DOCKET 04-1015-EL-CRS

May 30, 2014

VIA FEDERAL EXPRESS
VIA PUCO ONLINE DOCKETING SYSTEM
Public Utilities Commission of Ohio
Docketing Division 13th Floor
180 East Broad Street
Columbus Ohio 43215-3793

RE: BIENNIAL LICENSE RENEWAL APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

CASE NO. 04-1015-EL-CRS

GDF SUEZ ENERGY RESOURCES NA, INC. CRES LICENSE NO. 04-118(1)

In accordance with the Chapter 4901:1-24 of the Ohio Administrative Code, Chapter 4901:1-21 of the Ohio Administrative Code, and Section 4928.08 of the Ohio Revised Code, GDF Suez Energy Resources NA, Inc. ("GDF Suez") hereby submits its amended 2014 License Renewal Application for Retail Generation Providers and Power Marketers. Enclosed please fine one (1) original and ten (10) copies of the application of the public version with confidential information redacted. GDF Suez is submitting the public version with confidential information redacted via on-line filing.

Also enclosed is our Motion for Protective Order executed by Ohio counsel. Under separate cover GDF Suez is filing a copy of the confidential information, together with a copy of the Motion for Protective Order.

If you have any questions regarding this filing, please contact me via email at naveen.rabie@gdfsuezna.com.

Respectfully submitted,

Naveen Rabie
Counsel
GDF Suez Energy Resources NA, Inc.
1990 Post Oak Boulevard, Suite 1900
Houston, TX 77056
www.gdfsuezenergyresources.com

cc: Michael Palkowski
Financial Analysis, Utilities Department
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215-3793
michael.palkowski@puc.state.oh.us

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of GDF Suez Energy Resources NA, Inc. for Renewal of its Certification as a Retail Electric Service Provider	))))	Case No. 04-1015-EL-CRS

MOTION FOR PROTECTIVE ORDER

Now comes GDF Suez Energy Resources NA, Inc. ("GDF"), seeking renewal of its certification to provide retail generation and power marketer services and pursuant to Rule 4901-1-24(D) of the Ohio Administrative Code ("O.A.C.") moves for a protective order to keep financial exhibits (Exhibits C-4 and C-5) to its renewal application for certification confidential and not part of the public record. The reasons underlying this motion are detailed in the attached Memorandum in Support. Consistent with the requirements of the above cited Rule, three (3) unredacted copies of the exhibits are submitted under seal.

Respectfully submitted,

E. Brett Breitschwerdt (0082801)
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434 Fayetteville Street, Suite 2600
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Counsel for GDF Suez Energy Resources NA, Inc.

MEMORANDUM IN SUPPORT OF MOTION FOR PROTECTIVE ORDER

GDF requests that the information designated as confidential – Exhibits C-4 and C-5 – in its Renewal Application for Certification as a Retail Electric Service Provider to provide retail generation and power marketer services be protected from public disclosure. The information for which protection is sought covers financial arrangements (C-4) and financial forecasts (C-5). If released to the public, such information would harm GDF by providing its competitors with proprietary information in what is designed by statute to be a competitive service.

Rule 4901-1-24(D) of the O.A.C provides that the Commission or certain designated employees may issue an order which is necessary to protect the confidentiality of information contained in documents filed with the Commission's Docketing Division to the extent that state or federal law prohibits the release of the information and where non-disclosure of the information is not inconsistent with the purposes of Title 49 of the Revised Code. State law recognizes the need to protect certain types of information which are the subject of this motion. The non-disclosure of the information will not impair the purposes of Title 49. The Commission and its Staff have full access to the information in order to fulfill its statutory obligations. No purpose of Title 49 would be served by the public disclosure of the information.

The need to protect the designated information from public disclosure is clear, and there is compelling legal authority supporting the requested protective order. While the Commission has often expressed its preference for open proceedings, the Commission also long ago recognized its statutory obligations with regard to trade secrets:

> The Commission is of the opinion that the "public records" statute must also be read <u>in pari materia</u> with Section 1333.31, Revised Code ("trade secrets" statute). The latter statute must be interpreted as evincing the recognition, on the part of the General Assembly, of the value of trade secret information.

In re: General Telephone Co., Case No. 81-383-TP-AIR (Entry, February 17, 1982). Likewise, the Commission has facilitated the protection of trade secrets in its rules (O.A.C. § 4901-1-24(A(7)).

The definition of a "trade secret" is set forth in the Uniform Trade Secrets Act:

> "Trade secret" means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, patter, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information or listing of names, addresses, or telephone numbers, that satisfies both of the following:
>
> (1) It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
>
> (2) It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

R.C. § 1333.61(D). This definition clearly reflects the state policy favoring the protection of trade secrets such as the financial information which is the subject of this motion.

Courts of other jurisdictions have held that not only does a public utilities commission have the authority to protect the trade secrets of the companies subject to its jurisdiction, the trade secrets statute creates a duty to protect them. New York Tel. Co. v. Pub. Serv. Comm. N.Y., 56 N.Y. 2d 213 (1982). Indeed, for the Commission to do otherwise would be to negate the protections the Ohio General Assembly has granted to all businesses, including public utilities, and now the new entrants who will be providing power through the Uniform Trade Secrets Act. This Commission has previously carried out its obligations in this regard in numerous proceedings. See, e.g., Elyria Tel. Co., Case No. 89-965-TP-AEC (Finding and Order, September 21, 1989); Ohio Bell Tel. Co., Case No. 89-718-TP-ATA (Finding and Order, May 31, 1989); Columbia Gas of Ohio, Inc., Case No. 90-17-GA-GCR (Entry, August 17, 1990).

In Pyromatics, Inc. v. Petruziello, 7 Ohio App. 3d 131, 134-135 (Cuyahoga County 1983), the Court of Appeals, citing Koch Engineering Co. v. Faulconer, 210 U.S.P.Q. 854, 861 (Kansas 1980), has delineated factors to be considered in recognizing a trade secret:

> (1) The extent to which the information is known outside the business, (2) the extent to which it is known to those inside the business, i.e., by the employees, (3) the precautions taken by the holder of the trade secret to guard the secrecy of the information, (4) the savings effected and the value to the holder in having the information as against competitors, (5) the amount of effort or money expended in obtaining and developing the information, and (6) the amount of time and expense it would take for others to acquire and duplicate the information.

Applying these factors to the two financial exhibits GDF seeks to protect as they contain confidential information, it is clear that a protective order should be granted.

Exhibits C-4 and C-5 contain confidential financial arrangements and financial forecasts. Such sensitive financial information is generally not disclosed. Its disclosure could give competitors an advantage that would hinder GDF's ability to compete. Further, public disclosure of this financial information would not assist the Commission in carrying out its duties under retail electric supplier rules.

WHEREFORE, for the above reasons GDF requests the Commission to grant its motion for a protective order and to maintain exhibits C-4 and C-5 of its Renewal Application for Certification as a Retail Electric Service Provider under seal.

Respectfully submitted,

E. Brett Breitschwerdt

E. Brett Breitschwerdt (0082801)
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Counsel for GDF Suez Energy Resources NA, Inc.

LIST OF EXHIBITS
FOR WHICH PROTECTION IS SOUGHT

EXHIBITS	REASONS JUSTIFYING PROTECTION
C-4 (Financial Arrangements) C-5 (Financial Forecasts)	These exhibits contain financial information. Disclosure would give an undue advantage to competitors and would hinder GDF's ability to compete.

The Public Utilities Commission of Ohio

Renewal Instructions for Retail Electric Generation Providers and Power Marketers

I. **Where to File**: Renewal applications should be sent to: Public Utilities Commission of Ohio, Docketing Division 13th Floor, 180 East Broad Street, Columbus Ohio 43215-3793.

II. **What to File**: Applicant must submit one original notarized application signed by a principal officer and ten copies including all exhibits, affidavits, and other attachments. All attachments, affidavits, and exhibits should be clearly identified. For example, Exhibit A-11 should be marked "Exhibit A-11 'Corporate Structure.'" All pages should be numbered and attached in a sequential order. **VERY IMPORTANT: The renewal application must be docketed in the applicant's original EL-CRS case number.**

III. **Renewal Application Form:** The renewal application is available on the Commission's web site, www.puco.ohio.gov or directly from the Commission at: Public Utilities Commission of Ohio, Docketing Division 13th Floor, 180 East Broad Street, Columbus Ohio 43215-3793.

IV. **Confidentiality**: If any of an applicant's answers require the applicant to disclose what the applicant believes to be privileged or confidential information not otherwise available to the public, the applicant should designate at each point in the application that the answer requires the applicant to disclose privileged and confidential information. Applicant must fully support its request to maintain confidentiality for the information it believes to be confidential or proprietary in a motion for protective order filed pursuant to Rule 4901-1-24 of the Ohio Administrative Code.

V. **Commission Process for Certification Renewal:** An application for renewal shall be made on forms approved and supplied by the Commission. The applicant shall complete the appropriate renewal form in its entirety and supply all required attachments, affidavits, and evidence of capability specified by the form at the time an application is filed. The Commission renewal process begins when the Commission's Docketing Division receives and time/date stamps the application. An incomplete application may be suspended or rejected. An application that has been suspended as incomplete will cause delay in renewal.

The Commission may approve, suspend, or deny a renewal application within 30 days. If the Commission does not act within 30 days, the renewal application is deemed automatically approved on the 31st day after the official filing date. If the Commission suspends the application, the Commission shall notify the applicant of the reasons for such suspension and may direct the applicant to furnish additional information. The Commission shall act to approve or deny a suspended application within 90 days of the date that the renewal application was suspended. Upon Commission approval, the applicant shall receive notification of approval and a numbered certificate that specifies the service(s) for which the applicant is certified and the dates for which the certificate is valid.

Unless otherwise specified by the Commission, a competitive retail electric service provider's certificate is valid for a period of two years, beginning and ending on the dates specified on the certificate. The applicant may renew its certificate in accordance with Rule 4901:1-24-09 of the Ohio Administrative Code.

CRES providers shall inform the Commission of any material change to the information supplied in a renewal application within thirty days of such material change in accordance with Rule 4901:1-24-10 of the Ohio Administrative Code.

VI. <u>Questions</u>: Questions regarding filing procedures should be directed to Tamara Turkenton at (614) 995-7096 or Tammy.Turkenton@puc.state.oh.us or Chuck Stockhausen at (614) 728-5049 or Charles.Stockhausen@puc.state.oh.us .

VII. <u>Governing Law</u>: The certification/renewal of competitive retail electric suppliers is governed by Chapter 4901:1-24 of the Ohio Administrative Code, Chapter 4901:1-21 of the Ohio Administrative Code, and Section 4928.08 of the Ohio Revised Code.

The Public Utilities Commission of Ohio

Original CRS Case Number	Version
04 - 1015-EL-CRS	August 2004

RENEWAL APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-11 Corporate Structure). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may input information directly onto the form. You may also download the form, by saving it to your local disk, for later use.

A. RENEWAL INFORMATION

A-1 Applicant intends to be renewed as: (check all that apply)

☑ Retail Generation Provider
☐ Power Marketer
☐ Power Broker
☐ Aggregator

A-2 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name **GDF Suez Energy Resources NA, Inc.**
Address **1990 Post Oak Blvd., Suite 1900**
PUCO Certificate # and Date Certified **04-118(1) -issued 7/2012; expires 7/25/2014**
Telephone # **(713) 636-1100** Web site address (if any) **gdfsuezenergyresources.com**

A-3 List name, address, telephone number and we b site address under which Applicant does business in Ohio

Legal Name **same as A-2**
Address ____
Telephone # ____ Web site address (if any) ____

A-4 List all names under which the applicant does business in North America

N/A

A-5 Contact person for regulatory or emergency matters

Name **Joon Chun (Emergency); Jeffrey Levine (Regulator**
Title **Vice President, Operations; Director Regualtory Aff**
Business address **1990 Post Oak, Suite 1900 Houston, Texas 77056**
Telephone # **(713) 636-1100** Fax # **(713) 636-1601**
E-mail address (if any) **joon.chun@gdfsuezna.com**
jeffrey.Levine@gdfsuezna.com

A-6 Contact person for Commission Staff use in investigating customer complaints

Name **Ray Cunningham**
Title **VP and General Counsel**
Business address **1990 Post Oak. Suite 1900 Houston, Texas 77056**
Telephone # **(713) 636-1980** Fax # **(713) 636-1601**
E-mail address (if any) **ray.cunningham@gdfsuezna.com**

A-7 Applicant's address and toll-free number for customer service and complaints

Customer Service address **PO Box 25237 Lehigh Valley, PA 78002**
Toll-free Telephone # **(188) 823-2620** Fax # **(713) 636-1601**
E-mail address (if any) **custserv@gdfsuezna.com**

A-8 Applicant's federal employer identification number # **76-0685946**

A-9 Applicant's form of ownership (check one)

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Liability Partnership (LLP)
- ☐ Limited Liability Company (LLC)
- ☑ Corporation
- ☐ Other ______

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

A-10 **Exhibit A-10 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-11 **Exhibit A-11 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.

B. MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

B-3 **Exhibit B-3 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

B-4 Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☑ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-4 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.

B-5 Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☑ No ☐ Yes

If yes, provide a separate attachment labeled as **Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

C. FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

C-1 **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

C-2 **Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

C-3 **Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.

C-4 **Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).

C-5 **Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRES operation, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.

C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.

C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's credit report from Experion, Dun and Bradstreet or a similar organization.

C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

D. TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

D-1 **Exhibit D-1 "Operations"** provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.

D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.

D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.

D-4 **Exhibit D-4 "FERC Power Marketer License Number,"** provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)

Sam Henry, President and CEO

Signature of Applicant and Title

Sworn and subscribed before me this 21st day of May, 2014
Month Year

Marsha Frost Griffin — Marsha Griffin

Signature of official administering oath — Print Name and Title

My commission expires on 05/18/2018

MARSHA FROST GRIFFIN
My Commission Expires
May 18, 2018

AFFIDAVIT

State of Texas :

Houston ss.
(Town)

County of Harris :

Sam Henry, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the President and CEO (Office of Affiant) of GDF Suez Energy Resources NA. Inc. (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.

2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.

3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.

4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.

5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.

6. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.

7. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.

8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.

9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.

10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

President and CEO

Signature of Affiant & Title

Sworn and subscribed before me this 21st day of May, 2014

Month Year

Signature of official administering oath

Marsha Griffin

Print Name and Title

My commission expires on 05/18/2018

MARSHA FROST GRIFFIN
My Commission Expires
May 18, 2018

NOTARY PUBLIC
STATE OF TEXAS

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Exhibit A-10 "Principal Officers, Directors & Partners" provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

Sam Henry
President & CEO
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F: 713-636-1601
Email: sam.henry@gdfsuezna.com

Patrick Gaussent
Vice President, CFO & Treasurer
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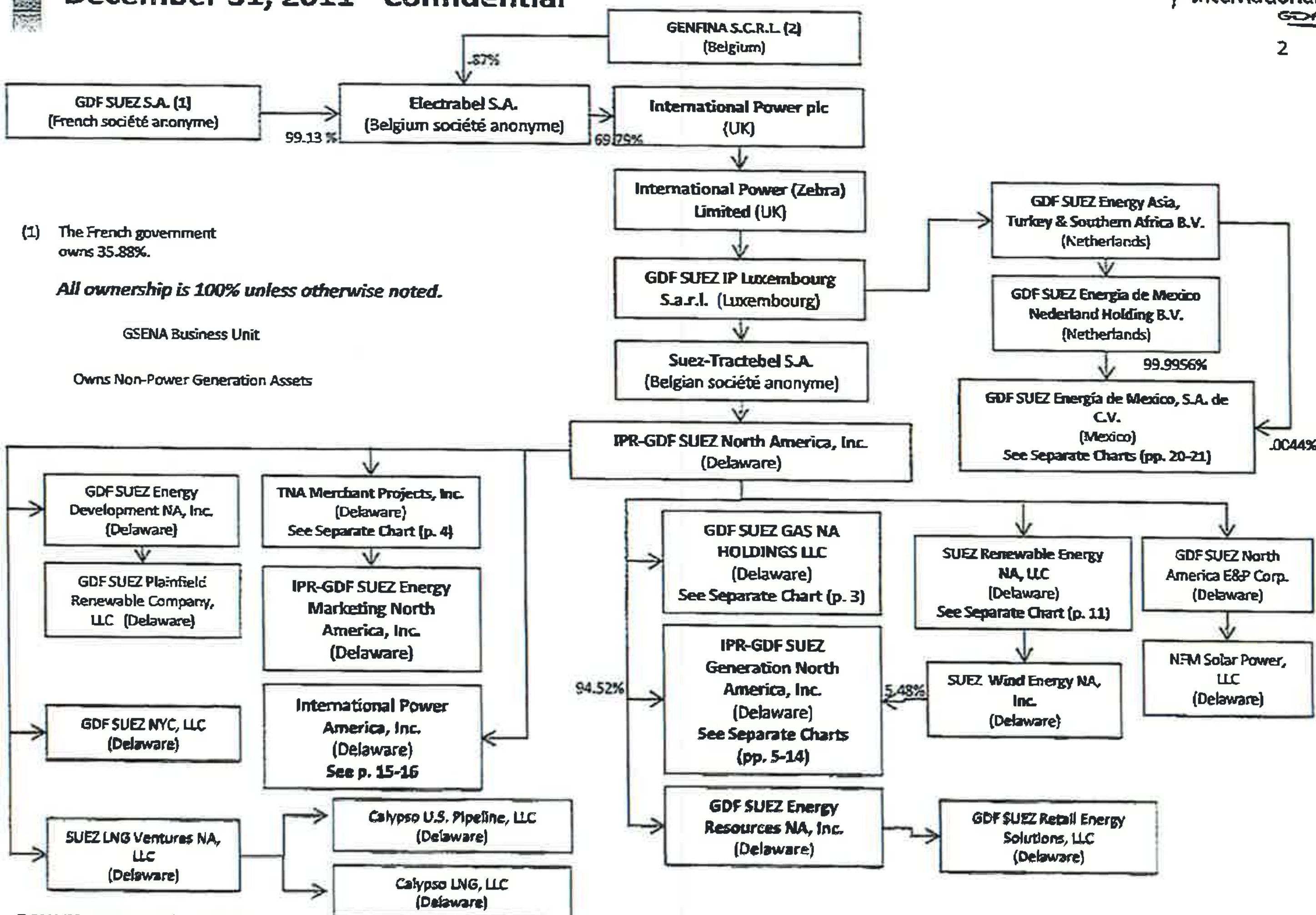
Exhibit A-11 "Corporate Structure," provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.

See attached corporate structure chart.

IPR-GDF SUEZ North America, Inc.
December 31, 2011 - Confidential

International Power
GDF SUEZ



(1) The French government owns 35.88%.

All ownership is 100% unless otherwise noted.

GSENA Business Unit

Owns Non-Power Generation Assets

Proprietary and confidential

ENERGY EUROPE & INTERNATIONAL

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Exhibit B-1 "Jurisdictions of Operation," provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.

STATE OF LICENSE	LICENSE NO.	LICENSE ISSUE DATE
Connecticut	Docket #04-06-11	9/29/2004
Delaware	Docket #04-325	11/23/2004
District of Columbia	Order # 13472	1/5/2005
Illinois	ICC Cert. No. 050257	6/7/2005
Maine	Docket #2003-120	3/14/2003
Maryland	License #605	3/21/2004
Massachusetts	License # CS-037	5/15/2002
New Jersey	License # E-SL-0061	8/6/2003
New York	(NY does not issue license #)	9/13/2004
Ohio	License #04-118	7/25/2004
Pennsylvania	License No. A-110156	9/25/2002
Rhode Island	Docket #D-96-6 (P2)	10/25/2004
Texas	License # 10053	8/5/2003

Headquartered in Houston, Texas, GDF SUEZ Energy Resources NA, Inc. currently serves commercial and industrial retail electric customers in the following states: Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Texas.

GDF Suez Energy Resources NA, Inc's wholly owned subsidiary, GDF Suez Retail Energy Solutions LLC, dba Think Energy is licensed in the following jurisdictions as a retail electric supplier:

STATE OF LICENSE	LICENSE NO.	LICENSE ISSUE DATE
Connecticut	Docket #11-10-14	02/09/2012
Delaware	Docket #11-482	04/17/2012
District of Columbia	Case No. EA-11-28; Order #16630	12/02/2011
Illinois	ICC Certificate No. 11-0531	09/21/2011
Maine	Docket #2011-425	11/22/2011
Maryland	License #IR-2404	08/17/2011
Massachusetts	License #CS-087	08/09/2011
New Jersey	License #ESL-1020	03/12/2012
New York	*NY Does Not Issue License Nos.*	09/16/2011
Pennsylvania	License #A-2011-2268361	12/16/2011
Texas	License #10204	08/26/2011

Headquartered in Houston, Texas, GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy currently serves small commercial and industrial retail electric customers in the following states: Illinois, Massachusetts, Maryland, New York, Pennsylvania and Texas.

Exhibit B-2 "Experience & Plans," provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

GSERNA Experience. Contracting, Billing, Customer Service, and Inquiry/Complaint Response

GDF Suez Energy Resources NA, Inc. ("GSERNA") provides risk-managed retail electricity to commercial and industrial customers, with products and services that offer budget certainty, reduce energy expenditures, and set new standards in electricity supply. In-house expertise and market-based knowledge helps control costs and manage risks and volatility through a variety of energy products. GSERNA is the one of the largest and one of the fastest growing C&I retail electricity suppliers in the United States, with more than 50,000 commercial and industrial accounts in Connecticut, Delaware, Illinois, Maryland, Massachusetts, Maine, New Jersey, New York, Pennsylvania, Washington D.C. and Texas. Its success is based on the ability to provide innovative products and services that help customers control costs and minimize risk. Based in Houston, GDF SUEZ Energy North America, Inc. is a business unit of GDF SUEZ Energy International and is responsible for managing GDF SUEZ's positions within the energy value chain in the U.S., Mexico, and Canada, including electricity generation and cogeneration, natural gas and LNG, asset-based trading and origination, and energy sales and related services. GSERNA serves customer accounts representing almost $2 billion in contract value and to more than 25,000 meters. GSERNA's financial strength sets it apart. As part of GDF SUEZ, GSERNA is backed by the resources of one of the world's top 10 power producers with annual revenues exceeding $110 billion. Our company leadership team comprises some of the best talent in retail energy, with extensive experience from many of the top companies in the industry Additionally, GSERNA maintains a centralized, scalable back office to enable competitive pricing.

Customer Service is GSERNA's greatest strength. Our organization and culture are built around meeting the commitments made in the sales process. GSERNA has invested significant resources to ensure that all customers receive on-time switching, timely and accurate billing, and immediate response to customer care issues. Our Customer Service and Support organization is designed to provide dedicated professionals to handle all aspects of energy supply, delivery, and risk management. GSERNA has received high marks in customer satisfaction, as evidenced by independent surveys placing GSERNA in the top-tier of all energy providers. Additionally, GSERNA enjoys industry leading receivables performance. GSERNA firmly believes if customers switch on time, promptly receive accurate and understandable bills, and enjoy courteous and knowledgeable answers to their questions, it is a formula for success for all. That has proven to be true. GSERNA publically guarantees an on-time enrollment. GSERNA is recognized a leader in quick problem resolution, execution on price quotes, and on-time billing. GSERNA will respond to all customer inquiries and/or complaints in accordance with the Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

GSERNA has also instituted quality control and quality assurance practices to ensure our people, processes, vendors and systems operate at this highly level of quality. Key Performance Indicators (KPI's) have been developed to measure the performance of each critical function within our organization.

GSERNA KPI Examples

Enrollment/Drops:	99.8% (.2% outside GSERNA control)
Billing Timeliness:	98.7% within 48 hours
Bill Accuracy:	>99%
Account Add / Delete:	<2 Day
Customer Service Calls:	>80% answered within 20 seconds
Payment Application:	98% same day, 100% within 48 hours

DOCKET 04-1015-EL-CRS

Exhibit B-3 "Disclosure of Liabilities and Investigations ," provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

GDF Suez Energy Resources, NA warrants that there are **no** existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matters that could adversely impact GSERNA's financial or operational status or ability to provide the services it is seeking to renew.

DOCKET 04-1015-EL-CRS

Exhibit C-1 "Annual Reports," provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

See attached 2011 GDF SUEZ Annual Report.

See attached 2012 GDF SUEZ Annual Report.

See attached 2013 GDF Suez Energy NA Financials

IPR-GDF SUEZ North America, Inc. and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended December 31, 2012 and 2011, and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of
IPR-GDF SUEZ North America, Inc. and subsidiaries
Houston, Texas

We have audited the accompanying consolidated financial statements of IPR-GDF SUEZ North America, Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards published by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of IPR-GDF SUEZ North America, Inc. and its subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards published by the International Accounting Standards Board.

