with opinions to be rendered by them in connection with the Registration Statement. In addition, we hereby consent to the use of our name under the heading "Legal Opinions" in the Prospectus and the Prospectus Supplement. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other person or entity for any purpose.

Very truly yours,

RICHARDS, LAYTON & FINGER

METROPOLITAN EDISON COMPANY

FURTHER RESOLVED, that, to the extent permitted by the applicable statutes and the regulations promulgated pursuant thereto, this Company hereby constitutes and appoints J.G. Graham, Don W. Myers, I.H. Jolles, Douglas E. Davidson and W. Edwin Ogden and each of them, with full power to each of them to act alone, the true and lawful attorney-in-fact, on its behalf and in its name, place and stead, to sign, execute, seal, attest, verify and file, in connection with the proposed issuance and sale by Met-Ed Capital, from time to time through June 30, 1996, of up to \$125,000,000 stated amount of MIPS, any and all documents, including exhibits thereto and amendments thereof, required to be filed with regulatory bodies having jurisdiction with respect to the said issuance and sale, including, without thereby in anywise limiting the generality of the foregoing, any appropriate securities certificates, registration statements and other documents required to be filed or deemed appropriate to be filed under the provisions of the Pennsylvania Public Utility Code, the Securities Act of 1933 and the Public Utility Holding Company Act of 1935, each as amended, and to take all necessary or appropriate action to cause the said documents to be registered, become effective, to be granted, or to be qualified, as the case may be, hereby granting unto each of said attorneys full power and authority to take all necessary or appropriate action in connection therewith.

* * * * *

THIS IS TO CERTIFY that the undersigned is Assistant Secretary of Metropolitan Edison Company, a Pennsylvania corporation; that the above and foregoing is a true and correct copy of a resolution duly and regularly adopted by the Executive Committee of the Board of Directors of Metropolitan Edison Company at a meeting thereof duly convened and held on the 24th day of March, 1994, at which meeting a quorum was present and

voted; and that said resolution has not been annulled, revoked or amended in any way whatsoever but is in full force and effect.

I further certify that the By-Laws of this Company provide that between meetings of the Board of Directors, the Executive Committee shall have all the power of the Board of Directors in management of the business and affairs of this Company and, further, that the taking of any action by the Executive Committee shall be conclusive evidence that the Board of Directors was not in session at the time of such action.

WITNESS the signature of the undersigned as such officer of the Company and its corporate seal hereunto affixed this 7th day of July, 1994.

(SEAL)

M.A. Nalewako, Assistant Secretary