Deloitte + Touche LLP

March 28, 2013

IPR-GDF SUEZ NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012 AND 2011
(In thousands)

	Notes	2012	2011
ASSETS			
NONCURRENT ASSETS:			
Intangible assets — net	6	$ 68.602	$ 119,157
Goodwill	7	1,408,912	1,440,336
Property, plant, and equipment — net	8	7,607,601	7,963.277
Derivative instruments	14	195,678	235,636
Investments in associates	9	99,588	108,078
Loans and credits at amortized cost — net	13	90,074	-
Other noncurrent assets	12	59,962	74,420
Deferred tax assets	5	3,599	2,238
Total noncurrent assets		9,534.016	9.943.142
CURRENT ASSETS:			
Derivative instruments	14	236,081	353,573
Notes receivable	13	25,748	305,497
Trade and other receivables — net	13	651,303	496,057
Inventories	11	284,682	272.662
Assets held for sale	3	-	516,913
Other current assets	12	79.918	62,402
Cash and cash equivalents	13	119,108	189.621
Total current assets		1,396,840	2,196.725
TOTAL		$ 10,930,856	$ 12,139,867
LIABILITIES AND EQUITY			
EQUITY:			
Shareholder's equity		$ 4,901,481	$ 4,713,198
Noncontrolling interests		187,451	187,630
Total equity		5,088,932	4,900,828
NONCURRENT LIABILITIES:			
Provisions	16	40.929	31,174
Long-term borrowings	13,15	3,688,542	5,205,397
Derivative instruments	14	106,440	149,142
Other noncurrent liabilities	16	191,727	143,921
Deferred tax liabilities	5	418,414	296,024
Total noncurrent liabilities		4,446,052	5,825,658
CURRENT LIABILITIES:			
Provisions	16	24,248	54,141
Short-term borrowings	13,15	585,071	203,765
Derivative instruments	14	251,617	462,424
Trade and other payables	13	346,394	480,492
Liabilities held for sale	3	-	13,712
Other current liabilities	16	188.542	198.847
Total current liabilities		1,395,872	1,413,381
TOTAL		$ 10,930,856	$ 12,139,867

See notes to consolidated financial statements

IPR-GDF SUEZ NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands)

	Notes	2012	2011
Revenues	4	$ 5,471,598	$ 6,586,773
Purchases		(3,960,836)	(4,879,079)
Personnel costs		(252,875)	(261,585)
Depreciation, amortization, and provisions		(437,728)	(469,089)
Other operating expenses — net		(230,205)	(274,273)
CURRENT OPERATING INCOME		589,954	702,747
Mark-to-market on commodity contracts other than trading instruments	14	(4,587)	16,122
Impairment of property, plant, and equipment and intangible assets	6, 8	(56,942)	(82,132)
Restructuring costs	16	(3,995)	(61,446)
Gain (loss) on disposal of subsidiaries	3	(26,895)	106,321
Loss on disposal of assets — net	8	(28,213)	(8,686)
INCOME FROM OPERATING ACTIVITIES		469,322	672,926
Financial expenses		(337,071)	(345,797)
Financial income		50,968	12,301
NET FINANCIAL LOSS	14	(286,103)	(333,496)
Net income before tax and income of associates		183,219	339,430
Income tax provision	5	(73,340)	(85,957)
Share in net income (loss) of associates	9	414	(3,311)
NET INCOME		$ 110,293	$ 250,162
Company share		107,519	248,214
Non-controlling interests		2,774	1,948

See notes to consolidated financial statements.

IPR-GDF SUEZ NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands)

	Notes	2012	2011
NET INCOME		$110,293	$250,162
Net investment hedges		-	1,801
Cash flow hedges	14	21,641	31,768
Commodity cash flow hedges	14	97,878	(25,401)
Actuarial gains and losses		(6,947)	(353)
Deferred income tax	5	(49,469)	4,747
Translation adjustments		15,955	(37,069)
Other comprehensive income (loss)		79,058	(24,507)
TOTAL COMPREHENSIVE INCOME		$189,351	$225,655
Company share		186,577	223,707
Non-controlling interests		2,774	1,948

See notes to consolidated financial statements.

IPR-GDF SUEZ NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands, except share amounts)

	Number of Shares*	Share Capital	Additional Paid-In Capital	Consolidated Reserves and Net Income	Fair Value Adjustments and Other	Translation Adjustment	Total Shareholder's Equity	Noncontrolling Interests	Total Equity
EQUITY — January 1, 2011	8,950	$ 9	$2,502,450	$114,137	$(110,590)	$ 21,114	$2,527,120	$190,704	$2,717,824
Other comprehensive income	-	-	-	-	12,562	(37,069)	(24,507)	-	(24,507)
Net income	-	-	-	248,214	-	-	248,214	1,948	250,162
Total comprehensive (loss) income	-	-	-	248,214	12,562	(37,069)	223,707	1,948	225,655
Net assets contributed (Note 3)	2	-	1,959,936	-	-	-	1,959,936	-	1,959,936
Canadian divestiture (Note 3)	-	-	-	-	-	-	-	(881)	(881)
Employee share-based compensation	-	-	2,435	-	-	-	2,435	-	2,435
Distributions by the Company	-	-	-	-	-	-	-	(4,141)	(4,141)
EQUITY — December 31, 2011	8,952	9	4,464,821	362,351	(98,028)	(15,955)	4,713,198	187,630	4,900,828
Other comprehensive income	-	-	-	-	63,103	15,955	79,058	-	79,058
Net income	-	-	-	107,519	-	-	107,519	2,774	110,293
Total comprehensive (loss) income	-	-	-	107,519	63,103	15,955	186,577	2,774	189,351
Employee share-based compensation	-	-	1,706	-	-	-	1,706	-	1,706
Distributions by the Company	-	-	-	-	-	-	-	(2,953)	(2,953)
EQUITY — December 31, 2012	8,952	$ 9	$4,466,527	$469,870	$ (34,925)	$ -	$4,901,481	$187,451	$5,088,932

* Common stock, $1 par value

See notes to consolidated financial statements.

IPR-GDF SUEZ NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011
(In thousands)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 110,293	$ 250,162
Share in net (income)/loss of associates	(414)	3,311
Dividends received from associates	8,600	4,636
Net depreciation, amortization, and provisions	437,728	469,089
Net capital loss on disposal	28,213	8,686
Mark to market on commodity contracts other than trading instruments	4,587	(16,122)
Impairments of property, plant, and equipment, and intangibles assets	56,942	82,132
Restructuring costs	(5,650)	32,800
Loss (gain) on disposal of subsidiaries	26,895	(106,321)
Distributions to non-controlling interests	(2,954)	(4,141)
Other items with no cash impact	13,321	11,100
Income tax provision	73,340	85,957
Net financial loss	286,103	333,496
Cash generated from operations before income tax and working capital requirements	1,037,004	1,154,785
Tax paid	(8,910)	(4,724)
Change in working capital requirements	(235,395)	267,835
Net cash provided by operating activities	792,699	1,417,896
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property, plant, and equipment, and intangible assets	(180,048)	(272,761)
Government grant proceeds for property, plant, and equipment	18,009	-
Disposals of property, plant, and equipment and intangibles assets	351,612	-
Disposals of entities net of cash and cash equivalents sold	94,511	(24,932)
Contributions to associates	-	(35,700)
Acquisitions of entities net of cash and cash equivalents acquired	-	108,784
Change in restricted cash	(120)	683
Change in loans and receivables originated by the group and other	256,145	(266,609)
Net cash provided by (used in) investing activities	540,109	(490,535)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings and debt	(1,733,870)	(1,659,577)
Interest paid	(240,781)	(288,996)
Increase in borrowings and debt	570,071	1,039,203
Net cash used in financing activities	(1,404,580)	(909,370)
EFFECT OF CHANGES IN EXCHANGE RATES AND OTHER	1,259	11,429
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(70,513)	29,420
CASH AND CASH EQUIVALENTS — Beginning of year	189,621	160,201
CASH AND CASH EQUIVALENTS — End of year	$ 119,108	$ 189,621

IPR-GDF SUEZ NORTH AMERICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Index to Notes to Consolidated Financial Statements

1. DESCRIPTION OF BUSINESS

IPR-GDF SUEZ North America, Inc. (the "Company" or "IPGSNA") is a wholly-owned subsidiary of Suez-Tractebel, S.A. (the "Parent"), a Belgian company, and was formed and incorporated in 1981 in the state of Delaware. The Parent was a wholly-owned subsidiary of GDF SUEZ S.A. ("GDF SUEZ"), a French-domiciled company. Effective, February 3, 2011, the Parent was acquired by International Power plc ("IPR"), which was owned 70% indirectly by GDF SUEZ (see Note 3). As of July 28, 2012, GDF SUEZ purchased the remaining 30% of IPR. In January 2013, the Company changed its name to GDF SUEZ Energy North America, Inc.

As GDF SUEZ owns a majority of the Parent in both 2011 and 2012, it is considered the Company's ultimate parent ("Ultimate Controlling Party").

The Company has 13,400 shares of common stock authorized, with 8,952 shares issued and outstanding. The shares are all owned by the Parent and have no preferences or restrictions.

The Company's primary subsidiaries and their activities are as follows:

IPR-GDF SUEZ Generation North America, Inc. ("GENCO") — engaged in owning and operating retail, industrial, and nonutility wholesale power-generating facilities.

GDF SUEZ Gas NA Holdings LLC ("GSGNAH") — engaged in the purchase, storage, and resale of liquefied natural gas.

GDF SUEZ Energy Resources NA, Inc. ("GSERNA") — engaged in the marketing and sale of retail electricity to commercial and industrial customers.

IPR-GDF SUEZ Energy Marketing North America, Inc. ("GSEMNA") — engaged in risk management activities supporting other Company subsidiaries.

The Company is headquartered at 1990 Post Oak Blvd, Houston, TX 77056.

On March 28, 2013, the Company's management approved and authorized to issue the consolidated financial statements of the Company for the year ended December 31, 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

Index to Accounting Policies

A. Basis of Presentation — The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). The policies set out below have been consistently applied to all the years presented.

The Company's consolidated financial statements have been prepared under the historical cost convention except for some derivative and financial instruments measured at fair value in conformity with International Accounting Standard (IAS) 39, *Financial Instruments: Recognition and Measurement.*

The preparation of the Company's consolidated financial statements requires management to use certain critical accounting estimates and requires management to exercise its judgment in the process of applying the accounting policies. Delineated within the notes are areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements (see Note 2 E).

IFRS Standards, Amendments, and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations applicable to the 2012 annual financial statements:

- Amendment to IAS 12 — Income Taxes
- Amendment to IFRS7 Disclosures: Transfer of Financials Assets.

These amendments and interpretations have no material impact on the Company's consolidated financial statements.

IFRS Standards and Interpretations effective after 2013 that the Company has elected to early adopt in 2011:

- Amendment to IAS 1 — Presentation of Items of Other Comprehensive Income

Standards and Interpretations applicable in 2013:

- IFRS 13 — Fair Value Measurements
- Amendments to IAS 19 — Employee Benefits
- Amendments to IFRS 7 — Disclosures – Offsetting Assets and Financial Liabilities
- IFRIC 20 — Stripping Costs in the Production Phase of a Surface Mine
- Improvements to IFRSs 2009-2011

Amendments applicable in 2014:

- IFRS 10 — Consolidation Financial Statements
- IFRS 11 — Joint Arrangements
- IFRS 12 — Disclosure of Interests in Other Entities
- Amendments to IAS 28 — Investments in Associates and Joint Ventures
- Amendments to IAS 32 — Offsetting Financials Assets and Financial Liabilities

Standards applicable in 2015:

- IFRS 9 — Financial Instruments: Classification and Measurement

The impact resulting from the application of these standards and amendments is currently being assessed

B. Principles of Consolidation — The consolidation methods used by the Company consist of the full consolidation method, the proportionate consolidation method, and the equity method. The Company assesses the extent of its control of or influence over each of its investee's operating and financing policies, taking into account the guidance contained in IAS 27, *Consolidated and Separate Financial Statements;* IAS 28, *Investments in Associates;* and IAS 31, *Interest in Joint Ventures.*

B.1 Subsidiaries — Subsidiaries are all entities, including unincorporated entities, such as partnerships, over which the Company exercises control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which the Company obtains control. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the Company's subsidiaries have been changed, where necessary, to ensure consistency with the accounting policies adopted by the Company.

B.2 Associates — The equity method is used for all associate companies over which the Company exercises significant influence, but not control. In accordance with this method, the Company recognizes its proportionate share of the investee's net income or loss on a separate line of the consolidated statements of income under share in net income of associates.

When the Company's share of losses, including any other unsecured receivables, in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

B.3 Joint Ventures — Companies over which the Company exercises joint control are consolidated by the proportionate method, based on the Company's percentage interest. The Company combines its share of the joint venture's individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the Company's consolidated financial statements.

The Company recognizes the portion of gains or losses on the sale of assets by the Company to the joint venture that is attributable to the other venturers. The Company does not recognize its share of profits or losses from the joint venture that result from the Company's purchase of assets from the joint venture until it resells the assets to an independent party.

A loss on the transaction is recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Company.

A list of the main fully consolidated and proportionately consolidated companies, together with investments accounted for by the equity method, is presented in Note 24.

C. Business Combinations — For business combinations carried out since January 1, 2010, the Company applies the acquisition method as defined in IFRS 3, *Business Combinations* (revised) allowing a choice on a transaction-by-transaction basis for the measurement of noncontrolling interests at the date of acquisition either at fair value or at the noncontrolling interests' share of recognized identifiable net assets of the acquirer. The recognition and subsequent accounting requirements for contingent consideration are measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognized against the cost of the acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognized in profit or loss. This change also requires the recognition of a settlement gain or loss when the business combination in effect settles a preexisting relationship between the Company and the acquiree. Acquisitions after January 1, 2010, require related costs to be accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

D. Assets or Disposal Groups Held for Sale — In accordance with IFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, assets or a group of assets held for sale are presented separately on the face of the consolidated statement of financial position, at the lower of their carrying amount or fair value less costs to sell. Assets are classified as held for sale when they are available for immediate sale in their present condition, their sale is highly probable, management is committed to a plan to sell the assets and an active program to locate a buyer and complete the plan has been initiated.

E. Use of Estimates — The preparation of consolidated financial statements requires the use of estimates and assumptions to determine the value of certain assets and liabilities, the disclosure of certain contingent assets and liabilities at the date of the consolidated financial statements, and certain revenues and expenses reported during the period. These estimates are evaluated on an ongoing basis utilizing historical experience, consultation with outside advisors, and other methods considered reasonable in the particular circumstances. Although these estimates are based on management's best available knowledge at the time, due to uncertainties inherent in the estimation process, actual results may differ from those estimates. The effects of revisions to estimates are recognized when the facts that give rise to the revision become known.

The estimates used in preparing the Company's consolidated financial statements primarily relate to:

- The measurement of provisions, particularly dismantling obligations, disputes, and postemployment benefit obligations
- Measurement of the recoverable amount of goodwill; intangible assets; and property, plant, and equipment
- Financial instrument and derivative valuation
- Measurement of capitalized tax loss carryforwards
- Unbilled revenue (see Note 2 M)

- Allowance for doubtful accounts

E.1 Provision Estimates — Provision estimates with parameters having a significant influence on the amount of provisions include expenditure timing, the discount rate applied to future cash flows, and the actual level of expenditure. These parameters are based on information and estimates deemed to be appropriate at the current time.

E.2 Postemployment Benefit Obligations — Employee benefit obligations are valued on the basis of actuarial assumptions. Although the Company considers the assumptions used in the valuation model to be documented and appropriate, any changes in these assumptions may have a material impact on the resulting calculation.

E.3 Recoverable Amount of Property, Plant, and Equipment and Intangible Assets — The recoverable amount of property, plant, and equipment; goodwill; and intangible assets is based on estimates and assumptions regarding future cash flows and the market outlook associated with the assets. Changes in these estimates and assumptions may result in the requirement to recognize an impairment of the carrying amount.

E.4 Financial Instruments — The Company uses valuation techniques to determine the fair value of financial instruments that are not actively listed on a market. Changes in the assumptions used in valuation techniques could have a material impact on the resulting calculation.

E.5 Tax Loss Carryforwards — Deferred tax assets are recognized on tax loss carryforwards when it is probable that taxable profit will be available against which the tax loss carryforwards can be utilized.

E.6 Allowance for Doubtful Accounts — The Company accrues an allowance for doubtful accounts based on estimates of uncollectible revenues after analyzing various factors, including accounts receivable agings, historical collections, and customer-specific circumstances. At December 31, 2012 and 2011, the Company maintained an allowance for doubtful accounts of $6.4 million and $6.0 million, respectively. The Company writes off accounts receivable balances against the allowance for doubtful accounts when a receivable is determined to be uncollectible.

F. Cash and Cash Equivalents and Restricted Cash — Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and other short-term and highly liquid investments where the risk of a change in value is deemed to be negligible based on the criteria set out in IAS 7, *Statement of Cash Flow*. Bank overdrafts are included in short-term borrowings in the consolidated statements of financial position. Cash balances that are restricted less than one year are included in short-term cash.

Cash balances required to be maintained in accordance with certain agreements that are restricted in use for greater than one year, including maintenance reserve funds, debt-sinking funds, and certain trading-related contracts are classified as restricted and are included in other noncurrent assets in the consolidated statements of financial position.

Cash Pool Arrangement — The Company and its subsidiaries address cash flow needs by participating in a cash pool arrangement. The terms of the cash pool arrangement are determined by GDF SUEZ and provide for the Company's subsidiaries with excess funds to temporarily loan funds into the cash pool so that subsidiaries in need of funds can temporarily borrow from the pool. Pooling occurs first among the Company's subsidiaries and then with an affiliate of the Parent. Interest is earned at rates equivalent to third-party investment rates if the Company is a net lender to the pool, and at the London InterBank Offered Rate ("LIBOR") plus 1.5% if the Company is a net borrower from the pool. The cash pool arrangement was renewed on December 31, 2012, for an additional one-year term.

G. **Inventories** — Inventories are measured at the lower of cost or net realizable value, except for storage of natural gas inventory, which is marked to market. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Liquefied natural gas ("LNG") inventory is determined using the first-in, first-out method, and natural gas and other fuel inventories are determined using the first-in, first-out method or weighted-average cost method.

Since emission rights are consumed in the production process, they are classified as inventory. Emission rights granted free of charge are recorded in the consolidated statements of financial position at a zero value, and emission rights purchased in the market are recognized at acquisition cost. Renewable energy credits that are generated as a by-product of production are recorded at fair value.

H. **Financial Instruments, Derivatives and Risk Management** — The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative instruments to hedge certain risk exposures, such as interest rates, foreign currency exchange rates, and commodity prices.

Financial instruments and derivatives are recognized and measured in accordance with IAS 32, *Financial Instruments: Presentation*, and IAS 39, *Financial Instruments: Recognition and Measurement*.

H.1 Financial Assets — Financial assets are composed of loans and receivables carried at amortized cost, including trade and other receivables, and financial assets measured at fair value through income, including derivative financial instruments (see Note 14).

H.2 Financial Liabilities — Financial liabilities include borrowings, trade and other payables, derivative financial instruments, capital renewal and replacement obligations, and other financial liabilities. Financial liabilities are broken down into current and noncurrent liabilities in the consolidated statements of financial position (see Note 14). Current financial liabilities primarily include:

a. Financial liabilities with a settlement or maturity date within 12 months of the consolidated statements of financial position date

b. Financial liabilities in respect of which the Company does not have an unconditional right to defer settlement for at least 12 months after the consolidated statements of financial position date

c. Financial liabilities held primarily for trading purposes

d. Derivative financial instruments qualifying as fair value and cash flow hedges where the underlying is classified as a current item

e. All commodity derivatives not qualifying as hedges with a settlement or maturity date within 12 months of the consolidated statements of financial position date

Borrowings are measured at amortized cost; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the consolidated statements of income over the period of the borrowings using the effective interest method.

H.3 Derivatives and Hedge Accounting — The Company uses derivative instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates, and commodity prices, mainly for natural gas and electricity (see Note 14).

H.4 Definition and Scope of Derivative Instruments — Derivative instruments are contracts; (i) whose value changes in response to the change in one or more observable variables, (ii) that do not require any material initial net investment, and (iii) that are settled at a future date.

Derivative instruments include swaps, options, futures and swaptions, as well as forward commitments to purchase or sell listed and unlisted securities, and firm commitments or options to purchase or sell nonfinancial assets that involve physical delivery of the underlying commodity. Electricity and natural gas purchase and sale contracts are analyzed systematically to determine whether they represent purchases and sales arising in the ordinary course of business, whereby they may not fall within the scope of IAS 39.

The first step of determining whether the derivative instrument falls within the scope of IAS 39 consists of demonstrating that the contract was entered into and continues to be held for the purpose of a purchase or sale with physical delivery of the underlying commodity, in accordance with the Company's expected sale or usage requirements in the foreseeable future in the ordinary course of its operations.

The second step is to demonstrate that the Company has no practice of settling similar contracts on a net basis. Forward purchases or sales with physical delivery of the underlying commodity that are carried out with the sole purpose of balancing the Company energy volumes are not considered by the Company as contracts that are settled net — the contract is not negotiated with the aim of realizing financial arbitrage, and the contract is not equivalent to a written option. The Company distinguishes between contracts that are equivalent to capacity sales, whereby electricity sales allowing the buyer a certain degree of flexibility concerning the volumes delivered are considered transactions falling within the scope of ordinary operations from transactions that are equivalent to written financial options, which are accounted for as derivative instruments.

Only contracts that meet all of the above conditions in steps one and two are considered as falling outside the scope of IAS 39. Adequate specific documentation is compiled to support this analysis.

H.5 Embedded Derivatives — An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract, whereby the effect of a portion of the cash flows of the combined instrument vary similarly to a stand-alone derivative. The Company's contracts that typically contain embedded derivatives are contracts with clauses or options affecting the contract price, volume, or maturity. This is primarily the case with contracts for the purchase or sale of nonfinancial assets, whose price is revised based on an index, the exchange rate of a foreign currency, or the price of an asset other than the contract's underlying.

Embedded derivatives are separated from the host contract and accounted for as derivatives when:

(i) The hybrid instrument is not measured at fair value through income

(ii) If separated from the host contract, the embedded derivative fulfills the criteria for classification as a derivative instrument (existence of an underlying, no material initial net investment, settlement at a future date)

(iii) Its characteristics are not closely related to those of the host contract

The analysis of whether or not the characteristics of the derivative are closely related to the host contract is made when the contract is signed.

Embedded derivatives that are separated from the host contract are recognized in the consolidated statements of financial position at fair value, with changes in fair value recognized in income (except when the embedded derivative is part of a designated hedging relationship). As of December 31, 2012, the Company had no embedded derivatives that required bifurcation recognized into the financial statements.

H.6 Hedging Instruments: Recognition and Presentation — Derivative instruments qualifying as hedging instruments are recognized in the consolidated statements of financial position and measured at fair value. The accounting treatment for these instruments varies according to whether they are classified as (i) a fair value hedge of an asset or liability or an unrecognized firm commitment, (ii) a cash flow hedge, or (iii) a hedge of a net investment in a foreign operation.

(i) Fair value hedges are defined as a hedge of the exposure to changes in fair value of a recognized asset or liability, such as a fixed-rate loan or borrowing, or of assets and liabilities, or an unrecognized firm commitment denominated in a foreign currency. The gain or loss from remeasurement of the hedging instrument at fair value is recognized in income. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in income even if the hedged item is in a category in respect of which changes in fair value are recognized through equity. These two adjustments are presented on a net basis in the net financial loss line item of the consolidated statements of income, with the net effect corresponding to the ineffective portion of the hedge.

(ii) Cash flow hedges are hedges of the exposure to variability in cash flows that could affect the Company's income. The hedged cash flows may be attributable to a particular risk associated with a recognized financial or nonfinancial asset or a highly probable forecast transaction. The portion of the gain or loss on the hedging instrument determined to be an effective hedge is recognized directly in equity, net of tax, while the ineffective portion is recognized in income. Gains or losses accumulated in equity are reclassified to the consolidated statements of income under the same caption as the loss or gain on the hedged item (i.e., current operating income for operating cash flows and financial income or expenses for other cash flows) within the same periods the hedged cash flows affect income. When the hedging relationship is discontinued due to the hedge no longer being considered effective, the cumulative gain or loss on the hedging instrument remains separately recognized in equity until the forecast transaction occurs. However, when a forecast transaction is no longer probable, the cumulative gain or loss on the hedging instrument is recognized in the line item on the consolidated statement of income where the forecasted transaction was expected to be recorded.

(iii) Hedge of a net investment in a foreign operation is similar to a cash flow hedge, whereby the portion of the gain or loss on the hedging instrument determined to be an effective hedge of the currency risk is recognized directly in equity, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in equity are transferred to the consolidated statements of income when the investment is sold.

H.7 Derivative Instruments Not Qualifying for Hedge Accounting — These items mainly concern derivative instruments used in economic hedges that have not been, or are no longer, documented as hedging relationships for accounting purposes. When a derivative instrument does not qualify, or no longer qualifies, for hedge accounting, changes in fair value are recognized directly in earnings, under mark-to-market on commodity contracts other than trading instruments in the consolidated

statements of income for derivative instruments with nonfinancial assets as the underlying, and in financial income or financial expenses for currency, interest rate, and equity derivatives. Derivative instruments used by the Company in connection with proprietary energy trading activities and energy trading on behalf of customers and other derivatives expiring in less than 12 months are recognized in the consolidated statements of financial position in current assets and current liabilities.

H.8 Fair Value of Financial Instruments and Derivatives — The Company's nontrading financial instruments and derivatives consist primarily of cash and cash equivalents, trade receivables, accounts payable, debt instruments, interest-rate swap agreements, currency swap agreements, and commodity instruments. The book values of cash and cash equivalents, trade receivables, and accounts payable are representative of their respective fair values due to the short-term nature of these instruments. The fair value of debt, related-party receivables and payables, interest-rate swap agreements, and currency swap agreements, and commodity instruments are discussed in Note 14.

I. Property, Plant, and Equipment — Property, plant, and equipment is stated at cost and includes all expenditures necessary to prepare an asset for operation, including qualifying interest incurred during the construction period, less subsequent depreciation and impairment, except for land, which is shown at cost, less impairment. In accordance with IAS 16, *Property, Plant, and Equipment*, the initial cost of an item of property, plant, and equipment, includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present legal or constructive obligation to dismantle the item or restore the site. A corresponding provision for this obligation is recorded for the amount of the asset component (see Note 2 Q 1). Property, plant, and equipment acquired by financing leases are valued at the lower of market value or the present value of the related minimum lease payments.

In accordance with the components approach, each significant component of an item of property, plant, and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Depreciation is computed using straight-line methods over the following estimated useful lives of the assets:

	Main Depreciation Period (Years)	
	Minimum	Maximum
Plant and equipment:		
Generating plants and equipment:		
General component (engineering, steam turbines and boiler, gas turbines, etc.)	15	50
Turbine and rotor blades	4	30
LNG equipment:		
Processing terminal	20	50
Vessel	18	40
Other property, plant, and equipment	2	30

The Company applies IAS 23, *Borrowing Costs*, as amended, whereby borrowing costs that are directly attributable to the construction of the qualifying asset are capitalized as part of the cost of that asset.

Costs incurred in connection with acquisition or development efforts are expensed until such time as the Company determines that it is probable the project will be acquired or developed. Once it is determined that acquisition or development of a project is probable, certain incremental costs related to the project are capitalized. The Company reviews these costs periodically and, if it is determined that a project has no future economic benefit, these costs are expensed.

The Company has entered into various long-term service and warranty agreements whereby it pays a periodic fee for routine maintenance, major maintenance, and replacement of specific parts covered under the various agreements. The fees paid under these agreements that relate to parts and major maintenance are recorded as a prepaid expense and included in other current assets in the accompanying consolidated statements of financial position until the maintenance is performed, at which time they are reclassified to Property, plant and equipment. If major maintenance services are performed for an amount above the prepaid balance, a liability is recorded for that payable due and is included in trade and other payables in the accompanying consolidated statements of financial position. Fees related to routine maintenance are expensed when incurred.

J. **Impairment of Property, Plant, and Equipment and Intangible Assets** — In accordance with IAS 36, *Impairment of Assets*, impairment tests are carried out on items of property, plant, and equipment and intangible assets when there is an indication that the assets may be impaired. Such indications may be based on events or changes in the market environment or on internal sources of information. Items of property, plant, and equipment and intangibles are tested for impairment at the level of the individual asset or cash-generating unit (CGU) as determined in accordance with IAS 36.

If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. An asset's recoverable amount is the higher of its fair value, less costs to sell, or its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset and are discounted to the present value using a pretax rate that reflects current market assessments of the time value of money. Upon recognition of an impairment loss, the depreciable amount, and possibly the useful life of the property, plant, and equipment item, are revised. Impairment losses are recorded in the impairment of property, plant, and equipment and intangible assets line in the consolidated statements of income.

Impairment losses recorded in relation to property, plant, and equipment and intangible assets may be subsequently reversed if the recoverable amount of the assets is once again higher than their carrying value. The increased carrying amount of an item may not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior periods (see Note 8).

K. **Goodwill** — The Company accounts for acquired goodwill in accordance with IFRS 3 and subsequently accounts for goodwill in accordance with IAS 38, *Intangible Assets*. Goodwill is measured as the excess of the aggregate of (1) the consideration transferred; (2) the amount of a noncontrolling interests in the acquiree; and (3) in a business combination achieved in stages, the acquisition-dated fair value of the previously held equity interest in the acquiree; over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. Goodwill recognized on the acquisition date cannot be subsequently adjusted and that relating to interests in associate companies is recorded under investments in associates in the consolidated statements of financial position. Goodwill is not amortized, but tested for impairment each year, or more frequently, where indicators of impairment are identified. Impairment losses on goodwill cannot be reversed and are shown under impairment of property, plant, and equipment and intangible assets in the consolidated statements of income. Impairment losses on goodwill relating to associate companies are reported under share in net income of associates in the consolidated statements of income.

L. **Intangibles** — The Company carries intangible assets at cost, less any accumulated amortization and any accumulated impairment losses.

M. **Revenue Recognition** — Revenues from the sale of electricity and thermal power are recorded based upon output delivered at rates specified under long-term power supply contracts, rate orders, or market-based prices determined by the related power exchange. Capacity payments received by the Company under certain long-term energy contracts are fixed, rather than being based on volumes. The fixed amount changes over the term of the contract. In accordance with IAS 18, *Revenue*, revenues from these contracts are recognized on a straight-line basis because, in substance, the fair value of the services rendered does not vary from one period to the next.

Revenues from the sale of natural gas are recorded when delivered at rates specified in the related purchase and sale contracts. The Company charges negotiated prices for natural gas, which, in certain instances, are subject to federally regulated price caps. Natural gas is sold under either firm or interruptible service agreements. Commodity revenue from natural gas sales is recognized as natural gas is delivered. Call payments associated with provision of firm services are recognized as natural gas is delivered or the right expires.

The Company reports replacement power sales required under long-term power sales contracts, net of the replacement power purchases in the consolidated statements of income in accordance with the guidance in IAS 1, *Presentation of Financial Statements*, and IAS 18.

With the exception of natural gas revenues discussed above, sales of physical gas are reported net with physical gas purchases for plant and retail operations in the consolidated statements of income.

GSERNA's revenue from the sale of electricity to commercial and industrial customers is from sales contracts that are fixed price, index, or a combination of the two to minimize price risk for the customer. Revenues booked are based on a combination of estimated accruals (for unbilled revenues) and actual energy billed.

Unbilled revenues are accrued each month based on estimated volumes delivered to each customer, but not invoiced. As additional information becomes available, GSERNA revises its estimated revenues related to prior periods and records the results in subsequent periods. Factors that affect the estimate include weather and an analysis based on historical usage or trends. GSERNA believes that the estimates and assumptions utilized to recognize revenues are reasonable and represent its best estimates. Actual results may differ from those estimates.

N. **Leases** — The Company holds assets for its various activities under lease contracts. These leases are analyzed based on the situations and indicators set out in IAS 17, *Leases*, in order to determine whether they constitute operating leases or finance leases. A finance lease is defined as a lease that transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases that do not comply with the definition of a finance lease are classified as operating leases. The following main factors are considered by the Company to assess whether or not a lease transfers substantially all the risks and rewards incidental to ownership: whether (i) the lessor transfers ownership of the asset to the lessee by the end of the lease term; (ii) the lessee has an option to purchase the asset and, if so, the conditions applicable to exercising that option; (iii) the lease term is for the major part of the economic life of the asset; (iv) the asset is of a highly specialized nature; and (v) a comparison between the present value of the minimum lease payments and the fair value of the asset concerned.

Assets held under finance leases are recorded as property, plant, and equipment and the related liability is recognized under borrowings in the consolidated statements of financial position. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

Payments made under operating leases are expensed in other operating expenses and amortized on a straight-line basis over the lease term.

IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, addresses the identification of services and take-or-pay sales or purchasing contracts that do not take the legal form of a lease, but convey rights to customers/suppliers to use an asset or a group of assets in return for a payment or a series of fixed payments. Contracts meeting these criteria are identified as either operating leases or finance leases. In the latter case, a finance receivable is recognized to reflect the financing deemed to be granted by the Company where it is considered as acting as lessor and its customers as lessees. The Company is affected by this interpretation mainly with respect to certain energy purchase and sale contracts, particularly where the contract conveys to the purchaser of the energy an exclusive right to use a production asset.

O. Income Taxes — The Company computes taxes in accordance with prevailing tax legislation in the countries where the income is taxable.

In accordance with IAS 12, deferred taxes are recognized in accordance with the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax basis, using tax rates that have been enacted by the consolidated statements of financial position date. No deferred taxes are recognized for temporary differences arising from goodwill for which impairment losses are not deductible or from the initial recognition of an asset or liability in a transaction which (i) is not a business combination and (ii) at the time of the transaction, affects neither accounting nor taxable income. In addition, deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except if the Company is able to control the timing of the temporary difference reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Net balances of deferred tax are calculated based on the tax position of each company included within the consolidated statements. Deferred taxes are presented in assets or liabilities for their net amount by tax jurisdiction by tax entity.

Deferred taxes are reviewed at each consolidated statements of financial position date to take into account factors including the impact of tax law changes and the prospects of recovering deferred tax assets arising from deductible temporary differences.

P. Foreign Currency Translation — The Company's consolidated financial statements are presented in U.S. dollars, which is its functional currency. The results and consolidated financial position of all the Company's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each consolidated statements of financial position item presented are translated at the closing rate at the consolidated statements of financial position date

(b) Income and expenses for each consolidated statements of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions)

(c) All resulting exchange differences are recognized as a component of equity

Within the consolidation of the Company's consolidated financial statements, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to consolidated statements of equity. Translation differences previously recorded under equity are taken to the consolidated statements of income upon the disposal of a foreign entity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the year-end exchange rate.

Q. Provisions — The Company records a provision where it has a present obligation (legal or constructive), the settlement of which is more likely than not to result in an outflow of resources, and the amount can be reliably estimated.

Q.1 Asset Retirement Obligations — The Company accounts for asset retirement obligations in accordance with IAS 16, and IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. In accordance with IAS 37, the Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation for the retirement of tangible long-lived assets, coupled with a corresponding asset that is depreciated over the life of the asset. In accordance with IFRIC 1, *Changes in Decommissioning, Restoration and Similar Liabilities*, after the initial measurement of the asset retirement obligation, the liability will be adjusted, or accreted, during each reporting period to reflect changes in the estimated future cash flows underlying the obligation (see Note 16).

Q.2 Postemployment Benefit Obligations and Other Long-Term Employee Benefits — The Company's obligations in relation to pension and other employee benefits are recognized and measured in compliance with IAS 19, *Employee Benefits*. Accordingly, the cost of defined contribution plans is expensed based on the amount of contributions payable in the period. The Company's obligations concerning defined benefit plans are assessed on an actuarial basis using the projected unit credit method. Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized directly in equity and are shown in the consolidated statements of comprehensive income.

R. Share-Based Payments — Under IFRS 2, *Share-based Payment*, share-based payments made in consideration for services provided are recognized as personnel costs. These services are measured at the fair value of the instruments awarded. Share-based payments may involve equity-settled or cash-settled instruments. The Company does not have its own share-based compensation plan, but participates in the plans of its Parent. As the shares are granted by GDF SUEZ, the Company follows IFRS 2 guidance regarding group share transactions.

R.1 Stock Option Plans — Options granted by GDF SUEZ to employees of the Company are measured at the grant date using a binomial pricing model, which takes into account the characteristics of the plan concerned, market data at the time of grant, and a behavioral assumption in relation to beneficiaries. The value determined is recorded in personnel costs over the vesting period, offset through equity.

R.2 Share Appreciation Rights — In 2007, GDF SUEZ began to grant employees in the United States share appreciation rights ("SARs") instead of stock options. SARs are also granted with certain employee share purchase plans. SARs are settled in cash. Their fair value is expensed over the vesting period of the rights, with an offsetting entry recorded in employee-related liabilities. Changes in the fair value of the liability are charged to income for each period.

R.3 Shares Granted to Employees — The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividends are payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that GDF SUEZ will meet its performance targets. The fair value measurement also takes into account the nontransferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

R.4 Employee Share Purchase Plans — GDF SUEZ's corporate savings plans enable employees to subscribe to shares at a lower-than-market price. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on this discount awarded to employees and nontransferability period applicable to the shares subscribed. The cost of employee share purchase plans is recognized in full and offset against equity.

3. SIGNIFICANT EVENTS

Choctaw Gas — Choctaw Gas Generation LLC ("Choctaw Gas") was sold on February 7, 2012 for cash proceeds of $94.9 million and deferred payment of $162.8 million ($173.7 million discounted at 7%). In June 2012, the Company received $1.4 million in cash as a working capital true up, and received the deferred compensation on January 18, 2013. The transaction resulted in a pretax gain of $4.7 million.

The components of the pretax gain from the sale are as follows (in thousands):

Intangibles	$ 7,924
Property, plant, and equipment	243,082
Total assets disposed	251,006
Cash proceeds on sale date	94,931
Working capital true-up payment	1,427
Deferred payment to present value	162,776
Net proceeds on sale	259,134
Net assets sold	(251,006)
Fees paid	(3,464)
Gain on sale	$ 4,664

In December 31, 2011, the Company had $248 million net assets held for sale and an impairment reversal of $32.1 million, consequently, the net assets sold in 2012 were adjusted per the final sales agreement.

Hot Springs — Hot Springs was sold on September 10, 2012 for $263.3 million, taking into account a working capital true-up of $8.1 million related to the scholarship fund, resulting in net proceeds of $255.2 million. The transaction resulted in a pretax loss of $8.7 million.

The components of the pretax loss from the sale are as follows (in thousands):

Intangibles	$ 6,215
Plant, property, and equipment	260,921
Total assets disposed	267,136
Financial liabilities	(8,087)
Total liabilities disposed	(8,087)
Cash proceeds on sale date	256,989
Taxes paid	(1,737)
Net proceeds on sale	255,252
Net assets sold	(259,049)
Fees paid	(4,873)
Loss on sale	$ (8,670)

In December 31, 2011, the Company had $255.2 million net assets held for sale and an impairment reversal of $8.7 million, consequently, the net assets sold in 2012 were adjusted per the final sales agreement.

Colorado Energy Nations — On November 29, 2012, the Company entered into a new Energy Service Agreement ("ESA") with MillerCoors, LLC ("MillerCoors") to provide all steam and electricity output as required by the buyer from the generation facility located on buyer's brewing facility (the "Facility"). The steam and power will be delivered to buildings which MillerCoors has leased to the Company according to rates in agreement. The ESA stipulates that at the end of the term of the agreement, MillerCoors will purchase the Facility for $30 million. Further, MillerCoors may, as a remedy of non-performance, purchase the plant for $30 million discounted from September 14, 2020 to the date that MillerCoors exercises this option. The result of the transaction is that the Company is leasing the asset to MillerCoors. The Company assessed the lease under IFRIC 4 and IAS 17 and concluded that it should be accounted for as a finance lease. Therefore, a finance lease receivable was recorded in the amount of $89.7 million and deferred revenue of $67.3 million. In addition, $13.1 million of property, plant, and equipment and $3.2 million of goodwill was disposed. Finally, a liability of $9.1 million was recorded to recognize the obligation to make certain capital expenditures to maintain the property over the term of the lease. The loss recognized in 2012 is $2.9 million.

Divestiture of Mexico Entities — On July 3, 2012, GENCO completed the sale of its investments in Tractebel Energia, S.A. de C.V. (Panuco) and Tractebel Energia de Altamira, S. de R L. de C.V (Altamira) to affiliates, GDF SUEZ Energia Generation Holdings B.V. and GDF SUEZ Energy Asia, Turkey & Southern Asia B.V. As a result of the sale, Panuco and Altamira are no longer legally consolidated with GENCO. The profit and loss for the year through July 3, 2012 for these entities remained on the IPGSNA's consolidated statement of income. The loss recognized on sale in 2012 is $19 million.

Cash and cash equivalents	$ 3,968
Trade and other receivable	2,682
Property, plant, and equipment — net	18,106
Deferred tax asset	556
Notes receivable	23,604
Other assets	2,302
Total assets disposed	51,218
Trade and other payable	2,026
Provisions	657
Deferred tax liability	1,206
Other liabilities	1,114
Total liabilities disposed	5,003
Net assets disposed	$ 46,215
Consideration received	$ 52,068
Goodwill allocated to disposal	(14,567)
Cumulative exchange loss in respect of the net assets of the subsidiaries	(10,674)
Loss on sale	$ (19,388)

DEGS — On July 31, 2012, GENCO sold its interests in the joint ventures with Duke Energy Generation Services ("DEGS" - Ashtabula, Delta, Energy Equipment Leasing, Lansing, Lafarge, Rochester and Tuscola) for total proceeds of $56.8 million less a contingent liability of $6.3 million, resulting in net proceeds of $50.5 million. Consequently, the Company recognized a pretax loss on sale of $8.2 million.

Net assets of the following entities: Ashtabula, Delta, Energy Equipment Leasing, Lansing, Lafarge, Rochester and Tuscola at the date of the sale are as follows (in thousands):

Cash and cash equivalents	$ 4,157
Trade and other receivable	3,270
Property, plant, and equipment — net	27,420
Inventory	3,266
Investment in associates	305
Intangible assets	2,236
Other assets	6,744
Total assets disposed	47,398
Trade and other payables	1,886
Financial liabilities	2,150
Total liabilities disposed	4,036
Net assets disposed	$ 43,362
Cash proceeds on sale date	$ 56,832
Contingent liability	(6,264)
Net proceeds on sale	$ 50,568
Goodwill allocated to disposal	(13,703)
Fees	(1,666)
Loss on sale	$ (8,163)

Other — In April of 2011, a new legal entity was formed, GDF SUEZ Retail Energy Solutions, LLC (a subsidiary of GSERNA), to conduct business for small commercial and industrial customers. The project has entered the execution phase, developing new streamlined processes and purposed-designed systems suited to serving the small customer segment.

On February 3, 2011, GDF SUEZ purchased approximately 70% of the outstanding stock of IPR. At that time, the Company and IPR's North American subsidiary International Power America, Inc. ("IPA") were considered to be under common control. On July 29, 2011, all outstanding shares of IPA were contributed to the Company, such that IPA became part of the Company's legal and tax consolidation. The acquisition of IPA resulted in an increase in equity of $1.96 billion. The contribution to revenue and net income from the date of acquisition of IPA to December 31, 2011 was $889 million and $119 million, respectively. If the acquisition had taken place on January 1, 2011, the consolidated revenue and net income would have been $6.6 billion and $244 million, respectively. On June 29, 2012, GDF SUEZ completed the acquisition of the remaining 30% of non-controlling interest in IPA. GDF SUEZ now holds 100% of the voting rights of the International Power Group.

During 2005, one of the Company's subsidiaries, Neptune LNG LLC ("Neptune"), announced that it was pursuing the development of a deepwater port for LNG deliveries in federal waters approximately 10 miles off the coast of Massachusetts. The project includes specialty built LNG ships, a buoy system, and a connection to an existing pipeline. The ships are owned by an affiliate, and in January 2010, the Company entered into a subcharter agreement chartering the GDF Suez Neptune from an affiliate for a period from January 24, 2010 to December 31, 2012. The total final costs incurred and capitalized by the Company related to this project were $406.3 million at December 31, 2012. The majority of the project was placed in service on April 1, 2010 and an additional $66 million related to the north buoy was placed in service in April 2012.

The Company is currently exploring plans to suspend the Neptune Deepwater Port License for 5 years. Preliminary conversations are being held with regulatory officials. The Company does not believe the suspension of the license will result in any changes to the cash generating units or potential impairment of the facility.

On May 1, 2010, the Northfield Mountain hydro facility began the drawdown of its upper reservoir as part of a planned dewatering outage that was scheduled to last 23 days. The cost estimates for the projects were approximately $2.4 million. During the drawdown of Northfield's upper reservoir, a significant quantity of silt migrated to the intake channel and into the pressure shaft intake structure. The removal of the silt, especially from the tailrace, was more challenging than initially anticipated and total costs incurred were $47.7 million, of which $27.3 million was capitalized and $20.4 million was expensed in 2010. The station returned to service on November 21, 2010.

The Company filed an insurance claim for business interruption insurance for lost revenue as well as a claim for property damage related to complications from the drawdown of its upper reservoir in 2010. For the years ended December 31, 2012 and 2011, $26.8 million and $17.1 million of insurance proceeds, respectively have been received as part of a comprehensive settlement of all remaining issues associated with its claim. The Company recorded the proceeds as a reduction to other operating expenses on the consolidated statements of income.

The Company was recently subject to tax audits by the Internal Revenue Service (IRS) for tax years 2004–2009. The 2004-2007 IRS field audits were closed in 2011. The 2004–2005 audit closed with an assessment of $4.5 million, of which $4 million relates to repairs and maintenance disallowance, which will be recovered in future years. The 2006–2007 audit closed with an assessment of $3 million, of which $1 million will be recovered in future years. The assessments were paid in December 2011. The Company established a $50 million reserve for these audits in 2008, and in 2010 and 2011, portions of the reserves were released for issues that were effectively settled at the field level. The 2008-2009 tax years remain under audit, and an audit of 2010 commenced in 2012. The Company believes it has adequate provisions under IAS 37 for the remaining audits (see Note 5.4.2).

4. REVENUES

The Company's revenues for the years ended December 31, 2012 and 2011, are as follows (in thousands) (see Note 2 M):

	2012	2011
Revenues:		
Electricity and thermal	$4,315,818	$4,991,444
Natural gas	1,158,324	1,600,870
Gross margin from energy trading	(2,544)	(5,541)
Total revenues	$5,471,598	$6,586,773

5. INCOME TAXES

5.1.1. Breakdown of Income Tax Expense — Income tax expense for 2012 and 2011 consisted of the following (in thousands):

	2012	2011
Current benefit	$ 7,505	$ (20,770)
Deferred expense	65,835	106,727
Provision / (benefit) for income taxes	$73,340	$ 85,957

Current income tax expense (benefit) includes $(3.6) million and $8.1 million in net taxes relating to prior periods and $3.2 million and $(20) million relating to unrecognized tax benefits in 2012 and 2011, respectively. Deferred tax expense (benefit) includes $(4.9) million and $(20.2) million relating to prior periods; $(5.9) and $11.2 million related to unrecognized tax benefits in 2012 and 2011, respectively.

5.1.2 Reconciliation to Theoretical Income Tax Expense — A reconciliation between the theoretical income tax expense (benefit) and the Company's actual income tax expense (benefit) is presented below (in thousands):

	2012	2011
Computed "expected" tax expense at 35%	$63,301	$116,960
Increase (decrease) in income taxes resulting from:		
State and local income taxes — net of federal benefit	6,652	3,248
Other income taxed at a rate lower/higher than standard rate	-	1,359
Change in unrecognized tax benefit, related to net operating losses	(5,939)	11,216
Revisions in estimates of deferred taxes	3,179	(15,930)
Impact of other permanent differences	2,291	(23,455)
Change in tax reserves	3,230	(6,035)
Other	626	(1,406)
Provision for income taxes	$73,340	$ 85,957

In 2011, the effective tax rate is lower than the standard rate primarily due to a permanent difference on the gain on disposal of the Canadian subsidiaries and revisions in estimates of deferred taxes that relate primarily to state rates on IPA items, partially offset by an increase in unrecognized tax benefits related to net operating losses. In 2012, the effective tax rate is higher than the standard rate primarily due to state taxes and gain/loss differences on disposal of entities partially offset by a decrease in unrecognized tax benefits.

5.1.3 Deferred Tax Expense by Nature — Impacts on the consolidated statements of income for the years ended December 31, 2012 and 2011, are as follows (in thousands):

	2012	2011
Deferred tax assets:		
Loss carryforwards	$(176,349)	$ 28,260
Accruals and allowances	31,634	309
Investments in partnerships	56,883	(27,573)
Tax credit carryforward, including FTC, AMT and Section 45 credits	(7,472)	7,081
Other	2,853	(13,009)
Impact of deferred tax assets	(92,451)	(4,932)
Deferred tax liabilities:		
Depreciation	130,150	91,390
Derivative instruments	29,652	21,687
Other	(1,516)	(1,418)
Impact of deferred tax liabilities	158,286	111,659
Net deferred tax expense	$ 65,835	$106,727

5.2 Income Taxes Recorded Directly into Equity — At December 31, 2012 and 2011, changes in deferred taxes recognized directly into equity resulted from cash flow hedges and net investment hedges are as follows:

	2011	Change	2012
Cash flow hedges	$74,206	$(49,469)	$24,737
Net investment hedges	-	-	-
Total	$74,206	$(49,469)	$24,737

5.3 Deferred Income Taxes — Analysis of the net deferred tax position recognized in the consolidated statements of financial position at December 31, 2012 and 2011 (before netting of deferred tax assets and liabilities by tax entity), by type of temporary difference is as follows (in thousands):

	2012	2011
Deferred tax assets:		
Loss carryforwards	$ 384,225	$ 218,296
Accruals and allowances	62,646	94,280
Derivative instruments	-	66,422
Investments in partnerships	-	10,182
Tax credit carryforward, including FTC, AMT and Section 45 credits	14,567	7,095
Other	7,881	10,734
Gross deferred tax assets	469,319	407,009
Deferred tax liabilities:		
Depreciation and amortization	(824,734)	(694,584)
Derivative instruments	(12,699)	-
Investments in partnerships	(46,701)	-
Other	-	(6,211)
Gross deferred tax liabilities	(884,134)	(700,795)
Net deferred tax liabilities	$(414,815)	$(293,786)

A total of $398.8 million in deferred tax assets were recognized in respect of tax losses and tax credit carryforwards at December 31, 2012. The Company estimates that these carryforwards will be utilized over the next ten years. The company also has $159 million of loss carryforwards which are not recognized in the statement of financial position at December 31, 2012 due to uncertain tax positions and the expectation that the Company will not have taxable profits in certain state jurisdictions (see Note 5.4.1).

Deferred taxes are reported in the consolidated statements of financial position as of December 31, 2012 and 2011, as (in thousands):

	2012	2011
Noncurrent deferred income tax asset	$ 3,599	$ 2,238
Noncurrent deferred income tax liability	(418,414)	(296,024)
Net deferred tax liability	$(414,815)	$(293,786)

The 2012 net change in deferred tax liabilities is $121 million, which is $55 million higher than the reported net deferred tax expense, is mainly attributable to the deferred taxes recorded through equity.

5.4.1 Deductible Temporary Differences not Recognized in the Consolidated Statements of financial position — The Company had unrecognized tax benefits relating primarily to federal loss carryforwards, state loss carryforwards and other deductible state temporary differences in the amount of

$168 million and $171 million at December 31, 2012 and 2011, respectively, that, if recognized, would decrease the effective tax rate.

The expiration dates for the unrecognized tax benefits at December 31, 2012, are presented as follows (in thousands):

Years Ending December 31	Ordinary Tax Loss
2013	$ 1,124
2014	2,963
2015	1,604
2016	1,337
2017 and beyond	161,451
Total	$ 168,479

The Company transferred its stock in its Canadian subsidiaries to an affiliate in 2011 and it transferred its stock in its Mexican affiliates in 2012. Therefore, as of December 31, 2012, the Company has no undistributed earnings upon which it has not provided deferred taxes.

5.4.2 Uncertain Tax Positions — A reconciliation of the Company's uncertain tax positions as of December 31, 2012, is as follows (in thousands):

	Unrecognized Tax Benefits
Balance — December 31, 2011	$124,573
Decreases related to settlements with taxing authorities	(8,949)
Increases based on tax positions prior to 2012	10,640
Balance — December 31, 2012	$126,264

Tax contingency reserves for uncertain tax positions are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated. Uncertain tax positions of $15.3 million and $8.7 million are recorded in current provisions in the consolidated statements of financial position as of December 31, 2011 and 2012, respectively. The remaining uncertain tax position balance of $109 million and $117.5 million for December 31, 2011 and 2012, respectively, is included in deferred taxes due to the Company's federal net operating loss position.

6. INTANGIBLE ASSETS

The Company's intangible assets as of December 31, 2012 and 2011, were as follows (in thousands):

2012	Intangible Asset Gross	Accumulated Amortization	Impairment	Carrying Amounts
Power purchase agreements	$338,449	$(289,178)	$ -	$ 49,271
Fuel, administrative, operating and maintenance, and other contracts	10,015	(8,533)	-	1,482
Water rights and other	30,041	(7,805)	(4,387)	17,849
Total intangible assets	$378,505	$(305,516)	$ (4,387)	$ 68,602
2011				
Power purchase agreements	$338,449	$(264,448)	$ -	$ 74,001
Fuel, administrative, operating and maintenance, and other contracts	32,312	(15,388)	-	16,924
Leaseholds	21,573	(21,573)	-	-
Noncompete agreements and other	44,315	(10,946)	(5,137)	28,232
Total intangible assets	$436,649	$(312,355)	$ (5,137)	$119,157

The majority of the Company's intangible assets have finite lives as they are related primarily to contracts, and are amortized on a straight-line basis over the terms of the respective contracts, which range from 15 to 30 years, or are matched to scheduled fixed-price increases under the power purchase agreement. The Company has intangible assets of $13 million related to water rights with indefinite lives, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

Changes during 2012 are attributable to amortization of power purchase agreements and fuel and other contracts, the removal of fully amortized expired contracts, and the writeoff and the disposal of the non-compete agreements relating to the DEGS assets (see Note 3). The carrying amount for the remaining power purchase agreements for NELP and Oyster Creek joint ventures are being amortized over the life of the contracts through 2016 and 2014, respectively. Amortization expense for intangible and other assets for the years ended December 31, 2012 and 2011, was $37.4 million and $32.4 million, respectively.

7. GOODWILL

Goodwill is the cost of a business combination over the Company's interest in the fair value of identifiable assets, liabilities, and contingent liabilities at the acquisition date. Goodwill is tested for impairment each year as of June 30, and upon review of triggering events in the second half of the year. No impairment of goodwill has been recorded through December 31, 2012. Movements in the carrying amount of goodwill at December 31, 2012 and 2011, are as follows (in thousands):

At January 1, 2011	$ 905,353
Acquisitions	597,000
Disposal of subsidiary	(63,101)
Translation adjustments	1,084
At December 31, 2011	1,440,336
Disposal of subsidiaries	(31,424)
At December 31, 2012	$1,408,912

The 2011 acquisition is from the acquisition of IPA (see Note 3), and the 2011 disposal is from the transfer of the common stock of 6425496 Canada Inc. to an affiliate. The 2012 disposal is from divestiture of the Mexican subsidiaries ($14.6 million), divestiture of DEGS joint ventures ($13.7 million), and disposal of assets at the Colorado Energy Nations ($3.2 million) (see Note 3).

All goodwill CGUs have been tested for impairment based on data as of June 30, 2012. The calculation of the recoverable amount of CGUs is determined using discounted cash flows ("DCF") and the carrying amount of the assets. The discounted cash flow method uses cash flow forecast covering an explicit period of six years and resulting in medium-term business plan approved by the corresponding business unit's business controllers and CEO. When the discounted method is used, value in use is calculated on the basis of three scenarios ("low," "medium," and "high"). The "medium" scenario, which management deems most probable, is usually preferred. The CGUs, as determined in accordance with IAS 36, are the primary subsidiaries listed in Note 1, with the exception of GSEMNA. GSEMNA is not considered a stand-alone CGU because it does not have separate assets and the only cash flow that GSEMNA will independently generate is related to trading and origination, which does not rely directly on physical assets.

The recoverable amounts determined under the three above-mentioned scenarios are generated by modifying the key assumptions used as inputs for the underlying models, and particularly the discount rates applied. The discount rates applied are determined on the basis of the weighted-average cost of capital adjusted to reflect business, industry, country, and currency risks associated with each CGU reviewed. Discount rates correspond to a risk-free market interest rate and risks specific to the asset for which the future cash flow estimates have not been adjusted. The Company uses estimates and assumptions in calculating the recoverable amount. If the key assumptions or estimates change, the recoverable amounts may be different.

The major assumptions used to review the recoverable amount of the CGU are as follows (in thousands):

Cash — Generating Units	Carrying Amount of Goodwill	Measurement Method	Discount Rate
IPGSNA — Gas	$ 245,449	DCF	7.2 %
IPGSNA — Generation	1,155,460	DCF	5.2% to 8.5%
IPGSNA — Retail	8,003	DCF	9.0%

8. PROPERTY, PLANT, AND EQUIPMENT

8.1 Movements in Property, Plant, and Equipment — Movements in property, plant, and equipment at December 31, 2012 and 2011, are as follows (in thousands):

	Land	Plant and Equipment	E&P Assets	Finance Leases	Construction in Progress	Total
Gross book value — January 1, 2011 — at cost	$ 65,600	$ 7,404,692	$ 21,974	$ 487,084	$ 173,998	$ 8,153,348
Additions	102	36,252	-	-	249,207	285,561
Additions due to acquisition of IPA	24,320	2,907,636	-	-	80,817	3,012,773
Disposals	-	(116,643)	(21,974)	(2,107)	(2,054)	(142,778)
Transfers	61,629	124,604	-	2,508	(187,480)	1,261
Held for Sale	(448)	(904,485)	-	-	(1,386)	(906,319)
Disposal of Canadian subsidiary	(708)	(592,785)	-	-	(4,872)	(598,365)
Translation	-	(18,592)	-	-	(120)	(18,712)
Gross book value — December 31, 2011 — at cost	150,495	8,840,679	-	487,485	308,110	9,786,769
Additions	-	25,468	-	-	162,813	188,281
Disposals	(73)	(91,949)	-	(760)	30	(92,752)
Transfers	-	286,784	-	1,904	(293,569)	(4,882)
Disposal of DEGS and Mexico entities	-	(44,720)	-	-	-	(44,720)
Gross book value — December 31, 2012 — at cost	$150,422	$ 9,016,262	$ -	$ 488,629	$ 177,384	$ 9,832,696
Accumulated depreciation and impairment — January 1, 2011	$ (228)	$(1,856,619)	$(11,514)	$ (98,975)	$ (37,469)	$(2,004,805)
Disposals	-	82,956	11,531	421	680	95,588
Impairment	-	37,222	-	(119,709)	355	(82,132)
Translation	-	5,753	-	-	-	5,753
Transfers	-	(1,262)	-	-	-	(1,262)
Held for sale	-	439,553	-	-	-	439,553
Disposal of Canadian subsidiary	-	151,780	-	-	-	151,780
Charge for the year	-	(418,023)	(17)	(9,927)	-	(427,967)
Accumulated depreciation and impairment — December 31, 2011	(228)	(1,558,640)	-	(228,190)	(36,434)	(1,823,492)
Disposals	-	55,208	-	246	-	55,454
Impairment	-	(57,700)	-	-	-	(57,700)
Transfers	-	5,392	-	76	(586)	4,882
Disposal of Canadian subsidiary	-		-	-	-	-
Charge for the year	-	(394,578)	-	(9,661)	-	(404,239)
Accumulated depreciation and impairment — December 31, 2012	$ (228)	$(1,950,318)	$ -	$(237,530)	$ (37,019)	$(2,225,095)
Carrying amount						
January 1, 2011	$ 65,372	$ 5,548,073	$ 10,460	$ 388,109	$ 136,529	$ 6,148,543
December 31, 2011	150,267	7,282,039	-	259,295	271,676	7,963,277
December 31, 2012	150,194	7,065,944	-	251,099	140,365	7,607,601

In 2012, the Company recorded net impairment expense of $56.9 million, primarily related to the impairment at Mt. Tom Generating Company, LLC. Decrease in gas prices is viewed as a triggering event that is negatively affecting the value of the Mt. Tom facility. The plant remains in operation due to a Forward Capacity Market obligation. This unit is expected to be mothballed in 2014 due to low gas prices and uneconomic dark spread (the difference between power prices and the cost to generate electricity with coal).

In 2012, $18.0 million of grants were received from the U.S. Treasury Department for capital investments made by the Company with respect to energy efficiency projects. As the grants received related to acquiring tangible fixed assets, the Company has elected to net these proceeds them from the cost of the fixed assets to which they relate and depreciate over the life of those assets.

In 2011, the Company recorded net impairment expense of $82.1 million. During 2011, the Choctaw Generation, LP ("Red Hills") facility experienced operational issues that impacted its near term financial liquidity, and was not successful in obtaining agreement from the lessor on funding for needed capital improvements to the facility. Due to these triggering events and Red Hills continued net losses, an impairment analysis was performed, and an impairment loss of $119.7 million was recorded to reduce the carrying value of the facility to its fair value based on discounted future cash flows. Impairment associated with Syracuse was $3.2 million as of December 31, 2011. The Company determined that both Choctaw Gas and Hot Springs facilities met held-for-sale criteria in 2011. Fair value of these assets based on expected sale prices resulted in a reversal of impairment of $32.1 million for Choctaw Gas and $8.7 million for Hot Springs. Impairments taken prior to January 1, 2011, totaled $585.4 million.

In 2011, disposal of assets, net of $8.7 million is comprised of a gain of $3 million from the sale of the E&P assets, and losses of $11.7 million primarily related to the major outage replacement of componentized parts that had not been fully depreciated.

In 2012, disposal of assets, net of $28.2 million is comprised of a gain of $4.7 million related to the sale of Choctaw Gas, and losses of $8.7 million related to the sale of Hot Springs, $13.2 million related to gas turbine compressor disposal at Bellingham, $4.1 million related to unit compressor disposal at Armstrong and Troy, $2.9 million related to lease amendment with MillerCoors at Colorado Energy Nations, and $4 million related to insignificant asset disposals at several other plants.

The Company accrued a total of $1 million and $2.8 million in construction costs for property, plant, and equipment in 2012 and 2011, respectively. The Company also transferred $24.5 million and $12.8 million from other current assets to property, plant, and equipment related to maintenance performed under long-term service agreements (LTSAs) in 2012 and 2011, respectively (see Note 2 l).

8.2 Capital Commitments — In the ordinary course of operations, the Company has entered into commitments related to the purchase or construction of property, plant, and equipment. The Company's projected committed capital expenditures are as follows (in thousands):

Development commitments at FirstLight	$ 13,393
Maintenance — LTSAs	406,900
Total	$420,293

FirstLight started a construction project at its Northfield facility that will involve the overhaul of each of the motor-generator pump turbine units. The project includes strengthening of four rotors, three new turbines, four new generator windings, refurbished poles in existing units, and a new transformer. The project is expected to increase the rated capacity of each unit by 22 megawatts and also increase energy production efficiency and began in January 2011 with a planned completion date of May 2014.

Certain subsidiaries of the Company have entered into long-term warranty agreements with Siemens and LTSAs with multiple vendors that provide for routine maintenance, major maintenance, and replacement of specific parts covered in the agreements. The terms of the agreements vary.

Borrowing costs capitalized on construction-in-progress expenditures were $1.1 million and $1.2 million in 2012 and 2011, respectively.

9. INVESTMENTS IN ASSOCIATES

9.1 Breakdown of Investments in Associates — Breakdown of investments in associates as of December 31, 2012 and 2011, are as follows (in thousands):

	Percentage Interest	Carrying Amount of Investments in Associates December 31, 2012	Carrying Amount of Investments in Associates December 31, 2011	Share in Net Income/(Loss) of Associates December 31, 2012	Share in Net Income/(Loss) of Associates December 31, 2011
Astoria Project Partners II LLC	27.75%	97,583	105,526	(314)	(4,598)
SUEZ/VWNA/DEGS of Lansing LLC	39.2	-	259	506	812
Shreveport Red River Utilities, LLC	39.2	2,005	2,293	222	475
Total		$ 99,588	$108,078	$ 414	$ (3,311)

9.2 Key Figures of Associates — Key figures of associates as of December 31, 2012 and 2011, are as follows (in thousands):

2012	Percentage Interest	Total Assets	Liabilities	Revenues	Net Income
Astoria Project Partners II LLC	27.75 %	$1,216,920	$1,260,739	$133,218	$ 1,105
SUEZ/VWNA/DEGS of Lansing LLC	39.2	-	-	2,961	1,292
Shreveport Red River Utilities, LLC	39.2	5,766	-	-	566
Total		$1,222,686	$1,260,739	$136,179	$ 2,963
2011	**Percentage Interest**	**Total Assets**	**Liabilities**	**Revenues**	**Net Income**
Astoria Project Partners II LLC	27.75 %	$1,255,478	$1,255,584	$ 64,493	$(9,002)
SUEZ/VWNA/DEGS of Lansing LLC	39.2	2,430	1,768	5,071	2,072
Shreveport Red River Utilities, LLC	39.2	5,958	109	1,956	1,213
Total		$1,263,866	$1,257,461	$ 71,520	$(5,717)

The Company adjusts its share of net income of associates for the depreciable portion of the premium paid for its investment in Astoria II.

10. INVESTMENTS IN JOINT VENTURES

The Company accounts for its interest in joint ventures using the proportional consolidation method. Contributions of joint ventures to the Company's consolidated financial statements are as follows (in thousands):

	Consolidation Percentage	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Revenues	Current Net Income (Loss)
At December 31, 2012:							
Northeast Energy LP	50 %	$28,929	$196,082	$ 4,944	$38,651	$ 75,766	$21,548
Winooski One Partnership	50	533	3,971	465	-	1,785	1,208
Pepoo Energy Services — SUEZ Thermal, LLC	50	4,805	6,319	3,279	2,027	1,278	777
Delta Township Utilities, LLC	49 *	-	-	-	-	363	195
SUEZ-DEGS Solutions LLC	50	-	-	-	-	-	(404)
SUEZ-DEGS of Ashtabula, LLC	51 *	-	-	-	-	6,125	1,908
SUEZ-DEGS of Rochester, LLC	51 *	-	-	-	-	3,705	713
SUEZ-DEGS of Silver Grove LLC	51 *	-	-	-	-	77	232
SUEZ-DEGS of Owings Mills LLC	51	4,986	-	-	-	317	385
Owings Mills Energy Equipment Leasing LLC	51	-	1,196	4,258	-	533	89
SUEZ-DEGS of Tuscola, LLC	51 *	-	-	-	-	7,148	795
Freeport Power Limited	50	21,199	91,015	17,548	7,968	82,851	26,858

* The Company sold its interest during 2012

	Consolidation Percentage	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Revenues	Current Net Income (Loss)
At December 31, 2011:							
Northeast Energy LP	50 %	$33,120	$208,016	$13,657	$47,793	$114,398	$33,793
Winooski One Partnership	50	478	3,773	620	-	2,104	1,301
Pepoo Energy Services — SUEZ Thermal, LLC	50	4,002	6,876	3,656	2,183	1,303	720
Delta Township Utilities, LLC	49	519	2,527	2,424	38	640	367
SUEZ-DEGS Solutions LLC	50	319	146	-	-	-	(30)
SUEZ-DEGS of Ashtabula, LLC	51	7,156	15,603	2,438	-	13,741	2,759
SUEZ-DEGS of Rochester, LLC	51	1,746	483	987	-	6,290	1,269
SUEZ-DEGS of Silver Grove LLC	51	203	2,373	68	-	530	349
SUEZ-DEGS of Owings Mills LLC	51	5,054	2,737	59	-	544	531
Owings Mills Energy Equipment Leasing LLC	51	-	1,444	4,395	-	533	74
SUEZ-DEGS of Tuscola, LLC	51	6,753	9,455	1,835	-	10,932	428
Freeport Power Limited	50	20,560	97,159	16,738	16,890	97,533	23,983

After the sale of the DEGS assets (see Note 3), the Company retained both SUEZ-DEGS of Owings Mills LLC and Owings Mills Energy Equipment Leasing LLC, with Duke Energy Generation Services Holding Company, Inc. ("DEGS"), each partner has 50% of the voting rights, but either 51% or 49% of the rights to the earnings and net assets of the venture.

IPA has a 50% interest in Freeport Power Limited ("Oyster Creek"). After the acquisition of IPA, Oyster Creek is proportionally consolidated.

11. INVENTORIES

Major classes of inventory at December 31, 2012 and 2011, were as follows (in thousands):

	2012	2011
LNG inventory	$ 23,147	$ 16,767
Natural gas and other fuel inventory	132,894	133,961
Spare parts	80,273	78,802
Green certificates	8,275	7,361
Greenhouse (emission allowances)	39,336	34,929
Other inventory	757	842
Total inventories	$284,682	$272,662

The Company had fair value adjustments of its natural gas inventory of $1.4 million and $(6.1) million as of December 31, 2012 and 2011, respectively.

12. OTHER ASSETS

12.1 Other Noncurrent Assets — Other noncurrent assets at December 31, 2012 and 2011, were as follows (in thousands):

	2012	2011
Other noncurrent assets:		
Supplemental executive retirement plan cash surrender value	$14,831	$13,645
Rabbi trust	25,250	22,851
Prepaid broker fees	620	1,828
Other long-term assets	233	17,188
Long-term restricted cash	19,028	18,908
Total other noncurrent assets	$59,962	$74,420

12.2 Other Current Assets — Other current assets at December 31, 2012 and 2011, were as follows (in thousands):

	2012	2011
Other current assets:		
Prepaid expenses	$55,412	$ 51,447
Current taxes	8,589	3,595
Other current assets	10,617	7,360
Current portion of loan receivable	5,300	-
Total other current assets	$79,918	$ 62,402

13. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

13.1 Financial Assets — The Company's financial assets are classified under the following categories at December 31, 2012 and 2011 (in thousands):

	2012			2011
	Noncurrent	Current	Total	Total
Trade and other receivables — net	$90,074	$651,303	$741,377	$496,057
Short-term notes receivable from affiliates	-	25,748	25,748	305,497
Cash and cash equivalents	-	119,108	119,108	189,621
Total financial assets	$90,074	$796,159	$886,233	$991,175

13.1.1 Loans and Receivables Carried at Amortized Cost — Loans and receivables carried at amortized cost at December 31, 2012 and 2011, were as follows (in thousands):

	2012			2011
	Noncurrent	Current	Total	Total
Trade and other receivables — net:				
Trade debtors	$ -	$365,062	$365,062	$224,585
Trade-debtors-related accounts	-	74,405	74,405	33,635
Unbilled revenue	-	170,722	170,722	189,022
Allowance for doubtful accounts	-	(6,383)	(6,383)	(6,032)
Loans and receivables carried at amortized cost — NC	90,074	-	90,074	-
Collateral cash — asset	-	47,497	47,497	54,847
Total trade and other receivables — net	90,074	651,303	741,377	441,210
Notes receivable from affiliates — cash pool	-	25,748	25,748	305,497
Total	$90,074	$677,051	$767,125	$801,554

Margin accounts receivable and payable represent primarily cash on deposit with or received from counterparties and brokers to satisfy margin (cash collateral) requirements with respect to financial and forward contracts. Such deposits will be refunded back to the Company or the counterparty at the time in which all obligations under the contracts have been fulfilled.

13.1.2. Cash and Cash Equivalents and Restricted Cash — The Company's financial risk management policy is described in Note 2 H. Cash and cash equivalents totaled $119.1 million and $189.6 million at December 31, 2012 and 2011, respectively, which includes restricted cash of $12.2 million at December 31, 2012, and $19.3 million at December 31, 2011, and excludes noncurrent restricted cash of $19.0 million and $18.9 million at December 31, 2012 and 2011, respectively.

13.2 Financial Liabilities — Financial liabilities include borrowings and debt and trade and other payables, as well as financial derivative instruments which are reported in the derivative instruments line items in the consolidated statements of financial position.

The Company's financial liabilities other than derivative instruments at December 31, 2012 and 2011, are as follows (in thousands):

	2012			2011
	Noncurrent	Current	Total	Total
Borrowings (Note 15, financial debt and borrowings)	$3,688,542	$585,071	$4,273,613	$5,409,162
Trade and other payables	-	346,394	346,394	480,492
Total	$3,688,542	$931,465	$4,620,007	$5,889,654

13.2.1 Trade and Other Payables — Trade and other payables at December 31, 2012 and 2011, were as follows (in thousands):

	2012			2011
	Noncurrent	Current	Total	Total
Trade accounts payable	$ -	$176,022	$176,022	$186,926
Accounts payable — related party	-	29,537	29,537	36,623
Collateral cash	-	4,151	4,151	51,971
Accrued expenses	-	136,684	136,684	204,972
Total	$ -	$346,394	$346,394	$480,492

13.3 Fair values — Fair values reflect the cash that would have been received or paid if the instruments were settled at year-end. The fair value of cash and cash equivalents, trade and other receivables, and trade and other payables are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated rates approximate market. The fair value of variable rate debt approximates book value due to the variable nature of the rate.

At December 31, 2012 and 2011, the Company's carrying value of long-term fixed-rate debt was $3.3 billion and $2.2 billion, respectively, with estimated fair values of approximately $3.5 billion and $2.3 billion, respectively (in thousands):

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term fixed-rate debt	$3,266,739	$3,516,243	$2,207,225	$2,303,656

14. RISK MANAGEMENT ACTIVITIES

14.1 Risk Management Activities — Trading — The Company employs various types of derivatives including futures, forwards, swaps, options, and other physical and financial instruments for the purposes of risk management and trading activities. The trading activities include both exchange-traded and bilateral contracts. GSEMNA conducts those trading activities to generate profits on short-term differences in market prices. This trading activity is centered on commodities and geographical areas in which the Company has an asset presence. Trading activity is governed through the use of various limits, including value at risk (VaR), deal tenor, and location restrictions. GSEMNA also serves as a market marker for the other affiliates by fulfilling those affiliates' hedges requirements.

In accordance with IAS 39, the Company accounts for all derivative-trading activity at fair value under the mark-to-market method of accounting, with changes in the value of open positions recorded through income. Because GSEMNA conducts its trading activity to generate profit from short-term movements in market price, the assets and liabilities are recorded at market value, net of future physical delivery-related costs and reserves, as current assets and liabilities in the derivative instruments line items in the consolidated statements of financial position.

The Company utilizes gas storage in its trading activities. Consequently, the Company includes the fair value of its trading gas inventory in the derivative instruments line items in the consolidated statements of financial position.

The Company records both realized and unrealized profit and loss from trading activities in revenues in the consolidated statements of income.

14.2 Risk Management Activities — Nontrading — In addition to trading activity, the Company utilizes a variety of financial and physical instruments to mitigate its exposures to market risk created by the Company's physical generation, retail electricity, LNG, and financing activities. Those market risks include exposures to fluctuations in foreign currency exchange rates, interest rates, and energy and energy-related commodity prices. Nontrading risk management activities are broadly defined by two major categories — financial and commodity.

As described in Note 21, the Company entered into warrant agreements under which it will receive cash to settle its liability incurred via stock appreciation rights issued to employees. The Company accounts for those warrants as derivatives under IAS 39. The fair value of the warrants as of December 31, 2012 and 2011, was $0.9 million and $2.1 million, respectively, which was included in the derivative instruments line items in the consolidated statements of financial position. The Company recognized the warrants' change in value in personnel costs. The counterparty to those warrants is an investment-grade entity, and those warrants will continue to settle in 2012 through 2015. Note 21 further discusses the warrants along with other share-based transactions.

Financial Risk Management Derivatives — The Company manages its exposure to fluctuations in foreign currency exchange rates and interest rates in its financial risk management activities. The Company uses interest-rate swap agreements to effectively convert a portion of its floating-rate debt to a fixed-rate basis, thus reducing the impact of interest rate changes on future income. These agreements involve the receipt of floating-rate amounts in exchange for fixed-rate interest payments over the life of the agreements without an exchange of the underlying principal amount. Certain interest-rate swaps are accounted for as cash flow hedges. In 2011, the cash flow hedge relationships previously designated related to interest payments at the Hot Springs power facility was disqualified because the forecasted interest payments are no longer expected to occur. Additionally, in 2011, the cash flow relationship related to interest payments on outstanding debt at Firstlight was de-designated due to a possible

refinancing on the associated debt. In 2012. equity in the amount of $(15.8) million was reclassified to financial expense when the interest rate swaps were terminated. The debt that gave rise to the hedged forecasted interest rate payments was terminated concurrently with the interest rate swaps. See "*Accounting for the change in Risk Management Derivative Values*" below.

The Company limits its exposure to foreign currency fluctuations by entering into foreign currency swap agreements, which effectively fix the exchange rates of liabilities required to be settled in currencies other than the U.S. dollar and cross-currency swaps to hedge investments in foreign currencies. In 2011, the Company had a net investment hedge of its exposure to fluctuations in Canadian dollars from its controlling investment in Ventus Energy Inc., which settled in 2011. The Company also designated foreign currency swaps as fair value hedges of the foreign currency risk of issued Eurobonds which also settled in 2011. The Company recognized no ineffectiveness from these hedging relationships.

Commodity Risk Management Derivatives — The Company manages commodity price risk arising from changes in its natural gas sales revenue, LNG costs, fuel costs for running its power-generating facilities, and future electricity prices related to certain of its power-generating facilities and retail electric supply.

The Company uses commodity futures and swaps to hedge price risk exposure on future sales of vaporized LNG under a designated cash flow hedge program. Under the futures and swaps, the Company receives a fixed price and pays a floating price, respectively, which effectively fixes the price the Company expects to receive for its future natural gas sales. The Company settles those swaps in cash, rather than by physical delivery of natural gas. The Company recognizes the realized gains and losses on its commodity swap contracts that qualify as cash flow hedges when the related vaporized LNG is sold.

The Company uses commodity futures and swaps to hedge price risk exposure on future sales of LNG under a designated cash flow hedge program. Under the futures and swaps, the Company receives a fixed price and pays a floating price, respectively, which effectively fixes the price the Company expects to receive for its future LNG sales. The Company settles those swaps in cash, rather than by physical delivery of natural gas. The hedged forecasted transaction are sales of liquid LNG, the price of which is referenced to average natural gas prices from the year prior to physical delivery. The Company recognizes the realized gains and losses on its commodity swap contracts that qualify as cash flow hedges when the related LNG is sold. As of December 31, 2012 and 2011, $8.1 million and $5.1 million of equity (net of deferred taxes) remained in the consolidated statements of financial position to be recognized when the LNG sales referencing the prior year gas prices are made.

In 2009, the Company began purchasing LNG at a price indexed to natural gas, with a reference to an average of settled gas prices for the six months preceding the start of the calendar quarter in which the LNG is purchased. Natural gas futures and swaps were used to fix the price of the purchases. The Company recognizes the realized gains and losses on these natural gas futures and swaps that qualify as cash flow hedges when the related LNG is purchased. As of December 31, 2011, $(7.8) million of equity (net of deferred taxes) remained in the consolidated statements of financial position to be recognized in 2012 as LNG purchases that reference 2011 gas prices are made. The purchase contract being hedged under this program expired in 2012, therefore as of December 31, 2012, no equity amounts remained in the consolidated statements of financial position related to future LNG purchases.

The Company periodically sells natural gas option contracts. These contracts give a third party the right to exercise a call option to purchase quantities of natural gas from the Company at a specified price, for a specified duration. In return, the Company receives nonrefundable premiums. Premiums are recognized as revenue in the period the option expires or is exercised. The Company records its outstanding options at fair value in the balance sheet and recognizes changes in fair value in net income.

The Company also owns certain transportation rights for gas in the northeastern portion of the United States. Because the Company has established a history of reselling portions of that transportation, the Company marks those transportation positions to market.

The Company uses commodity swap and option contracts, forward physicals, and futures to manage its price risk exposure related to natural gas purchases for its power plants. Under the swaps and futures, the Company pays a fixed price and receives a floating price, which effectively fixes the price it will pay for the gas.

The Company enters into commodity swap contracts and forward physicals to mitigate its exposure to the effect of changes in future electricity prices on its power plants' sales. Under the swaps, the Company pays a variable price and receives a fixed price, which effectively fixes the price to be received for the electricity.

The Company uses swaps and forward physicals to mitigate the exposure to forward electricity price changes on its forecasted electricity purchases necessary to satisfy its retail sales load under a designated cash flow hedge program. Under the swaps, the Company pays a fixed price and receives a floating price, which effectively fixes the price the Company pays for the electricity. The Company accounts for qualifying hedges of its forecasted electricity purchases as cash flow hedges.

During the reporting period, there were no instances of a forecasted transaction in the Company's various commodity cash flow hedging programs that the Company no longer expects to occur.

Financial Position Treatment — The Company accounts for its nontrading derivatives at fair value on the consolidated statements of financial position in accordance with IAS 39. A summary of the Company's trading and nontrading derivative short-term and long-term assets and liabilities as of December 31, 2012 and 2011, is as follows (in thousands):

	2012			2011
	Noncurrent	Current	Total	Total
Derivative assets at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ -	$ 6,222	$ 6,222	$ 32,074
Derivative instruments (including commodity derivatives) — undesignated hedges	96,488	186,967	283,455	298,864
Derivative instruments — commercial contracts	81,866	16,120	97,986	132,081
Derivative instruments — undesignated Financials Hedges	1,718	918	2,636	6,420
Total derivative assets at fair value through income	180,072	210,227	390,299	469,439
Designated hedges:				
Commodity	15,606	25,854	41,460	119,770
Financial	-	-	-	-
Total designated hedges	15,606	25,854	41,460	119,770
Total derivative assets	$195,678	$236,081	$431,759	$589,209

	2012			2011
	Noncurrent	Current	Total	Total
Derivative liabilities at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ -	$ 22,014	$ 22,014	$ 17,232
Derivative instruments (including commodity derivatives) — undesignated hedges	61,754	121,276	183,030	253,226
Derivative instruments — commercial contracts	19,631	6,113	25,744	20,051
Derivative instruments — financial	-	-	-	47,755
Total derivative liabilities at fair value through income	81,385	149,403	230,788	338,264
Designated hedges:				
Commodity	24,418	97,931	122,349	262,303
Financial	637	4,283	4,920	10,999
Total designated hedges	25,055	102,214	127,269	273,302
Total derivative liabilities	$106,440	$251,617	$358,057	$611,566

The Company's current and noncurrent derivative assets and liabilities at fair value by type as of December 31, 2012 and 2011, are as follows (in thousands):

	2012				2011			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Designated hedges								
Natural gas								
Forwards/futures	$ -	$ -	$ (524)	$ -	$ 49	$ -	$ (411)	$ -
Swap	7,569	2,723	(480)	-	85,964	23,806	(7,589)	(1,164)
Total natural gas	7,569	2,723	(1,004)	-	86,013	23,806	(8,000)	(1,164)
Electricity								
Forwards/futures	14,194	10,813	(54,110)	(11,131)	12,223	4,682	(96,824)	(33,730)
Swap	6,355	3,932	(38,584)	(13,013)	-	252	(101,267)	(22,113)
Total electricity	20,549	14,745	(92,694)	(24,144)	12,223	4,934	(198,091)	(55,843)
Financial								
Interest rate	-	-	(4,283)	(637)	-	-	(6,571)	(4,429)
Exchange	-	-	-	-	-	-	-	-
Total financial	-	-	(4,283)	(637)	-	-	(6,571)	(4,429)
Other	(2,264)	(1,862)	(4,233)	(274)	(5,598)	(1,207)	1,046	(250)
Total designated hedges	$25,854	$15,606	$(102,214)	$(25,055)	$92,238	$27,533	$(211,616)	$(61,686)

	2012				2011			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Undesignated hedges:								
Natural gas								
Forwards/futures	$ 21,977	$ 33,375	$ (4,638)	$ (6,289)	$ 14,771	$ 25,641	$ (6,665)	$ -
Options	23,471	-	-	-	31,804	20,130	(396)	-
Swap	76,520	29,358	(29,201)	(7,684)	27,527	45,094	(104,130)	(7,475)
Total natural gas	121,968	62,733	(33,839)	(13,973)	74,102	90,865	(111,191)	(7,475)
Electricity:								
Forwards/futures	41,620	29,855	(43,186)	(30,802)	33,159	10,603	(58,562)	(28,980)
Options	111	-	(684)	(85)	990	-	(286)	(62)
Swap	29,804	4,062	(42,329)	(11,864)	74,263	11,018	(22,335)	(11,920)
Total electricity	71,535	33,917	(86,199)	(42,751)	108,412	21,621	(81,183)	(40,962)
Warrants (Note 21)	415	567	-	-	415	1,696	-	-
Financial:								
Exchange	918	1,718	-	-	-	-	-	-
Interest rate	-	-	-	-	1,040	5,380	(22,303)	(25,452)
Total financial	918	1,718	-	-	1,040	5,380	(22,303)	(25,452)
Other	(6,951)	(729)	(1,238)	(5,030)	3,842	(2,090)	(11,058)	(1,357)
Trading assets and liabilities	6,222	-	(22,014)	-	32,074	-	(17,232)	-
Commercial contracts	16,120	81,866	(6,113)	(19,631)	41,450	90,631	(7,841)	(12,210)
Total undesignated derivatives	$210,227	$180,072	$(149,403)	$ (81,385)	$261,335	$208,103	$(250,808)	$(87,456)
Grand Total all derivatives	$236,081	$195,678	$(251,617)	$(106,440)	$261,335	$208,103	$(250,808)	$(87,456)

Commercial contracts marked to market as disclosed in the above table refers to contracts that support the Company's core business lines, but are required to be marked to market under IAS 39, as they are not scoped out of IAS 39 under the "own use" scope exception and they do not qualify as hedges. Examples include medium-term and long-term sales of natural gas with volumetric variability, renewable energy credit sales, and certain transportation capacity contracts. The realized income or expense from these commercial contracts represents the physical settlement of these contracts at contract prices, and is recorded in gross margin with the remainder of the Company's commercial activity.

The "Other" line in the table above is made up predominantly of liquidity reserves that are used to adjust the fair values of derivative instruments from midmarket prices to bid and ask prices as appropriate for purchases and sales, respectively. The liquidity reserve and other netting adjustments in the above table are allocated to assets and liabilities based upon the relative values of current and noncurrent assets and liabilities. As the table above is segregated into more categories than used on the balance sheet, the value of individual assets and liabilities before allocation of the liquidity reserve is different in the table above, and thus the allocation of the liquidity reserve is different in the table above than the allocation used for the balance sheet. This allows for the total fair value of each of the assets and liabilities in the table above to match the balance sheet asset and liabilities, while still reflecting the gross assets and liabilities by category and type in the table above.

Accounting for the Change in Risk Management Derivative Values — The Company immediately recognizes changes in the fair value of non-hedge derivatives in "Mark-to-market on commodity

contracts other than trading instruments" line of the consolidated statements of income. The Company applies cash flow hedge accounting to certain of its financial and commodity risk management derivatives and applied fair value hedge accounting to certain of its financial risk management derivatives, which settled in 2011.

The Company recognizes the changes in fair values of derivatives appropriately documented as cash flow hedges of forecasted transactions in equity until the hedged transactions occur and are recognized in earnings. The following table shows the year in which the Company expects the derivatives that it has designated as cash flow hedges to affect earnings. The first table discloses the notional amount of the commodity hedged forecasted transaction (in gigawatt hours ("GWh")) and the second table discloses the notional amount of the financial instrument hedged forecasted transactions (in thousands):

	Year of Earnings Impact (GWh)				
	2013	2014	2015	2016 +	Total
Commodity:					
Natural gas	(3,098)	(1,966)	(787)	-	(5,851)
Electricity	16,219	4,974	1,258	635	23,086
Total commodity hedges	13,121	3,008	471	635	17,235

	Year of Earnings Impact (000's)				
	2013	2014	2015	2016 +	Total
Financial hedges — expected swap settlements	$ 1,022	$ 92	$ 183	$ -	$ 1,297
Total financial hedges	$ 1,022	$ 92	$ 183	$ -	$ 1,297

"Natural gas" amounts include forecasted transactions related to both natural gas and LNG. The figures in the table above related to financial hedges are the gross expected variable leg of future swap settlements and are designed to demonstrate the amount and timing of impacts to earnings. As the financial hedges are highly effective, the swap settlements represent a reasonable approximation for the hedged forecasted transaction.

The Company formally assesses, both at inception and at least quarterly thereafter, whether the derivatives that are used cash flow hedging relationships have been highly effective in offsetting the changes in the cash flows of the hedged item and whether or not there is a reasonable expectation that the hedges will continue to be highly effective on a prospective basis. The ineffective portion of a hedging derivative's change in fair value is recognized in earnings in the period of change. When it is determined that a derivative ceases to be a highly effective hedge, the Company discontinues hedge accounting.

The movements in other comprehensive (loss) income resulting from the Company's cash flow hedge activity, including the recognition of ineffectiveness in earnings as of December 31, 2012 and 2011, are as follows (in thousands):

	2012	2011
Other comprehensive (loss) income movements:		
Losses recognized in equity — effective portion of the hedge	$ (65,073)	$ (109,749)
Gains reclassified from equity into income — settlement	189,161	105,140
Profit and loss — gains (losses) recognized for hedge ineffectiveness	1,681	7,162

In 2011, the Hot Springs power facility was deemed held-for-sale and the Company determined that at the time of the facility sale, the debt associated with that facility would be repaid, thus terminating all interest payments that had been designated as the hedged items in a cash flow hedge. As such, the Company reclassified $(10.4) million from equity to earnings related an interest rate hedge that was disqualified due to the hedged forecasted transaction not being expected to occur. The amount is not reflected in the table above.

Also in 2011, one of the cash flow hedge relationships was de-designated due to a possible refinancing of associated debt for FirstLight. In 2012, equity in the amount of $(15.8) million was reclassified to financial expense when the interest rate swaps were terminated. The debt that gave rise to the hedged forecasted interest rate payments was terminated concurrently with the interest rate swaps. The $(15.8) million is included in "Gains reclassified from equity into income" in the table above.

Accounting for the Settlement of Risk Management Derivatives — When the Company realizes its mark-to-market assets and liabilities related to its nontrading risk management activities, it records that settled result in operating earnings. The Company reflects electricity and steam sales as revenue and records the cost of purchasing fuel commodities to satisfy those sales in purchases in the consolidated statements of income. For the years ended December 31, 2012 and 2011, the Company recorded $(148.4) million and $(48.6) million, respectively, in gross margin for the settlement of risk management derivatives, including both designated and undesignated hedges.

Other Commodity Contracts — All of the Company's physical electricity capacity sales contracts and the majority of its retail electricity sales are own-use contracts, which IAS 39 requires to be accounted for on an accrual basis.

The Company's trading and nontrading financial and commodity derivative results as of December 31, 2012 and 2011, are as follows (in thousands):

	2012			2011		
	Expenses	Income	Net	Expenses	Income	Net
Finance cost on borrowings						
Interest on gross borrowings, including guarantee and other fees	$(273,853)	$ 5,084	$(268,769)	$(327,281)	$ -	$(327,281)
Bank and other interest income	(8,310)	13,922	5,612	(8,308)	2,760	(5,548)
Gains and losses on hedges of borrowings	(54,908)	31,962	(22,946)	(10,208)	9,541	(667)
Financial (expense) income	(337,071)	50,968	(286,103)	(345,797)	12,301	(333,496)
Commodity derivative (loss) income:						
Unrealized change in undesignated hedges	-	36,706	36,706	(16,522)	-	(16,522)
Designated hedge ineffectiveness	-	1,681	1,681	(7,162)	-	(7,162)
Unrealized change in value of commercial contracts marked to market	(45,995)	5,021	(42,974)	-	39,806	39,806
Mark to market on commodity contracts other than trading instruments	(45,995)	41,408	(4,587)	(23,684)	39,806	16,122
Gross margin from energy trading (Note 4)	(2,544)	-	(2,544)	(5,541)	-	(5,541)
Total financial (expense) income	$(385,610)	$92,376	$(293,234)	$(375,022)	$52,107	$(322,915)

14.3 Market Risk — The Company's commodity and financing activities subject it to the risk of changes in forward commodity prices, interest rates, and foreign currency exchange rates. To manage its risks, the Company has established and monitors various controls. GSEMNA has established a risk committee composed of members of senior management that meets at least monthly to analyze any transaction that is not explicitly approved by GSEMNA's documented hedging policies. The Company's trading activity is governed through the use of various limits, including VaR, deal tenor, and location restrictions, which the risk committee periodically reviews and updates. VaR measures the Company's maximum exposure to an economic loss on its commodity portfolio over one-day holding period. It is not an indication of expected results. The Company measures VaR at a 99% confidence interval. Trading VaR includes the risk attributed to positions executed in connection with trading activities, with the exception of the Company's storage-trading positions. Storage-trading activity includes storage capacity contracts, stored physical gas, and derivatives, such as swaps, futures, and options that are used to optimize the value of the stored gas. Storage activity is governed by volumetric and tenor limits.

The Company's VaR measurements for its trading portfolio as of December 31, 2012 and 2011, are as follows (in millions):

	Trading
Opening VaR:	
January 1, 2012	$ 0.18
January 1, 2011	0.55
Closing VaR:	
December 31, 2012	0.18
December 31, 2011	0.18
Average VaR:	
December 31, 2012	0.58
December 31, 2011	0.34
Maximum VaR:	
December 31, 2012	1.50
December 31, 2011	0.77
Minimum VaR:	
December 31, 2012	0.16
December 31, 2011	0.12

Market risk arising from commodity derivative instruments utilized in risk management activities is assessed, measured, and managed using sensitivity analysis, together with other market risk exposure indicators. These sensitivity analyses are calculated based on a fixed portfolio of risk management derivatives at each year-end and may not be necessarily representative of future changes in income and equity of the Company. The analyses are determined excluding the impact of commodity purchase and sale contracts entered into within the ordinary course of business ("own-use" contracts). To calculate the impact of potential price movements on the value of the Company's portfolio, the price movements shown in the table below are applied to all fixed price transactions open in the corresponding commodity at year end. No potential price movement is applied to open basis contracts that swap the price of the same commodity at different locations. Sensitivity of income to market risk arises mainly from economic hedges not eligible for hedge accounting under IFRS (in thousands).

		2012		2011	
Sensitivity Analysis	**Price Movements**	**Pretax Impact on Income**	**Pretax Impact on Equity**	**Pretax Impact on Income**	**Pretax Impact on Equity**
Fuels (Oil)	$10/bbl	$(14,616)	$ -	$ (2,800)	$ -
Natural gas	$4/MWh	(42,017)	(9,657)	42,897	(48,538)
Electricity	$7/MWh	(84,296)	161,611	(94,257)	175,900
Coal	$10/ton	-	-	1,550	-
Emission rights	$3/ton	278	-	555	-
Capacity	$7/MW	(4,199)	-	2,761	-
Foreign Exchange	$ 02/$CAD	2,172	-	2,746	-

In addition to the commodity risks listed in the above table, the Company is also exposed to movements in equity balances that are sensitive to changes in forward interest rates. As of December 31, 2012, the Company has two outstanding interest rate hedges that effectively fix the interest payments under variable rate debt. The interest rate hedges are fully designated as cash flow hedges and are highly effective, thus changes in forward interest rates only impact equity balances. Due to the limited duration

of the swaps and the current low interest rate environment, a 10% movement in the forward rates would impact equity by less than $0.2 million.

14.4 Liquidity Risk — Because the Company's risk management activities contractually obligate it to exchange commodities and cash flows based on commodity prices at future dates, the Company is exposed to the risk that it will not be able to purchase or sell commodities at those dates to fulfill its obligations. That liquidity risk can limit the Company's ability to mitigate its market price risk exposure. The Company applies a valuation reserve to adjust the fair value of its mark-to-market commodity assets and liabilities to fair value. That reserve is more fully explained in the fair value of financial instruments and derivatives section below. The undiscounted cash flows that the Company expects to receive or pay by the year of expected payment on its derivative contracts as of December 31, 2012 and 2011, are as follows (in millions):

	< 1 Year	2 Years	3 Years	4 Years	5+ Years	Total
December 31, 2012:						
Derivative financial liabilities	$ (243.5)	$ (67.0)	$ (20.6)	$ (6.4)	$ (10.4)	$ (347.9)
Derivative financial assets	242.9	102.4	39.8	17.4	43.4	445.9
Total December 31, 2012	$ (0.6)	$ 35.4	$ 19.2	$ 11.0	$ 33.0	$ 98.0
December 31, 2011:						
Derivative financial liabilities	$ (465.8)	$ (112.1)	$ (19.2)	$ (6.7)	$ (9.4)	$ (613.2)
Derivative financial assets	371.0	117.4	50.6	27.3	52.2	618.5
Total December 31, 2011	$ (94.8)	$ 5.3	$ 31.4	$ 20.6	$ 42.8	$ 5.3

The Company manages liquidity risk through employing a number of internal controls, making use of netting and other arrangements to minimize requirements for posting collateral, and participating in shared working capital arrangements with its parent company and affiliated entities. Internal controls employed include duration limits on trading and nontrading transactions, limiting and monitoring open positions by location, limiting transaction locations, and monitoring cash sources and uses.

14.5 Major Customers and Concentrations of Credit Risk — Credit risk relates to the risk of loss associated with nonperformance by counterparties. The Company maintains credit risk policies that govern the management of credit risk. These policies require an evaluation of a potential counterparty's financial condition, credit rating, and other quantitative and qualitative criteria; this evaluation results in establishing credit limits or collateral requirements prior to entering into an agreement with a counterparty. Additionally, the Company has established controls to determine and monitor the appropriateness of these limits on an ongoing basis. Risk mitigation tools include, but are not limited to, the use of standardized master contracts and agreements that allow for netting of exposures across commodities, rights to margin, and termination upon the occurrence of certain events of default. Credit enhancements, such as parental guarantees, letters of credit, and margin deposits are also utilized. The impact of credit enhancements held by the Company to its overall credit exposure is equal to $83.4 million. Credit exposure is monitored daily and the financial condition of our counterparties is reviewed periodically. As of December 31, 2012 and 2011, respectively, the Company held $5.5 million and $8.63 million of cash collateral and posted $2.9 million and $17.6 million of cash collateral with counterparties. Cash collateral provided to counterparties is included in the trade and other receivables item on the balance sheet, and cash collateral held is included in the trade and other payables balance.

Other than cash collateral held, there were no instances in which the Company took possession of collateral held as security during 2012 and 2011.

Many of the Company's power-generating facilities have one primary utility or industrial customer under a long-term contract. A cogeneration facility may also have a single industrial customer to which it provides steam under a long-term contract. The Company does not believe that these customers represent a significant credit risk. However, changes in economic, regulatory, or other factors could have a significant effect on the Company's contractual relationships. Successful financial operations of these plants are largely dependent on the continued performance by customers and suppliers of their obligations under the relevant power sales contract and, in particular, on the credit quality of the purchasers. If a substantial portion of the Company's long-term power sales contracts was modified or terminated, the Company would be adversely affected to the extent that it might be unable to find other customers at the same level of contract profitability.

The Company considers an unaffiliated counterparty a potential concentration risk if any one counterparty accounts for 50% of either sales revenues or unsecured accounts receivable of any business unit of the Company as of the end of a reporting period. As of December 31, 2012, GSEMNA's two largest unaffiliated receivable balances represented 57% of GSEMNA's total receivables, and GSGNAH's two largest receivable balances represented 72% of GSGNAH's total receivables. Of the two GSGNAH receivable balances, one unaffiliated balance represented 50% of the GSGNAH's total receivables. The Company did not have any concentrations under this criteria as of December 31, 2011. GSERNA systematically reserves a percentage of its outstanding receivable balances based on the age of that balance. GSERNA requires collateral, in the form of cash and letters of credit, from customers determined to be high risk for delinquency or default. Additionally, GSERNA carries an insurance policy that pays a portion of its uncollectible amounts.

Furthermore, no significant past-due financial asset is impaired. The Company assesses financial assets for impairment once those assets have become past due for greater than 60 days. The impairment assessment takes into account the creditworthiness of the applicable counterparty and circumstances that caused the asset to become past due.

The following table shows the Company's gross and net forward exposures to counterparties, exclusive of accounts receivables. In 2011, the exposures included the forward value of contracts that receive both mark-to-market and own-use accounting treatment. For 2012, the forward exposure calculation was refined to better illustrate the impact of netting agreements and other enhancements based on the reporting methodology used by management. The forward exposure table in 2012 does not include own-use contracts. In addition, the table specifies the exposure to its investment grade counterparties. "Investment Grade" corresponds to transactions with counterparties with a minimum rating of BBB- by Standard & Poor's, Baa3 by Moody's, or an equivalent by Dun and Bradstreet taking into account the existence of collateral, letters of credit, and parent company guarantees (in millions):

	2012		2011	
	Investment Grade	Total	Investment Grade	Total
Counterparty exposure:				
Gross exposure	$ 429.0	$ 431.4	$ 278.8	$ 284.4
Net exposure	214.1	214.1	278.3	283.9

The aging of the Company's trade receivable exposure without considering the impact of collateral or other credit enhancements, if any, held by the Company securing those receivables as of December 31, 2012 and 2011, is as follows (in thousands):

	Total Account Receivables	Current	Past Due	Allowance	Past Due Aging			
					1–3 Months	3–6 Months	6–12 Months	> 1 Year
2012	$651,303	$642,536	$15,149	$(6,382)	$ 9,442	$1,804	$1,646	$2,257
2011	$496,057	$473,727	$28,362	$(6,032)	$21,791	$1,730	$1,366	$3,475

14.6 Fair Value of Financial Instruments and Derivatives — The Company's nontrading financial instruments and derivatives consist primarily of cash and cash equivalents, trade receivables, accounts payable, debt instruments, interest-rate swap agreements, currency swap agreements, and commodity instruments. The book values of cash and cash equivalents, trade receivables, and accounts payable are representative of their respective fair values due to the short-term nature of these instruments. The fair value of debt and related-party receivables and payables are discussed in Note 13. See below for details on the Company's interest-rate swap agreements, currency swap agreements, trading derivatives, and nontrading commodity derivative instruments.

The Company determines the fair value of these contracts using quoted prices, forecasted market prices, and if those sources are unavailable, valuation models available from industry sources, and appropriate valuation adjustment methodologies. Certain valuation models include as inputs forward commodity and basis prices, which extend beyond the period for which liquid market pricing is available. In those cases, the Company extrapolates forward price curves incorporating assumptions about seasonality and volatility of prices and other factors specific to individual commodities and markets.

The Company classifies the fair value measurements in its consolidated financial statements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy splits measurements in three levels. Level 1 includes only those fair value measurements that are taken directly from unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable either directly or indirectly. Finally, Level 3 inputs are those that are not based on observable market data. The Company's fair value measurements by level as of December 31, 2012 and 2011, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Fair value by Level as of December 31, 2012:				
Portfolio management:				
Derivative assets	$ 161,800	$ 184,491	$ 104,609	$ 450,900
Derivative liabilities	(93,636)	(239,815)	(27,954)	(361,405)
Trading activities:				
Derivative assets	171,228	10,997	-	182,225
Derivative liabilities	(187,649)	(10,369)	-	(198,018)
Total December 31, 2012	$ 51,743	$ (54,696)	$ 76,655	$ 73,702

	Level 1	Level 2	Level 3	Total
Fair value by Level as of December 31, 2011:				
Portfolio management:				
Derivative assets	$ 265,821	$ 385,486	$ 98,809	$ 750,116
Derivative liabilities	(166,693)	(613,608)	(7,012)	(787,313)
Trading activities:				
Derivative assets	301,844	23,772	-	325,616
Derivative liabilities	(286,804)	(23,972)	-	(310,776)
Total December 31, 2011	$ 114,168	$ (228,322)	$ 91,797	$ (22,357)

Assets and liabilities in the table above reflect the total fair value for all maturities of individual financial instruments and derivatives, and are calculated based on the fair value of each contract. Contracts values are not presented on a net basis by counterparty as on the balance sheet. There have been no transfers of assets and liabilities between levels of fair value. The movement of Level 3 values between December 31, 2012 and 2011, are as follows (in thousands):

	Assets	Liabilities
Level 3 fair value — December 31, 2011	$ 98,809	$ (7,012)
Gains (losses) recorded through earnings	20,861	(26,375)
Issues	-	-
Settlements	(15,061)	5,433
Level 3 fair value — December 31, 2012	$ 104,609	$ (27,954)
Total gains or (losses) for the period recorded through income statement for derivatives held at December 31, 2012	$ (21,337)	$ (27,499)
Level 3 fair value — December 31, 2010	$ 80,690	$ (22,325)
Gains (losses) recorded through earnings	30,954	12,563
Issues	59	-
Settlements	(12,894)	2,750
Level 3 fair value — December 31, 2011	$ 98,809	$ (7,012)
Total gains or (losses) for the period recorded through income statement for derivatives held at December 31, 2011	$ 37,860	$ 2,139

The gains or losses recorded through earnings and the earnings impact of settlements in the table above are recorded in the line, "Mark-to-market on commodity contracts other than trading instruments" line on the consolidated statements of income. The Company has not recognized a gain or loss from the purchase or sale of assets or liabilities with a fair value measured using Level 3 inputs.

The Level 3 fair values for 2011 above include liabilities related to a long-term gas sales contract. The value of this contract is largely dependent upon the gas price at two locations in the northeast United States. The pricing information for these locations is considered illiquid. In order to account for the illiquidity of the prices, the Company reduces the spread between the two locational prices when they are used for valuing the gas sales contract. The spread reduction is based on statistical analysis of price movements at each location. If the spread had not been reduced, liabilities would have been $4.4 million higher at December 31, 2011. The contract settled in 2012.

The Level 3 fair values also include a long-term sale of Locational Fixed Reserve Margin ("LFRM"). The LFRM contract is a financial swap that exists to fix the price that the company will receive for providing an ancillary service from a combined-cycle generating facilities to the New England ISO. LFRM is a load-balancing product whereby the company must stand ready to deliver energy in cases of load or congestion in the NEPOOL market. The contract term is through 2019, and forward prices are not available for the LFRM market. The price is set in seasonal auctions, and the most current seasonal prices are used to value all contract periods. A 10% increase in the capacity price would increase the asset value of this contract by $2.5 million.

In connection with the market valuation of its fixed-price contracts, the Company maintains certain reserves for risks and costs associated with these future commitments. These reserves represent valuation adjustments to reflect risks and costs associated with the liquidity of the portfolio and consideration of the time value of money for long-term contracts. Management believes these valuation adjustments adequately adjust the value of the mark-to-market positions to reflect the value that would be obtained from the liquidation of the positions in an orderly, unforced manner. The Company applies these valuation adjustments to the value of the total portfolio and allocates the reserves to short-term and long-term assets and liabilities from its trading and nontrading risk management activities based upon the proportion of each short-term and long-term asset and liability in relation to the total portfolio value.

Additionally, the Company reserves material inception gains and losses on products traded in markets with prices that are not directly supported by readily observable prices supported by a high liquid market. These reserves are recorded against the related derivative balance sheet accounts, income statement or other comprehensive income (if a designated cash flow hedge at inception). Examples include power deals that include only super-peak hours or basis trades with locations on limited liquidity. While the prices used in valuing these deals are generally derived from observable market sources, the inception reserves are created under the presumption that transactions are executed at market prices. The Company regularly reviews these inception reserves for reasonableness, and the Company releases these reserves into earnings when the valuation risk is mitigated. This is typically due to a market or delivery period becoming liquid, a transaction or delivery settling, or an illiquid transaction being matched with a transaction that fully offsets the commodity position. In the absence of one of these occurrences, inception reserves are reversed in the period or periods during which the underlying transaction is settled.

The change in Company's inception valuation reserves for the years ended December 31, 2012 and 2011, is as follows (in thousands):

	2012	2011
Inception reserves:		
Beginning unamortized balance	$ 14,863	$ 13,143
Deferral on new transactions	8,286	11,151
Amortization	(10,507)	(8,402)
Reserve reversal due to inputs becoming observable	(541)	(1,029)
Ending balance	$ 12,101	$ 14,863

15. FINANCIAL DEBT AND BORROWINGS

	Maturity	Rate at December 31, 2012	Rate at December 31, 2011	2012	2011
Affiliated debt					
Revolving line of credit	2011–2024	1.81%–4.16%	1.90%–4.43%	$ 512,760	$ 940,560
Line of credit related to GSGNAH	2015	6.45	6.45	225,000	225,000
Term loan related to FirstLight	2017	4.37	-	453,618	-
Term loan related to Waterbury	2017	4.37	-	83,862	-
Term loan related to GSGNAH	2014	2.49	2.24	250,000	250,000
Term loan related to Hot Springs	2015	-	2.13	-	45,000
Term loan related to Astoria I	2013	1.91	2.18	48,200	48,200
Term loan related to Choctaw Gas	2017	-	2.04	-	61,875
Term loan related to Viking	2015	2.06	2.22	7,613	8,663
Term loan related to Ennis	2015	1.76	2.03	60,656	68,744
Term loan related to IPGENCO	2015	1.87	1.96	53,068	59,702
Term loan related to IPGSNA	2015	1.86	1.92	100,195	114,015
Term loan related to IPGSNA (formerly for E & P)	2014	4.48	4.17	114,853	114,853
Term loan related to IPGSNA (formerly for E & P)	2014	2.16	2.26	24,655	24,655
Term loan related to Coleto Creek	2016	4.11	4.65	504,000	553,000
Term loan related to Coleto Creek	2016	4.11	2.89	296,250	263,750
Term loan related to IPA Central	2016	-	4.53	-	214,550
Term loan related to IPA Central	2016	3.98	2.89	315,250	107,200
International Power America, Inc	2018	3.84	3.84	-	512,750
Total affiliated debt				3,049,980	3,612,517
Project financing:					
Lease financing obligation — Choctaw Generation LP	2047	7.23	7.23	334,567	341,211
Industrial revenue bonds related to Ryegate Associates	2012	-	0.42	-	3,400
Bonds related to Nassau Energy Corporation	2015	-	2.00	-	14,350
Senior Secured Bonds Series related to FirstLight	2026	8.81	8.81	276,250	287,000
Second Lien Credit Agreement related to FirstLight	2014	-	4.81	-	168,136
First Lien Credit Agreement related to FirstLight	2013	-	2.82	-	254,847
Construction Loan Facility — Waterbury Generation, LLC	2019	-	1.85	-	64,631
Construction Loan Facility — Waterbury Generation, LLC	2020	-	3.30	-	17,374
Project loans related to Delta Township Utilities, LLC	2017	-	7.27	-	2,506
Term loan related to Winooski	2012	-	2.05	-	164
Revenue bonds — Pupoo Energy Services	2022	0.23	0.23	3,252	3,580
Astoria Partners LLC (CDPQ Investments)	2015	14.00	14.00	43,860	45,494
Astoria Energy LLC LOC	2013	1.99	-	5,000	-
Astoria Energy LLC 2nd Lien Debt-bullet maturity	2021	10.20	10.20	217,137	218,011
Astoria Energy LLC 1 First Lien Loan	2016	7.10	7.10	259,732	306,328
Freeport Power Limited	2014	8.66	8.66	16,576	25,104
Total project financing				1,156,394	1,752,136
Total borrowings before accrued interest and deferred financing costs				4,206,374	5,364,653
Accrued interest				71,145	48,878
Deferred financing costs				(3,906)	(4,369)
Total borrowings				4,273,613	5,409,162
Less current portion of borrowings				585,071	203,765
Total long-term borrowings				$3,688,542	$5,205,397

15.1 Notes Payable to Affiliate — The Company has a line of credit with an affiliate of GDF SUEZ for up to $1 billion at December 31, 2012. The majority of the outstanding borrowings under the line of credit bear interest at LIBOR, plus 1.5% to 3.85%. The Company had advances under this line of credit, of $0.7 billion outstanding and $0.3 billion available at December 31, 2012. The amounts outstanding under the credit lines are included in long-term borrowings and short-term borrowings at December 31, 2012 and 2011, as appropriate.

15.2 Project Financing — During 2002, the Company sold and leased back the Choctaw Generation, LP facility in a transaction accounted for as a financing lease. The transaction was accounted for as a financing lease due to continued involvement in the form of additional collateral provided by the existing power contract. As a result of the sale/leaseback transaction, the Company recorded a financing obligation equal to the sales proceeds received of $390.4 million, which is being amortized over the 45-year term of the sale/leaseback agreement. The effective annual interest rate imputed to reflect the interest cost of the financing obligation is 7.23%. The future minimum lease payments, which include interest, were $939.8 million at the inception of the lease, with annual payments of approximately $32.6 million yearly over the next five years. See Note 23, Subsequent Events, for updates on the sale of Choctaw Generation, LP.

All project financing is secured by subsidiaries' assets, except for the revenue bonds of Pepco Energy Services — Suez Thermal, LLC and the project loans related to Astoria Energy LLC and Astoria Partners LLC, which are secured by an irrevocable letter of credit.

Certain of the Company's credit agreements contain restrictive covenants and place restrictions on the amount of cash that can be used for making debt payments and maintenance and repair expenditures for plant facilities. The Company is in compliance with all such covenants except for Choctaw Generation, LP.

15.3 Interest Rate Swaps — The Company and certain subsidiaries have entered into interest-rate swap agreements for notional principal amounts aggregating to $277 million and $1 billion at December 31, 2012 and 2011, respectively. These agreements effectively change the variable interest rate to fixed rates ranging from 1.22% to 5.3% at December 31, 2012 and 2011, on the portion of the debt covered by the notional amounts. The agreements expire at various dates through December 2019.

The Company was exposed to interest rate fluctuations on approximately $0.6 billion and $2.2 billion of variable rate debt at December 31, 2012 and 2011, respectively. In the event of default by the counterparties on the interest rate swap agreements discussed above, the Company would be exposed to fluctuations in the interest rates. The Company does not anticipate nonperformance by the counterparties.

15.4 Letters of Credit — At December 31, 2012 and 2011, the Company had $900 million available to obtain letters of credit for operational obligations for its subsidiaries and affiliates. The Company had issued letters of credit of $304 million and $501 million under these available lines at December 31, 2012 and 2011, respectively.

15.5 Scheduled Maturities — Scheduled maturities of borrowings as of December 31, 2012, are as follows (in thousands):

Years Ending December 31	Maturities
2013	$ 517,565
2014	518,867
2015	718,947
2016	1,149,335
2017	547,052
Thereafter	754,608
Total borrowings before accrued interest and deferred financing costs	$4,206,374

16. PROVISIONS AND OTHER LIABILITIES

16.1 Provisions — Provisions for the years ended December 31, 2012 and 2011, were as follows (in thousands):

	December 31, 2010	Additions	Amounts Used	Disposal	Translation	December 31, 2011
Noncurrent provisions						
Asset retirement obligations	$15,966	$ 2,239	$ 1,515	$(6,352)	$(150)	$13,218
Provision for pensions	3,509	74	(803)	-	(8)	2,772
APBO — retiree medical	2,689	77	-	-	-	2,766
Reserves — environmental	12,566	-	(148)	-	-	12,418
Total noncurrent provisions	34,730	2,390	564	(6,352)	(158)	31,174
Current provisions:						
Restructuring costs	-	32,800	-	-	-	$32,800
Provision for tax contingencies	35,353	-	(20,035)	-	-	15,318
Provision for contingencies loss	-	6,023	-	-	-	6,023
Total current provisions	35,353	38,823	(20,035)	-	-	54,141
Total provisions	$70,083	$41,213	$(19,471)	$(6,352)	$(158)	$85,315

	December 31, 2011	Additions	Amounts Used	Disposal	Translation	December 31, 2012
Noncurrent provisions						
Asset retirement obligations	$13,218	$ 993	$ -	$ (847)	$-	$13,364
Provision for pensions	2,772	7,390	-	(65)	-	10,097
APBO — retiree medical	2,766	2,353	-	-	-	5,119
Reserves — environmental	12,418	-	(69)	-	-	12,349
Total noncurrent provisions	31,174	10,736	(69)	(912)	-	40,929
Current provisions						
Restructuring costs	$32,800	-	(18,700)	-	-	$14,100
Provision for tax contingencies	15,318	5,297	(11,887)	-	-	8,728
Provision for contingencies loss	6,023	-	(4,603)	-	-	1,420
Total current provisions	54,141	5,297	(35,190)	-	-	24,248
Total provisions	$85,315	$16,033	$(35,259)	$ (912)	$-	$65,177

16.1.1 Asset Retirement Obligation — Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities, and LNG terminals, have to be dismantled at the end of their operational lives. This obligation is the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit commitment. The related liability is calculated using the most appropriate technical and budget estimates. Upon initial recognition, the Company records a provision for the present value of the expected obligation at the decommission date and recognizes a dismantling asset. The amount of the provision is adjusted each year to reflect the impact of unwinding the discount or adjustments in the expected obligation based on new or updated information. The additions in 2012 comprised of amounts related to several plants at GENCO. The disposal of $0.8 million is from the disposal of Choctaw Gas, Mexico Entities and the restructuring of Colorado Energy Nations (see Note 3).

16.1.2 Reserves — Environmental — Environmental reserves are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated. The amount recorded for environmental reserves represents management's best estimate of the liability at FirstLight for environmental cost and takes into consideration site assessment and remediation costs.

16.1.3 Unrecognized Tax Benefit — See Note 5 and discussion of IRS audit in Note 3.

16.1.4 Legal Provision — See discussion of litigation in Note 19.

16.1.5 Pensions — See discussion of pensions in Note 20.

16.1.6 Restructuring Costs — Costs related to the restructuring of Syracuse's power purchase agreement of $14.2 million and $32.8 million were accrued at December 31, 2012 and December 31, 2011 respectively. The reduction of the accrual is due to payment of $13 million to RockTenn and cancellation of termination payments of $5.7 million. Restructuring costs of $4 million in 2012 primarily relates to the cancellation of Syracuse termination payments mentioned previously, offset by $2.2 million of expenses at First Light Resources related to severances from transitioning functions and $7.5 million of expenses at IPA related to integration into the Company, primarily severances.

16.2 Other Liabilities — Other liabilities for the years ended December 31, 2012 and 2011, were as follows (in thousands):

	2012	2011
Other noncurrent liabilities:		
Deferred revenues	$ 113,573	$ 74,378
Employee benefit-related liabilities	39,574	35,374
Other liabilities — noncurrent	38,580	34,169
Total other noncurrent liabilities	191,727	143,921
Other current liabilities:		
Other taxes payable	66,903	61,857
Deferred revenue and other operating payables	44,935	60,084
Employee benefit-related payables	76,704	76,906
Total other current liabilities	188,542	198,847
Total other liabilities	$380,269	$342,768

16.2.1 Deferred Revenue — Deferred revenue is related to capacity levelization where the revenue is recognized ratably over the term of the agreement (see Note 2 M).

16.2.2 Pension and Other Employee Benefits-Related Liabilities — See Notes 20 and 21.

17. LEASES — FINANCE AND OPERATING

The Company is contractually engaged in current lease obligations, whereby the Company has both lessee and lessor obligations in various arrangements. In accordance with IAS 17, the following tables delineate the Company's contractually obligated lease commitments:

Noncancelable Finance Leases for which the Company Acts as the Lessee — The Choctaw Generation, LP facility is leased under a financing lease, as discussed in Note 15.2. Related to this lease at December 31, 2012, $334.6 million is recorded in borrowings in the consolidated statements of financial position, and a net capital lease asset of $251 million is recorded in property, plant, and equipment (see Note 8).

A reconciliation of maturities of liabilities under finance leases with the maturities of undiscounted future minimum lease payments as of December 31, 2012 and 2011, is as follows (in thousands):

	2012				2011
	Total	Year 1	Years 2–5 Inclusive	Beyond Year 5	Total
Liabilities under finance leases	$334,567	$ 8,325	$ 42,691	$283,551	$341,211
Impact of discounting future repayments of principal	283,676	23,854	88,411	171,411	308,103
Undiscounted future minimum lease payments at present value	$618,243	$32,179	$131,102	$454,962	$649,314

Operating Leases for which the Company Acts as Lessee — The Company has two main lease types: (i) the Company leases its office facilities under operating lease agreements, and (ii) the Company has entered into "bare-boat" charter agreements for LNG carrier ships. The Company has a twenty-year and a two-year charter agreement on two LNG carrier ships. In addition to the base charter cost, the Company is required to reimburse the carrier operator for all costs incurred in the operation of the ships. Specific to the "bare-boat" charter, only the base charter cost is included in the schedule below. These leases contain renewal options and escalation clauses.

Total lease expense for 2012 and 2011 was approximately $91.7 million and $75.5 million, respectively.

Under these operating leases, a schedule of future noncancelable minimum lease payments under leases with an initial or remaining term of more than one year is as follows (in thousands):

	2012	2011
Year 1	$ 29,353	$ 27,203
Years 2 to 5 inclusive	90,372	91,250
Beyond year 5	86,414	94,786
Total future minimum lease payments at present value	$206,139	$213,239

Operating Leases for which the Company Acts as Lessor — These leases fall mainly within the scope of IFRIC 4 guidance on the interpretation of IAS 17 (see Note 2 N). They concern primarily capacity payments at the various plants. Future minimum lease payments receivable under operating leases, can be analyzed as follows (in thousands):

	2012	2011
Year 1	$ 201,313	$ 186,180
Years 2 to 5 inclusive	635,156	678,223
Beyond year 5	1,449,397	1,429,018
Total future minimum lease payments	$2,285,866	$2,293,421

18. CONTRACTUAL COMMITMENTS

In the ordinary course of its activities, the Company enters into long-term contracts, some of which include "take-or-pay" clauses. These consist of firm commitments to purchase (sell) specified quantities of natural gas, electricity, and steam and related services, in exchange for a firm commitment from the other party to deliver (purchase) said quantities and services. These contracts are outside the scope of IAS 39. The main future commitments arising from contracts entered into by the Company at December 31, 2012, are as follows (in GWh's):

	2012	Within 1 Year	1 to 5 years	> 5 years	2011
Total commitments given (purchases)	601,719	79,554	280,834	241,331	731,201
Total commitments received (sales)	412,025	75,184	143,301	193,540	469,872

19. CONTINGENCIES AND LEGAL PROCEEDINGS

Contingencies correspond to conditions that exist as of the date of the consolidated financial statements that may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. Contingencies include outstanding lawsuits or claims for possible damages to third parties in the ordinary course of the Company's business, as well as third-party claims arising from disputes concerning legislative interpretation. Such contingent liabilities are assessed by the Company's management based on available evidence and legal opinion.

The Company and certain of its subsidiaries are defendants in various lawsuits and proceedings. While the outcome of these lawsuits and proceedings cannot be predicted with certainty and could possibly have a material adverse effect on the Company's consolidated financial position, results of operations, and cash flows, it is the opinion of management, after consulting with counsel, that the ultimate disposition of such lawsuits will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

20. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans — The Company maintains a defined contribution retirement plan (the "401(k) Plan") for its employees. Under the 401(k) Plan, each participant may elect to defer taxation on a portion of his or her eligible earnings, as defined by the 401(k) Plan, by directing the Company to withhold a percentage of such earnings. The Company contributes 3% of each employee's defined compensation and also matches 50% of the first 6% of each employee's compensation contributed,

subject to a cap of $200,000. The employees vest immediately in the Company's contributions. The Company's contribution expenses were $9.3 million and $10.3 million for the years ended December 31, 2012 and 2011, respectively.

Deferred Compensation Plan — The Company has a senior management deferred compensation plan, under which certain key employees may elect to defer any percentage or dollar amount of his or her compensation, bonus, or incentive compensation and instead have that amount credited to his or her deferral account. The Company does not match contributions to this plan. The amount owed to employees under this plan at December 31, 2012 and 2011, was $25.2 million and $22.9 million, respectively, and is included in other noncurrent obligations in the consolidated statements of financial position. Such amounts are invested in securities through a trust and are included in other noncurrent assets. The securities held by the trust are considered available for sale, with the income earned and changes in market value adjusting the asset and corresponding liability by equal amounts.

Performance Unit Plan — The Company has a performance unit plan (the "Plan") that provides incentive awards based on the Company's performance on selected financial performance measures over a three-year performance cycle. Under this program, new performance cycles begin every year and end three years later. The program is subject to renewal annually for each cycle. Payouts under the Plan are made after the completion of a given cycle and are made in cash. The Company recognized expense of $22.1 million and $16.8 million for amounts awarded under the program during 2012 and 2011, respectively.

Pension and Other Postretirement Plans — The Company provides a retiree medical plan to employees upon retirement provided that, at the time of their termination, they are covered under the Company's medical plan, are at least 55 years of age, have completed 10 years of service, and are not a member of a collective bargaining unit. The retiree and his or her eligible spouse will be entitled to substantially the same medical and dental benefits as those available to active employees under the pension and other postretirement plan option. The cost for retiree coverage will be primarily covered by premiums paid by the retirees. Amounts expensed in 2012 and 2011 related to the costs of this plan were $0.3 million and $0.5 million, respectively. Under IAS 19, a liability for the accumulated postretirement benefit obligation of $5.1 million and $2.8 million at December 31, 2012 and 2011, respectively, has been recorded in noncurrent provisions in the consolidated statements of financial position, with the unearned portion of $0.5 million and $(1.5) million being recorded in equity. The increase in the obligation during 2012 is due to changes in actuarial assumptions, primarily a reduction in the discount rate.

The Company has an unfunded Supplemental Executive Retirement Plan, which provides retirement benefits to certain officers. This plan is a nonqualified defined contribution plan and does not have a minimum funding requirement. For the years ended December 31, 2012 and 2011, the Company expensed $1.4 million and $1.2 million, respectively related to this plan.

Certain former employees of FirstLight continue to participate in two defined benefit pension plans. The plan benefits are generally based on years of service and compensation and are generally noncontributory. Effective December 31, 2009, the pension plan for a portion of the FirstLight non-bargaining employees was amended to cease the accrual of additional benefits. This plan was terminated on February 28, 2011, and the Company is in the process of settling the liabilities under this plan. In December 2010, the plan covering bargaining employees was amended to cease the accrual of additional benefits. Under IAS 19, a liability for accumulated postretirement benefit obligation of $10.1 million and $6.1 million has been recorded in provisions in the consolidated statements of financial position at December 31, 2012 and 2011, respectively. The increase in the obligation during 2012 is due primarily to changes in actuarial assumptions including a reduction in the discount rate and the valuation being performed on a plan termination basis.

The information relating to the Company's pension plans is summarized in the table below (in thousands):

	2012	2011
Benefit obligation (beginning of the plan year)	$16,591	$12,838
Service cost	467	403
Interest cost	713	693
Benefit payments	(5,397)	(187)
Changes in assumptions	1,671	2,735
Actuarial loss	283	109
Effect of settlement	1,827	-
Benefit obligation (end of the plan year)	$16,155	$16,591
Change in plan assets:		
Fair value of plan assets (beginning of the plan year)	$10,448	$ 9,329
Employer contributions	361	1,232
Benefit payments	(5,397)	(187)
Actual return on plan assets	646	74
Fair value of plan assets (end of the plan year)	$ 6,058	$10,448

	2012	2011
Information for pension plans with an accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	$16,155	$16,591
Fair value of plan assets	6,058	10,448
Accumulated postretirement benefit obligation	$10,097	$ 6,143

21. SHARE-BASED COMPENSATION

Certain employees of the Company are eligible to participate in various share-based compensation awards. The shares granted or used for the basis of the awards are those of GDF SUEZ. The plans in effect and expenses under each are as follows:

		Expense for the Year	
	Settlement	2012	2011
Stock option plans	Equity	$ 27	$ 848
SARs (stock option replacements)	Cash	35	(154)
Bonus/performance share plans	Equity	1,644	1,741
SARs (employee share purchase leverage)	Cash	(358)	304
Hedge of stock warrants	Cash	1,129	1,983

The Company has awarded stock options to certain officers through the stock option plans of GDF SUEZ. The options were awarded to officers at various times from 2001 through 2007, and each plan has a four-year vesting period and an additional four-year exercise period. The Company also awards bonus shares to certain employees under the bonus share plans of GDF SUEZ. Expense for each of these equity awards is recognized on a straight-line basis over the vesting term of the plan.

In connection with the U.S. delisting procedure of GDF SUEZ, stock options granted to U.S. employees of the Company were replaced in 2007 by a SARs plan, which entitles beneficiaries to a cash payment equal to the profit they would make on exercising their options and immediately selling the underlying shares.

Employees of the Company are eligible to participate in the GDF SUEZ Company corporate savings plans. They may subscribe to GDF SUEZ shares at a discount. The discount is expensed immediately as compensation expense, offset to additional paid-in capital, as shares purchased are GDF SUEZ shares. The plan also entitles the employees to benefit from the positive performance of GDF SUEZ shares at the end of the mandatory holding period through SARs. The impact of these cash-settled SARs consists of recognizing a payable to the employee over the five-year vesting period of the rights, with the corresponding adjustment recorded to compensation expense. At December 31, 2012 and 2011, the fair value of the liability related to these awards was $0.5 million and $0.8 million, respectively, which was determined using the Black-Scholes model. The Company and GDF SUEZ have entered into warrant agreements under which cash needed to settle the SAR liabilities will be received from a third party. The cost of these agreements has been paid by GDF SUEZ, and their fair value has been recorded as administrative expense and additional paid-in capital by the Company. Compensation expense related to the SARs was taken on a straight-line basis over the vesting term. Unrealized loss from the change in the fair value of the warrant agreements was $(1.1) million and $(1.9) million in 2012 and 2011, respectively. Over the five-year term of the SARs and warrant agreements, the net income statement impact will be zero.

Employees of IPA were eligible to participate in a corporate savings and stock option scheme called ShareSave. Employees could choose to have amounts deducted from their paychecks and deposited into a savings account for 3 or 5 years. At the end of the savings period, they could exercise stock options with the savings. The options were on the shares of IPR. Former IPA employees who became employees of the Company will be allowed to continue this savings plan, and at the original maturity of the plans, will be able to exercise their options at a predetermined price of 418 pence due to the purchase of the remaining outstanding shares of IPR by GDF SUEZ.

22. RELATED-PARTY TRANSACTIONS

The Company frequently engages in transactions with the Parent and Ultimate Controlling Party, subsidiaries, joint ventures, and associates.

Parent and Ultimate Controlling Party — The Company pays certain expenses on behalf of its Parent and affiliates. At December 31, 2012 and 2011, the Company had outstanding balances of $5.9 million and $10 million, respectively, due from its Parent included in accounts receivable in the consolidated statements of financial position.

The Company receives certain services from its Parent, as well as certain financial guarantees. Expenses incurred during 2012 and 2011 related to these services and guarantees were $17.3 million and $18.5 million, respectively recorded in financial expense and other operating expense in the consolidated statement of income.

GSGNAH entered into a subcharter lease of one LNG carrier with its Parent from April 2009 with a novation intent, which was actualized in 2010. The Company recognized expenses of $8.3 million and $16.2 million in 2012 and 2011, respectively related to these transactions. GSGNAH also entered into a subcharter lease for another LNG carrier in 2009, which was reassigned to an affiliate in 2010. The subcharter lease required that GSGNAH sought reimbursement for some of these expenses as they were incurred by the Parent Company during the lease period. The Company recognized $7.5 million and

$7.4 million of reimbursement income for 2012 and 2011, respectively, related to these transactions. At December 31, 2012 and 2011, the receivable was $0 million and $4.0 million, respectively, related to these transactions.

GSGNAH occasionally receives services from its Parent. The Company recognized consulting expense of $0.7 million and $1.3 million, for 2012 and 2011, respectively. Consequently, at December 31, 2012 and 2011, the payable was $0.7 million and $0.9 million, respectively, related to these transactions.

GSGNAH occasionally sells LNG cargos to its Parent. The Company recognized revenue of $237.5 million and $155.8 million in 2012 and 2011, respectively, from its Parent. December 31, 2012 and 2011, the receivable was $31.4 million and $0 million, respectively, related to these transactions.

GSGNAH occasionally purchases LNG cargos from its Parent. The Company recognized expense of $1.8 million and $0 in 2012 and 2011, respectively, related to these transactions.

Other Related Parties — GSGNAH occasionally sells LNG cargos to affiliated companies. The Company recognized revenue of $435.4 million and $533.9 million in 2012 and 2011, respectively. The related-party receivable related to these cargo sales was $30.3 million and $19.6 million at December 31, 2012 and 2011, respectively.

GSGNAH is under long-term charters with affiliated companies. The Company recognized expenses of $56.2 million and $52.2 million in 2012 and 2011, respectively, related to these transactions. GSGNAH also reassigned a charter to an affiliate in 2010. The Company recognized income of $32.2 million and $26.8 million in 2012 and 2011, respectively, related to these transactions. GSGNAH entered a Contract of Affreightment agreement with an affiliate in 2010. The Company recognized expenses of $9.9 million and $9.3 million in 2012 and 2011, respectively, related to these transactions.

GSGNAH occasionally receives services from its affiliates. At December 31, 2012 and 2011, the related-party payable was $0 for both years.

GSGNAH occasionally purchases LNG cargos from affiliates. The Company recognized expense of $189.3 million and $406.8 million, for 2012 and 2011, respectively. The payable related to these transactions at December 31, 2012 and 2011, was $25.7 million and $24.0 million, respectively.

The Company and its subsidiaries receive certain services from its affiliates. At December 31, 2012 and 2011, the accrued related-party expense was $4.0 million and $3.9 million, respectively.

The Company and its subsidiaries enter into certain pass-through deals on behalf of its Parent and affiliates. At December 31, 2012 and 2011, the Company had losses of $0.7 million and $10.6 million, respectively, which were offset by the third-party gains on these related deals, included in gross margin from energy-trading activities in the consolidated statements of income.

A subsidiary of the Company provides services to its associate, Suez Energy Astoria II ("SEA II"). The Company recognized fees of $2.1 million for the years ended December 31, 2012 and 2011, relating to a project construction oversight agreement between SEA II and Astoria II.

See Note 15 for discussion of debt agreements with GDF SUEZ and affiliates.

Key Management Personnel — The Company's key management personnel is composed of the members of the executive committee. Their compensation breakdown as of December 31, 2012 and 2011, is as follows (in thousands):

	2012	2011
Short-term benefits	$ 11,773	$ 10,377
Postemployment benefits	1,376	1,190
Share-based payment	399	296
Total	$ 13,548	$ 11,863

23. SUBSEQUENT EVENTS

On February 28, 2013, GENCO sold its 100% interest in TPI Choctaw Generation, Inc. and Choctaw Generation Inc., which combined held a 100% interest in Choctaw Generation LP ("CGLP"). The equity was sold for a nominal amount and on February 28, 2013, the liabilities of CGLP exceeded the assets. CGLP leases the Choctaw generating facility from the owner-lessor through a finance lease under IAS 17. As a result of the transaction, the Company's indebtedness decreased by $348 million and property, plant, and equipment decreased by $243 million. The sale is final with no contingent consideration except for working capital adjustments for pre-sale activity and a net gain on sale will be recognized as the details of the sale is completed.

24. LIST OF THE MAIN CONSOLIDATED COMPANIES

Company Name	Percentage Interest Dec. 2012	Percentage Interest Dec. 2011	Percentage Control Dec. 2012	Percentage Control Dec. 2011	Consolidation Method Dec. 2012	Consolidation Method Dec. 2011
Business units						
IPR-GDF SUEZ Energy Generation North America, Inc	100 %	100 %	100 %	100 %	FC	FC
GDF SUEZ Gas NA Holdings LLC	100	100	100	100	FC	FC
GDF SUEZ Energy Resources NA Inc	100	100	100	100	FC	FC
IPR-GDF SUEZ Energy Marketing North America, Inc	100	100	100	100	FC	FC
Generation entities:						
Astoria Project Partners II, LLC	27.8	27.8	27.8	27.8	EM	EM
Astoria Project Partners, LLC	58.5	58.5	58.5	58.5	FC	FC
Freeport Power Limited	50	50	50	50	PC	PC
Northeast Energy LP	50	50	50	50	PC	PC
Pepco Energy Services — SUEZ Thermal, LLC	50	50	50	50	PC	PC
Ryegate Associates	66.9	66.9	66.9	66.9	FC	FC
Shreveport Red River Utilities, LLC	39.2	39.2	39.2	39.2	EM	EM
SUEZ-DEGS of Ashtabula, LLC	-	51	-	50	NC	PC
SUEZ-DEGS of Owings Mills, LLC	51	51	50	50	PC	PC
SUEZ-DEGS of Rochester, LLC	-	51	-	50	NC	PC
SUEZ-DEGS of Silver Grove, LLC	-	51	-	50	NC	PC
SUEZ-DEGS of Tuscola, LLC	-	51	-	50	NC	PC
SUEZ/VWNA/DEGS of Lansing, LLC	-	39.2	-	39.2	NC	EM
Winooski One Partnership	50	50	50	50	PC	PC
Alabama-Decatur Energy Corporation	100	100	100	100	FC	FC
Choctaw Gas Generation LLC	-	100	-	100	NC	FC
Hot Spring Power Company LLC	-	100	-	100	NC	FC
ANP Bellingham Energy Company, LLC	100	100	100	100	FC	FC
ANP Blackstone Energy company, LLC	100	100	100	100	FC	FC
ANP Fuel Services, Inc	100	100	100	100	FC	FC
ANP Funding I, LLC	100	100	100	100	FC	FC
Armstrong Energy Limited Partnership, LLP	100	100	100	100	FC	FC
Calumet Energy Team, LLC	100	100	100	100	FC	FC
Choctaw Generation Limited Partnership	100	100	100	100	FC	FC
Coleto Creek Power, LP	100	100	100	100	FC	FC
College Park Energy, LLC	100	100	100	100	FC	FC
Colorado Energy Nations Company, LLLP	100	100	100	100	FC	FC
Delta Township Utilities LLC	-	49	-	50	NC	PC
Ennis Power Company, LLC	100	100	100	100	FC	FC
FirstLight Hydro Generating Company	100	100	100	100	FC	FC
FirstLight Power Resources, Inc	100	100	100	100	FC	FC
Hawkins Point Energy, LLC	100	100	100	100	FC	FC
Hays Energy Limited Partnership	100	100	100	100	FC	FC
Hopewell Cogeneration Limited Partnership	100	100	100	100	FC	FC
IPA Central, LLC	100	100	100	100	FC	FC
IPA Operations, Inc	100	100	100	100	FC	FC
IPA Services, Inc	100	100	100	100	FC	FC
IPA Trading, LLC	100	100	100	100	FC	FC
IPA Wind Development, LLC	100	100	100	100	FC	FC
Midlothian Energy Limited Partnership	100	100	100	100	FC	FC
Tractebel Energia de Altamira S A de C V	-	100	-	100	NC	FC
Tractebel Energia de Panuco S A de C V	-	100	-	100	NC	FC
Milford Power Limited Partnership	100	100	100	100	FC	FC
Mt Tom Generating Company LLC	100	100	100	100	FC	FC
Nassau Energy Corporation	100	100	100	100	FC	FC
Northeastern Power Company	100	100	100	100	FC	FC
Pinetree Power, Inc	100	100	100	100	FC	FC
Pinetree Power-Fitchburg, Inc	100	100	100	100	FC	FC
Pinetree Power-Tamworth, Inc	100	100	100	100	FC	FC
Pleasants Energy, LLC	100	100	100	100	FC	FC
SUEZ Denver Metro, LLC	100	100	100	100	FC	FC
Syracuse Energy Corporation	100	100	100	100	FC	FC
Troy Energy, LLC	100	100	100	100	FC	FC
Viking Energy of Lincoln, LLC	100	100	100	100	FC	FC
Viking Energy of McBain, LLC	100	100	100	100	FC	FC
Viking Energy of Northumberland LLC	100	100	100	100	FC	FC
Waterbury Generation, LLC	100	100	100	100	FC	FC
Wharton County Generation LLC	100	100	100	100	FC	FC
Wise County Power Company, LLC	100	100	100	100	FC	FC

FC fully consolidated; EM equity method; PC: proportionally consolidated; NC: not consolidated

The table above includes the main operating subsidiaries and investments of the Company Holding companies and companies with insignificant activity have not been included

* * * * * *

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013 AND 2012
(In thousands)

	2013	2012
ASSETS		
NONCURRENT ASSETS:		
Intangible assets — net	$ 41,977	$ 68,602
Goodwill	1,328,752	1,408,912
Property, plant, and equipment — net	5,541,155	7,607,601
Derivative instruments	199,662	195,678
Investments in associates	281,459	99,588
Loans and credits at amortized cost — net	76,035	90,074
Other noncurrent assets	56,462	59,962
Deferred tax assets	619	3,599
Total noncurrent assets	7,526,121	9,534,016
CURRENT ASSETS:		
Derivative instruments	276,344	236,081
Notes receivable	173,217	25,748
Trade and other receivables — net	452,746	651,303
Inventories	361,713	284,682
Other current assets	97,511	79,918
Cash and cash equivalents	38,258	119,108
Total current assets	1,399,789	1,396,840
TOTAL	$ 8,925,910	$ 10,930,856
LIABILITIES AND EQUITY		
EQUITY:		
Shareholder's equity	$ 4,063,598	$ 4,901,481
Noncontrolling interests	9,622	187,451
Total equity	4,073,220	5,088,932
NONCURRENT LIABILITIES:		
Provisions	36,409	40,929
Long-term borrowings	2,522,870	3,688,542
Derivative instruments	203,970	106,440
Other noncurrent liabilities	127,523	191,727
Deferred tax liabilities	340,746	418,414
Total noncurrent liabilities	3,231,518	4,446,052
CURRENT LIABILITIES:		
Provisions	30,921	24,248
Short-term borrowings	756,025	585,071
Derivative instruments	299,705	251,617
Trade and other payables	360,171	346,394
Other current liabilities	174,350	188,542
Total current liabilities	1,621,172	1,395,872
TOTAL	$ 8,925,910	$ 10,930,856

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands)

	2013	2012
Revenues	$ 5,606,308	$ 5,471,598
Purchases	(4,117,306)	(3,960,836)
Personnel costs	(234,848)	(252,875)
Depreciation, amortization and provisions	(419,886)	(437,728)
Other operating expenses	(249,544)	(230,205)
CURRENT OPERATING INCOME	584,724	589,954
Mark-to-market on commodity contracts other than trading instruments	(170,273)	(4,587)
Impairments of property, plant and equipment and intangible assets	(556,519)	(56,942)
Restructuring costs	(7,812)	(3,995)
Gain (loss) on disposal of subsidiaries	44,723	(26,895)
Loss on disposal of assets — net	(33,643)	(28,213)
INCOME FROM OPERATING ACTIVITIES	(138,800)	469,322
Financial expenses	(202,780)	(337,071)
Financial income	5,479	50,968
NET FINANCIAL LOSS	(197,301)	(286,103)
Net (loss) income before tax and income of associates	(336,101)	183,219
Income tax provision	77,245	(73,340)
Share in net (loss) income of associates	(1,084)	414
NET (LOSS) INCOME	$ (259,940)	$ 110,293
Company share	(264,360)	107,519
Non-controlling interests	4,420	2,774

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DOCKET 04-1015-EL-CRS

Exhibit C-2 "SEC Filings," provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

GDF Suez Energy Resources NA. Inc. does not file 10-K/8-K filings. GSERNA is a direct, wholly-owned subsidiary of GDF Suez Energy NA, Inc. GDF Suez Energy NA, Inc. is a subsidiary of GDF SUEZ SA. Please refer to the attachments for Exhibit C-1 for the GDF Suez Energy NA, Inc. annual reports, which contain information regarding 10-K/8-K filings.

DOCKET 04-1015-EL-CRS

Exhibit C-3 "Financial Statements," provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.

Please refer to the attachments for Exhibit C-1.

DOCKET 04-1015-EL-CRS

Exhibit C-4 "Financial Arrangements," provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).

[CONFIDENTIAL]

DOCKET 04-1015-EL-CRS

Exhibit C-5 "Forecasted Financial Statements," provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRES operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

Preparer:
Craig DeMello
Senior Financial Analyst
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel: (713) 636-1937
Fax: (713) 636-1601
Email: craig.demello@gdfsuezna.com

[CONFIDENTIAL]

DOCKET 04-1015-EL-CRS

Exhibit C-6 "Credit Rating," provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.

Please see attached.

STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

Summary:
GDF SUEZ S.A.

Primary Credit Analyst:
Nicolas Riviere, Paris (33) 1-4420-6709; nicolas.riviere@standardandpoors.com

Secondary Contact:
Vittoria Ferraris, Milan (39) 02-72111-207; vittoria.ferraris@standardandpoors.com

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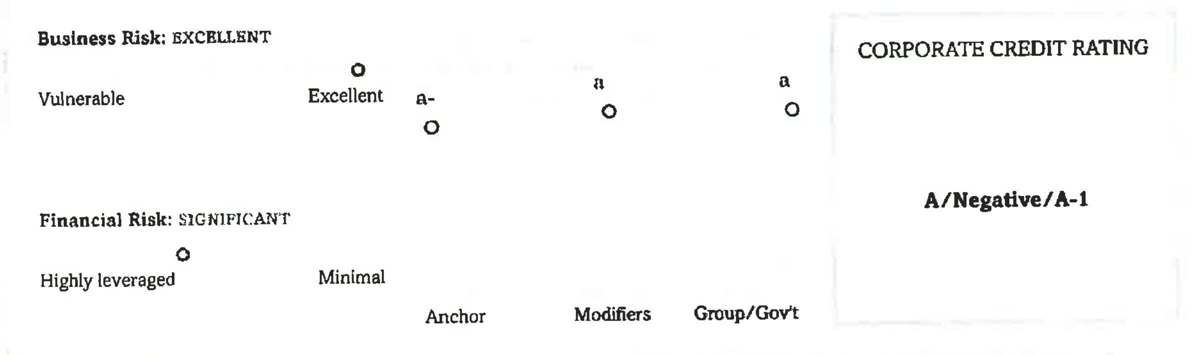
GDF SUEZ S.A.



Rationale

Business Risk: Excellent	Financial Risk: Significant

Business Risk: Excellent

- Comprehensive scale with outstanding business and geographic diversity.
- Sizable and increasing share of regulated and contracted business.
- Leading and integrated market positions.
- Modern and clean power generation assets.
- Depressed market conditions for the core European operations.

Financial Risk: Significant

- Strong record of financial discipline.
- Significant financial flexibility.
- Strong liquidity.
- High shareholder returns.

Outlook: Negative

Standard & Poor's Ratings Services' negative outlook on France-based multi-utility GDF SUEZ S.A. reflects the likelihood of a downgrade if energy market conditions in Europe worsen and upset the execution of GDF SUEZ's plans, including the consolidation of its credit metrics.

Downside scenario

We would likely lower the rating if we considered that GDF SUEZ could struggle to maintain a resilient cash flow base and Standard & Poor's-adjusted funds from operations (FFO) to debt comfortably above 20% over the next three years. This might result, in our view, from significant delays or failure of GDF SUEZ's cost-cutting initiatives, as well as new asset commissioning or rotation. In addition, a more material and structural deterioration in European energy markets than we expect could lead us to revise our assessment of GDF SUEZ's business risk profile downward and lower the ratings.

Upside scenario

We would likely revise the outlook to stable if GDF SUEZ's strategic plan were successful or the company adapted to potentially more adverse market conditions while maintaining its credit metrics.

Rating upside is remote at this stage and contingent on GDF SUEZ maintaining its "excellent" business risk profile and a more rapid and significant strengthening of its financial risk profile than we currently assume. This could result, in our view, from a rebound in the group's earnings, thanks to higher commodity prices or supportive developments in European energy markets, leading to an improvement of the adjusted FFO-to-debt ratio to close to 30% on a recurring basis.

Standard & Poor's Base-Case Scenario

In our base-case scenario, we expect GDF SUEZ's adjusted FFO to debt to slightly and temporarily weaken in 2014, but to remain on average comfortably in excess of the 20% threshold we consider commensurate with the rating. We expect GDF SUEZ to self-finance its higher investments and its lower shareholder returns with cash flow from operations and disposals.

Assumptions

- A decrease of cash flow from operations in 2014 from the higher-than-expected figure in 2013, before resuming single-digit growth in 2015.
- Organic growth in rapidly expanding markets under contracted terms in upstream, liquefied natural gas, and energy services.
- Increased focus on cost-cutting and lower interest charges, which should more than compensate for shrinking margins and volumes in Europe from 2015, although weather and foreign exchange effects may accentuate year-on-year volatility.
- Earnings roughly in line with the company's indicated EBITDA of €12.3 billion to €13.3 billion in 2014, and single-digit growth in 2015.
- Capital expenditure and acquisitions, net of disposals, of about €7 billion annually.
- Dividends in line with the group's guidance of a minimum €1 per share or a 65%-75% payout ratio (excluding dividends of the group's subsidiaries to minority shareholders).
- Energy prices aligned with forward prices at the beginning of the year.

Key Metrics

	2013A	2014E	2015E
Unadjusted EBITDA (bil. €)	13.0*	12.5-13	13-14
S&P adjusted FFO/debt	21.7	20-22	20-23

*Pro forma the implementation of International Financial Reporting Standards 10 and 11. A--Actual. E--Estimate.

Business Risk: Excellent

Our assessment of GDF SUEZ's business risk profile chiefly reflects our view of its "excellent" competitive position, underpinned by its comprehensive scale, broad business and geographic diversity, leading and integrated market positions, and resilient profitability.

The group has a dominant position in the Belgian power market and in gas supply in France. It has a critical size in Central and Western European markets and leading positions in most rapidly expanding markets, where it has become a system operator through vertical integration. The number of businesses GDF SUEZ operates distinguishes it from other large integrated utilities.

Overall, the group's industry risk is "intermediate." The "moderately high" risks of its core unregulated power and gas activities are balanced by lower-risk activities, including regulated utilities, midstream, oil and gas exploration and production, and services. The group is in a position to capture value added wherever it exists in the chain, depending on cycles and market conditions. This is supported by strong geographic diversification and enhanced by its acquisition of International Power (IPR).

The group's outstanding scale and diversification contribute significantly to earnings resilience, in our view.

Furthermore, cash flow predictability benefits from a significant and increasing share of regulated or long-term contracted operations with minimal volume and market risk. In 2012, GDF SUEZ targeted 65% of its net recurring income to come from such activities in 2015, up from 51% in 2011.

Although of little earnings support under the current European carbon market conditions, we also view GDF SUEZ's low-carbon dioxide (CO2) and modern-generation portfolio as a competitive advantage in the long term.

Constraints to the business risk profile are depressed market conditions for GDF SUEZ's core European operations, increasing exposure to volatile overseas markets, and some political risks.

Oversupply, depressed demand, and declining carbon and coal prices have greatly reduced power prices and the utilized capacity of European gas plants. As reflected by massive impairments for 2013, this has structurally weakened GDF SUEZ's profitability, although merchant power generation in Europe contributes only a small portion of earnings. We believe difficult market conditions could persist or worsen, absent capacity closures or a market redesign by policymakers.

Weak economic conditions, increasing energy costs, and decreasing household income could also expose European energy markets to political interference in our view. That said, a recent French court decision has, in our view, neutralized this risk regarding domestic gas tariffs, and the 10-year extension of a nuclear reactor has somewhat improved visibility in Belgium. Deteriorating wholesale markets and negative gas-to-oil spreads in recent years have also squeezed the company's gas margin. However, GDF SUEZ's margins remain positive, thanks to its competitive advantages, including its capacity to divert liquified natural gas using its fleet and superior negotiating power conferred by its very large and diversified procurement portfolio. Moreover, GDF SUEZ's expanding exploration and production activities provide a natural hedge against adverse commodity trends.

Although, overall, country risk is "low," GDF SUEZ has significant exposure to rapidly expanding markets with inherently higher country-related risks than France. Such risks include foreign currency depreciation and convertibility or government intervention. This exposure is poised to increase, as suggested by the group's former target of generating 40% of recurring net income from high-growth markets in 2015, compared with 23% in 2011. Mitigating these risks are the group's high proportion of cash flows secured by very long-term contracts; the listing of local subsidiaries, which provides a political hedge; and GDF SUEZ's long-established international presence.

We assess GDF SUEZ's management and governance as "strong" as defined under our criteria. GDF SUEZ has a strong risk-management culture and expertise. Its management team has a strong record of organic and external growth, while maintaining a conservative financial policy and track record of delivering on financial goals.

Financial Risk: Significant

Our assessment of GDF SUEZ's "significant" financial risk profile is benchmarked against our standard volatility table, as defined in our criteria. Our assessment is supported by our view of management's continuous commitment to financial discipline and the group's significant financial flexibility. Management considers its 'A' category credit rating a strategic asset for the group and has set a 2.5x net debt-to-EBITDA limit, which is relatively low by utility standards, as a cornerstone of its strategy.

This discipline is supported by management's solid track record of avoiding burdening its balance sheet with debt, as suggested by the cash-free reverse takeover of IPR and its scrip dividend option to finance the buyout of minority shareholders. The company's metrics have also consistently exceeded our rating guidelines and expectations. At year-end 2013, GDF SUEZ reduced net debt by one-third, one year ahead of schedule, notably thanks to asset rotation. The group executed €17 billion of disposals over 2011-2013 after €10 billion over 2008-2010.

We believe GDF SUEZ maintains a high degree of financial flexibility through asset disposals, which show proactive portfolio management, and through capital expenditure, which we understand consists only of €2.5 billion in maintenance annually.

The group's financial risk profile is further supported by its proactive and prudent liability management and by its consistently strong liquidity position.

These strengths are moderated by the group's high shareholder returns, including to the high proportion of minority shareholders. Management, however, has recently revised its dividend policy to a minimum of €1 per share from €1.5 and announced a payout ratio of 65%-75% from 2015, which is better aligned with peers'.

Additional weaknesses include significant asset-retirement obligations, mostly related to the Belgian nuclear fleet, and significant nonrecourse debt in project finance operations (notably in the Middle East), which could represent a contingent risk if GDF SUEZ sought to avoid a threat to its reputation. We are also concerned by continually weak conditions in European power markets that could challenge GDF SUEZ's cash-flow generation.

Liquidity: Strong

The 'A-1' short-term rating is supported by GDF SUEZ's liquidity, which we consider to be "strong" under our criteria. Projected sources of funds exceed projected uses by more than 1.5x over the next 12 months and the subsequent 12-24 months. Our assessment is further supported by the group's ongoing and proactive liquidity and debt management, solid relationships with banks, and ample and proven access to capital markets, even under dire market conditions.

Principal Liquidity Sources

- About €8.7 billion in available cash at group level at year-end 2013.
- About €12 billion in available committed credit lines maturing beyond 12 months. This includes two syndicated facilities: €4.5 billion maturing in March 2018 and a recently contracted €5 billion maturing in April 2019 (with two optional extensions); and
- Our forecast of unadjusted FFO of about €9.5 billion over the next 12 months.

Principal Liquidity Uses

- Short-term debt of about €8.4 billion, including outstanding commercial paper;
- Our estimate of gross capital expenditures (with no flexibility) not exceeding €7 billion;
- Dividend cash payments of about €3.6 billion (including dividends of the group's subsidiaries to minority shareholders); and
- Working capital needs of about €150 million.

Other Modifiers

We have incorporated an upward adjustment of one notch to the anchor, due to our assessment of GDF SUEZ's "moderate" diversification, which reflects the broad reach of the group's moderately correlated activities and markets that support its strong earnings resilience.

Government Influence

Although we consider GDF SUEZ a government-related entity, in our view, there is a "low" likelihood of extraordinary government support for GDF SUEZ in the event of financial distress. Consequently, this has no impact on the rating.

We base our opinion on our assessment of GDF SUEZ's "limited importance" for, and "limited" link with, the French government.

Ratings Score Snapshot

Corporate Credit Rating

A/Negative/A-1

Business risk: Excellent

- **Country risk:** Low
- **Industry risk:** Intermediate
- **Competitive position:** Excellent

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: a-

Modifiers

- **Diversification/Portfolio effect:** Moderate (+1 notch)
- **Capital structure:** Neutral (no impact)
- **Liquidity:** Strong (no impact)
- **Financial policy:** Neutral (no impact)
- **Management and governance:** Strong (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : a

- **Likelihood of government support:** Low (no impact)

Related Criteria And Research

- Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Jan. 2, 2014
- Key Credit Factors For The Oil And Gas Exploration And Production Industry, Dec. 12, 2013
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Key Credit Factors For The Midstream Energy Industry, Dec. 19, 2013
- Corporate Methodology, Nov. 19, 2013
- Methodology: Industry Risk, Nov. 19, 2013
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Additional Contact:
Industrial Ratings Europe; Corporate_Admin_London@standardandpoors.com

DOCKET 04-1015-EL-CRS

Exhibit C-7 "Credit Report," provide a copy of the applicant's credit report from Experion, Dun and Bradstreet or a similar organization.

Please see attached.

Premier Profile - GDF SUEZ ENERGY RESOURCES NA

Subcode: 695910
Transaction Number: C014706266
Search Inquiry: 786666414
Model Description: Intelliscore Plus V2

Ordered: 05/15/2014 15:11:13 CST

Experian
A world of insight

Business Name
GDF SUEZ ENERGY RESOURCES NA

Verified Legal Name

Business Identification Number
786666414

Doing Business As: GDF SUEZ ENERGY RESOURCES NA, INC
Primary Address: 1990 POST OAK BLVD STE 1900
HOUSTON, TX 77056-3831

Website: www.suezenergyresources.com
Phone: (713) 636-0000
Tax ID: 76-0685946

Ultimate Parent: GDF SUEZ SA

This business is a member of a corporate family
See the corporate hierarchy by clicking here

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Risk Dashboard

Risk Scores and Credit Limit Recommendation		Days Beyond Terms	Derogatory Legal	Fraud Alerts
Intelliscore Plus	Financial Stability Risk	Company DBT	Original Filings	High Risk Alerts
60 LOW-MEDIUM RISK	90 LOW RISK	0	0	0
Score range: 1 - 100 percentile				
Credit Limit Recommendation: **$4,200**				

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Business Facts

Years on File: 17 (FILE ESTABLISHED 05/1997)
State of Incorporation: DE
Date of Incorporation: 01/30/2004
Business Type: Profit
Contacts: SAM HENRY - CHIEF EXECUTIVE OFFICER
ROBERT WILSON - CHIEF EXECUTIVE OFFICER
RAY CUNNINGHAM - PRESIDENT

SIC Code: ELECTRIC SERVICES - 4911
COMBINATION UTILITIES, NEC - 4939
ELECTRIC & OTHER SERVICES COMBINED - 4931
NAICS Code: Electric Power Distribution - 221122
Utilities - 221000
Electric Power Generation, Transmission and Distribution - 221100
Number of Employees: 550

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Commercial Fraud Shield
Evaluation for: **GDF SUEZ ENERGY RESOURCES NA, 1990 POST OAK BLVD STE 1900, HOUSTON, TX77056-3831**

Business Alerts

Active Business Indicator: Experian shows this business as active

Possible OFAC Match: No OFAC match found

Business Victim Statement: No victim statement on file

Verification Triggers

The primary Business Name, Address, and Phone Number on Experian File were reviewed for High Risk indicators. no High Risk indicators were found.

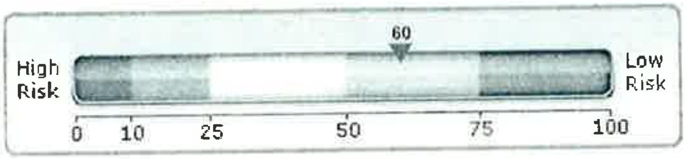
Credit Risk Score and Credit Limit Recommendation

Credit Risk Score: Intelliscore Plus

Current Intelliscore Plus Score: 60

Risk Class: 2

The risk class groups scores by risk into ranges of similar



performance. Range 5 is the highest risk, range 1 is the lowest risk.

This score predicts the likelihood of serious credit delinquencies for this business within the next 12 months. Payment history and public record along with other variables are used to predict future risk. Higher scores indicate lower risk.

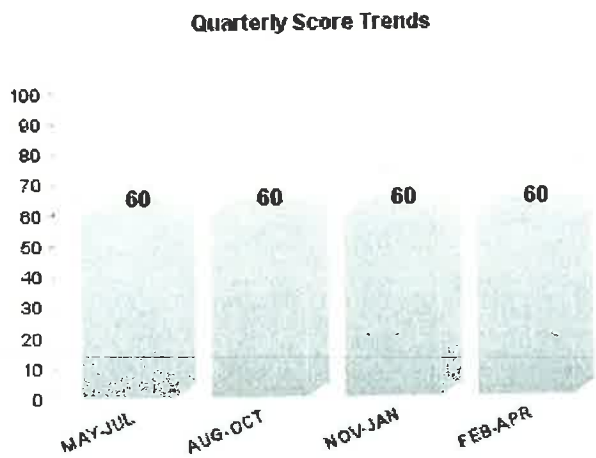
Factors lowering the score

- NUMBER OF COMMERCIAL ACCOUNTS WITH NET 1-30 DAYS TERM
- NBR OF ACTIVE COMMERCIAL ACCTS WITHIN THE LAST 12 MOS
- NUMBER OF RECENTLY ACTIVE COMMERCIAL ACCOUNTS
- NUMBER OF COMMERCIAL ACCOUNTS WITH HIGH UTILIZATION

Industry Risk Comparison
59% of businesses indicate a higher likelihood of severe delinquency.

Action or risk based on your company's specific score thresholds: LOW-MEDIUM RISK

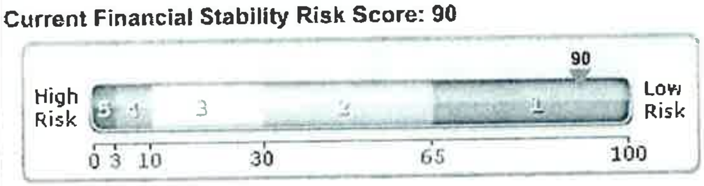
Quarterly Score Trends



The Quarterly Score Trends provide a view of the likelihood of delinquency over the past 12 months for this business. The trends will indicate if the score improved, remained stable, fluctuated or declined over the last 12 months.

Credit Risk Score: Financial Stability Risk

Current Financial Stability Risk Score: 90



Risk Class: 1

The risk class groups scores by risk into ranges of similar performance. Range 5 is the highest risk, range 1 is the lowest risk.

This score predicts the likelihood of financial stability risk within the next 12 months. The score uses tradeline and collections information, public filings as well as other variables to predict future risk. Higher scores indicate lower risk.

Factors lowering the score

- NUMBER OF ACTIVE COMMERCIAL ACCOUNTS
- RISK ASSOCIATED WITH THE BUSINESS TYPE
- BALANCE TO HIGH CREDIT RATIO FOR COMMERCIAL ACCOUNTS

Industry Risk Comparison
89% of businesses indicate a higher likelihood of financial stability risk

Credit Limit Recommendation

Credit Limit Recommendation

$4,200

This recommendation compares this business against similar businesses in the Experian business credit database. It is based on trade information, industry, age of business and the Intelliscore Plus. The recommendation is a guide. The final decision must be made based on your company's business policies.

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Payment and Legal Filings Summary

Payment Performance

Current DBT:	0
Predicted DBT :	N/A
Monthly Average DBT:	0
Highest DBT Previous 6 Months:	0
Highest DBT Previous 5 Quarters:	0

Payment Trend Indication:

Payment trend indicator not available

Trade and Collection Balance

Total trade and collection (3):	$900
All trades (3):	$900
All collections (0):	$0
Continuous trade (2):	$700
6 month average:	N/A
Highest credit amount extended:	$800

Most frequent industry purchasing terms:

Industry purchasing terms not available

Legal Filings

Bankruptcy:	No
Tax Lien filings:	0
Judgment filings:	0
Sum of legal filings:	$0
UCC filings:	4
Cautionary UCC filings:	Yes

Industry Comparison

Industry DBT Range Comparison

The current DBT of this business is 0. 80% of businesses have a DBT range of 0-5.

DBT for this business: 0

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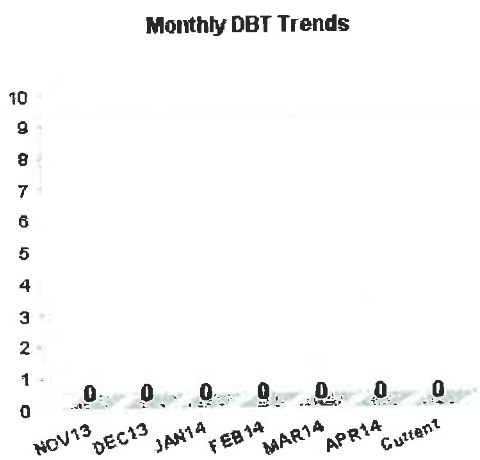
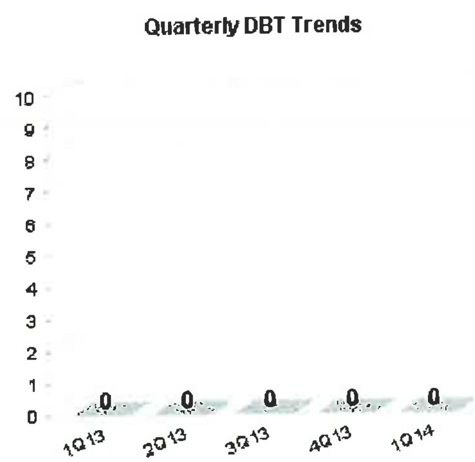
Payment Trending

DBT Trends





Monthly Payment Trends

Payment Trends Analysis
ELECTRIC SERVICES - 4911

Date Reported	Industry Cur	Industry DBT	Business DBT	Balance	Account Status Days Beyond Terms Cur	1-30	31-60	61-90	91+
CURRENT	89%	3	0	$700	100%				
APR14	89%	3	0	$700	100%				
MAR14	91%	3	0	$700	100%				
FEB14	86%	4	0	$600	100%				
JAN14	86%	4	0	$600	100%				
DEC13	87%	3	0	$600	100%				
NOV13	91%	3	0	$600	100%				

Quarterly Payment Trends

Quarter	Months	DBT	Balance	Cur	1-30	31-60	61-90	91+
	Payment History - Quarterly Averages				Account Status Days Beyond Terms			
Q1 - 14	JAN - MAR	0	$600	100%				
Q4 - 13	OCT - DEC	0	$600	100%				
Q3 - 13	JUL - SEP	0	$600	100%				
Q2 - 13	APR - JUN	0	$600	100%				
Q1 - 13	JAN - MAR	0	$600	100%				

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Trade Payment Summary

Trade Line Type	Lines Reported	DBT	Recent High Credit	Balance	Current	01-30	31-60	61-90	91+
Continuous	2		$800	$700	100%				
New	0			$0					
Combined Trade	**2**		**$800**	**$700**	**100%**				
Additional	1		$200	$200	100%				
Total Trade	**3**		**$1,000**	**$900**	**100%**				

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Trade Payment - New and Continuously Reported Trade Details

Payment Experiences (Trade Lines with an (*) after the date are newly reported) — Account Status Days Beyond Terms

Business Category	Date Reported	Last Sale	Payment Terms	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
COMMUNICTN	03/2014		VARIED	$800	$700	100%					
PACKAGING	05/2014		NET 30		$0						CUST 4 YR

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Trade Payment - Additional Trade Details

Payment Experiences (Trade Lines with an (*) after the date are newly reported) — Account Status Days Beyond Terms

Business Category	Date Reported	Last Sale	Payment Terms	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
AIR TRANS	12/2011		OTHER	$200	$200	100%					

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Uniform Commercial Code (UCC) Filings

UCC Filing Summary

Date Range	Year	Cautionary UCCs **	Total Filed	Released / Termination	Continuous	Amended / Assigned
JAN - PRESENT	2014					
JUL - DEC	2013					
JAN - JUN	2013					
JUL - DEC	2012					
JAN - JUN	2012					
PRIOR TO JAN	2012	3	4			
Total		3	4	0	0	0

** Cautionary UCC Filings include one or more of the following collateral:
Accounts, Accounts Receivables, Contract Rights, Hereafter Acquired Property, Inventory, Leases, Notes Receivable or Proceeds.

UCC Details

UCC FILED Date: 11/05/2010
Filing Number: 100032054388
Jurisdiction: SEC OF STATE TX

UCC FILED Date: 11/05/2010
Filing Number: 20103892621
Jurisdiction: SEC OF STATE DE

Secured Party: ROCHESTER GAS AND ELECTRIC CORPORATION NY BINGHAMTON 13902 1	**Secured Party:** NEW YORK STATE ELECTRIC AND GAS CORPORAT NY BINGHAMTON 13902 **Collateral:** ACCTS REC, AFTER ACQUIRED PROP, UNDEFINED
UCC FILED Date: 04/12/2010 **Filing Number:** 2010 1250673 **Jurisdiction:** SEC OF STATE DE **Secured Party:** CON EDISON OF NEW YORK, INC. NY NEW YORK 10003 4 IRVING PLAC **Collateral:** AFTER ACQUIRED PROP, UNDEFINED	**UCC FILED Date:** 04/12/2010 **Filing Number:** 201004125327736 **Jurisdiction:** SEC OF STATE NY **Secured Party:** CON EDISON OF NEW YORK, INC. NY NEW YORK 10003 4 IRVING PLAC **Collateral:** AFTER ACQUIRED PROP, UNDEFINED

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Additional Business Facts

Corporate Registration

THE FOLLOWING INFORMATION WAS PROVIDED BY THE STATE OF DELAWARE.

State of Origin:	DE
Date of Incorporation:	01/30/2004
Current Status:	Active
Business Type:	Profit
Charter Number:	000137554
Agent:	CAPITOL CORPORATE SERVICES, INC.
Agent Address:	222 JEFFERSON BOULEVARD SUITE 200 WARWICK, RI

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Corporate Linkage

Business Name	Location	BIN
Ultimate Parent of the inquired upon business and the top entity within the corporate family:		
GDF SUEZ SA	PARIS	000146149
Immediate Parent of the inquired upon business:		
GDF SUEZ ENERGY NA INC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	789791212
Branches of the inquired upon business:		
GDF SUEZ ENERGY RESOURCES NA	15 CABOT ST - TURNERS FALLS,MA	711050479
GDF SUEZ ENERGY RESOURCES NA	333 THORNALL ST - EDISON,NJ	828010975
GDF SUEZ ENERGY RESOURCES NA	112 PLANTATION CT - EAST AMHERST,NY	829034098
GDF SUEZ ENERGY RESOURCES NA	5605 N MACARTHUR BLVD STE 640 - IRVING,TX	829145288
GDF SUEZ ENERGY RESOURCES NA	2625 BUTTERFIELD RD - OAK BROOK,IL	830921077
GDF SUEZ ENERGY RESOURCES NA	2809 BUTTERFIELD RD STE 140 - OAK BROOK,IL	893039870
GDF SUEZ ENERGY RESOURCES NA	615 S DUPONT HWY - DOVER,DE	923604730
GDF SUEZ ENERGY RESOURCES NA	919 CONGRESS AVE STE 1450 - AUSTIN,TX	935700545
GDF SUEZ ENERGY RESOURCES NA	6 ROWE SQ - GLOUCESTER,MA	952627490

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Inquiries

Summary of Inquiries

Business Category	MAY14	APR14	MAR14	FEB14	JAN14	DEC13	NOV13	OCT13	SEP13
GENERAL		1							
Totals		1							

Experian prides itself on the depth and accuracy of the data maintained on our databases. Reporting your customer's payment behavior to Experian will further strengthen and enhance the power of the information available for making sound credit decisions. Give credit where credit is due. Call 1-800-520-1221, option #4 for more information.

End of report

1 of 1 report

Subcode: 523174
Transaction Number: C401009562
Search Inquiry: gdf suez ener/1990 POST OAK BLVD STE 1900/HOUSTON/TX/77056/US/713-636-0000/789791212
Model Description: Intelliscore Plus V2

Ordered: 04/10/2014 15:09:27 CST

Experian
A world of insight

Business Name
GDF SUEZ ENERGY NORTH AMERICA, INC.

Verified Legal Name

Business Identification Number
789791212

Doing Business As:	GDF SUEZ ENERGY NORTH AMERICA INC
Primary Address:	1990 POST OAK BLVD STE 1900 HOUSTON, TX 77056-3831
Website:	www.suezenergyna.com
Phone:	(713) 636-0000
Tax ID:	00-0991380

Ultimate Parent: GDF SUEZ SA

This business is a member of a corporate family.
See the corporate hierarchy by clicking here

TOP

Risk Dashboard

Risk Scores and Credit Limit Recommendation		Days Beyond Terms	Derogatory Legal	Fraud Alerts
Intelliscore Plus	Financial Stability Risk	Company DBT	Original Filings	High Risk Alerts
51 LOW-MEDIUM RISK	51 LOW-MEDIUM RISK	7	6	
Score range: **1 - 100 percentile**		Industry DBT: 7		
Credit Limit Recommendation: **$102,300**				

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Business Facts

Years on File:	17 (FILE ESTABLISHED 02/1997)
State of Incorporation:	DE
Date of Incorporation:	12/15/2008
Business Type:	Profit
Contacts:	ZIN SMATI - CEO GEERT PEETERS - EXECUTIVE VICE PRESIDENT PAUL CAVICCHI - EXECUTIVE VICE PRESIDENT
SIC Code:	ELECTRIC & OTHER SERVICES COMBINED - 4931 NATURAL GAS DISTRIBUTION - 4924 ELECTRIC SERVICES - 4911
NAICS Code:	Other Electric Power Generation - 221118 Natural Gas Distribution - 221210 Utilities - 221000
Number of Employees:	2,000
Sales:	$39,600,000

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Commercial Fraud Shield
Evaluation for: **GDF SUEZ ENERGY NORTH AMERICA, INC, 1990 POST OAK BLVD STE 1900, HOUSTON, TX77056-3831**

Business Alerts

Active Business Indicator:	Experian shows this business as active
Possible OFAC Match:	No OFAC match found
Business Victim Statement:	No victim statement on file

Verification Triggers

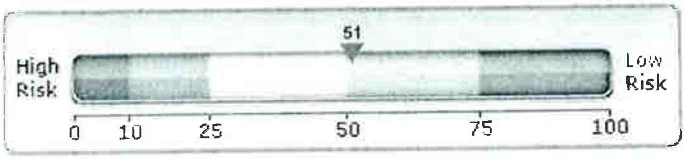
The primary Business Name, Address, and Phone Number on Experian File were reviewed for High Risk indicators, no High Risk indicators were found.

Credit Risk Score and Credit Limit Recommendation

Credit Risk Score: Intelliscore Plus

Current Intelliscore Plus Score: 51

Risk Class: 2



The risk class groups scores by risk into ranges of similar performance. Range 5 is the highest risk, range 1 is the lowest risk.

This score predicts the likelihood of serious credit delinquencies for this business within the next 12 months. Payment history and public record along with other variables are used to predict future risk. Higher scores indicate lower risk. This company is classified as a large business and is compared to businesses of similar size.

Factors lowering the score

- NUMBER OF COMMERCIAL ACCOUNTS THAT ARE CURRENT
- PERCENT OF SERIOUSLY DELINQUENT COMMERCIAL ACCOUNTS
- PERCENT OF DELINQUENT COMMERCIAL ACCOUNTS
- PCT OF TOTAL COMMERCIAL BAL THAT IS SERIOUSLY DELINQUENT

Industry Risk Comparison

50% of businesses indicate a higher likelihood of severe delinquency.

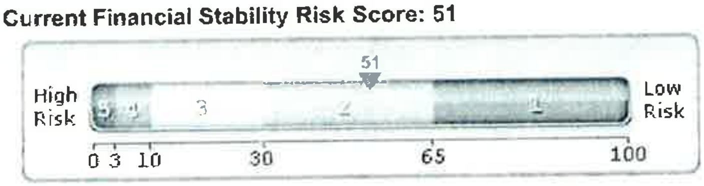
Action or risk based on your company's specific score thresholds: LOW-MEDIUM RISK

Quarterly Score Trends

The Quarterly Score Trends provide a view of the likelihood of delinquency over the past 12 months for this business. The trends will indicate if the score improved, remained stable, fluctuated or declined over the last 12 months.

Credit Risk Score: Financial Stability Risk

Current Financial Stability Risk Score: 51



Risk Class: 2

The risk class groups scores by risk into ranges of similar performance. Range 5 is the highest risk, range 1 is the lowest risk.

This score predicts the likelihood of financial stability risk within the next 12 months. The score uses tradeline and collections information, public filings as well as other variables to predict future risk. Higher scores indicate lower risk.

Factors lowering the score

- NUMBER OF COMMERCIAL DEROGATORY PUBLIC RECORDS
- RISK ASSOCIATED WITH THE BUSINESS TYPE
- PERCENT OF TOTAL COMMERCIAL BALANCE MODERATELY DELINQ
- BALANCE TO HIGH CREDIT RATIO FOR OTHER COMMERCIAL ACCOUNTS

Industry Risk Comparison

50% of businesses indicate a higher likelihood of financial stability risk.

Credit Limit Recommendation

Credit Limit Recommendation

$102,300

This recommendation compares this business against similar businesses in the Experian business credit database. It is based on trade information, industry, age of business and the Intelliscore Plus. The recommendation is a guide. The final decision must be made based on your company's business policies.

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Payment and Legal Filings Summary

Payment Performance

Current DBT:	7
Predicted DBT as 06/04/2014 :	6
Monthly Average DBT:	0
Highest DBT Previous 6 Months:	7
Highest DBT Previous 5 Quarters:	3
Payment Trend Indication:	

Payments are increasingly late

Trade and Collection Balance

Total trade and collection (16):	$203,100
All trades (16):	$203,100
All collections (0):	$0
Continuous trade (8):	$97,100
6 month average:	$81,600 - $102,600
Highest credit amount extended:	$66,000
Most frequent industry purchasing terms:	

NET 30,CONTRCT,REVOLVE

Legal Filings

Bankruptcy:	No
Tax Lien filings:	6
Judgment filings:	0
Sum of legal filings:	$231,300
UCC filings:	1
Cautionary UCC filings:	Yes

Industry Comparison

Industry DBT Range Comparison
The current DBT of this business is 7. 11% of businesses have a DBT range of 6-15.

DBT for this business: 7

DBT Norms
All industry: 8
Same industry: 7

Industry Payment Comparison
Has paid sooner than 50% of similar businesses

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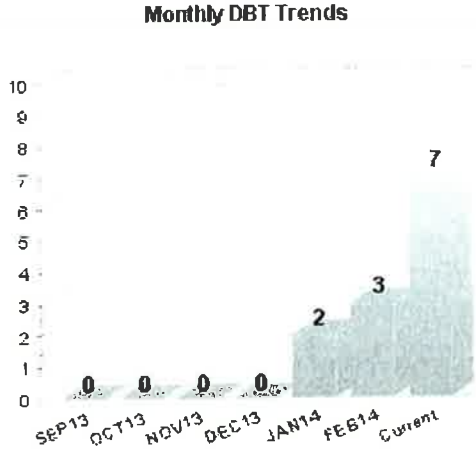
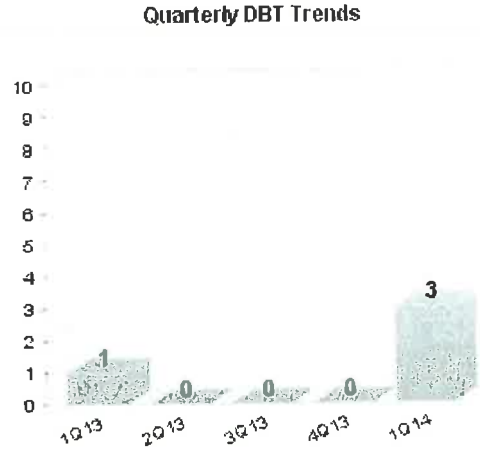
Payment Trending

DBT Trends

Monthly DBT Trends



Quarterly DBT Trends



Monthly Payment Trends

Payment Trends Analysis
ELECTRIC & OTHER SERVICES COMBINED - 4931

Date Reported	Industry Cur	Industry DBT	Business DBT	Balance	Account Status Days Beyond Terms: Cur	1-30	31-60	61-90	91+
CURRENT	N/A	N/A	7	$97,100	90%	2%	2%	3%	3%
FEB14	83%	7	3	$95,400	93%	3%	2%	2%	
JAN14	79%	7	2	$96,700	94%	4%	2%		
DEC13	79%	7	0	$108,600	98%	2%			
NOV13	80%	7	0	$108,600	100%				

OCT13	83%	7	0	$112,700	100%
SEP13	83%	5	0	$117,300	100%

Quarterly Payment Trends

Payment History - Quarterly Averages					Account Status Days Beyond Terms			
Quarter	Months	DBT	Balance	Cur	1-30	31-60	61-90	91+
Q1 - 14	JAN - MAR	3	$96,100	93%	3%	2%	1%	1%
Q4 - 13	OCT - DEC	0	$109,900	99%	1%			
Q3 - 13	JUL - SEP	0	$74,500	99%	1%			
Q2 - 13	APR - JUN	0	$56,600	98%	2%			
Q1 - 13	JAN - MAR	1	$64,100	96%	3%	1%		

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Trade Payment Summary

Trade Line Type	Lines Reported	DBT	Recent High Credit	Balance	Current	01-30	31-60	61-90	91+
Continuous	8	7	$134,600	$97,100	90%	2%	2%	3%	3%
New	0			$0					
Combined Trade	**8**	**7**	**$134,600**	**$97,100**	**90%**	**2%**	**2%**	**3%**	**3%**
Additional	8		$119,600	$106,000	77%	23%			
Total Trade	**16**		**$254,200**	**$203,100**	**85%**	**13%**		**1%**	**1%**

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Trade Payment - New and Continuously Reported Trade Details

Payment Experiences (Trade Lines with an (*) after the date are newly reported)							Account Status Days Beyond Terms				
Business Category	Date Reported	Last Sale	Payment Terms	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
AIR TRANS	04/2014	01/2014	OTHER	$600	$500	100%					
BUS SERVCS	03/2014		NET 36	$500	$400	100%					
FACTOR	02/2014	02/2014	VARIED	$5,200	$1,700	100%					
FINCL SVCS	01/2014		CONTRCT	$14,700	$13,800	98%	2%				
FINCL SVCS	01/2014		CONTRCT	$46,400	$46,400	100%					
OFFC EQUIP	03/2014	08/2013	REVOLVE	$1,200	$0						
PACKAGING	02/2014	11/2011	NET 30		$0						CUST 3 YR
SERVICES	04/2014	09/2013	NET 30	$66,000	$34,300	72%	5%	5%	9%	9%	CUST 14 YR

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Trade Payment - Additional Trade Details

Payment Experiences (Trade Lines with an (*) after the date are newly reported)							Account Status Days Beyond Terms				
Business Category	Date Reported	Last Sale	Payment Terms	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
CHEMICALS	10/2013	09/2013	NET 30	$91,300	$91,300	73%	27%				
COMMUNICTN	10/2013		VARIED	$8,900	<$100	100%					
DP EQUIP	04/2012	11/2003	NET 30		$0						
FINCL SVCS	06/2013	01/2009	NET	$2,000	$300					100%	CHARGE OFF
FRGHT FWRD	08/2011		OTHER	<$100	<$100	100%					
LEASING	03/2014		CONTRCT	$17,200	$14,200	100%					
LEASING	03/2014		NET 10	$100	$0						
SAFTY PROD	07/2012		NET30		$0						CUST 4 YR

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Legal Filings

Tax Liens

File Date	Filing Type	Status	Amount	Filing Number	Jurisdiction
01/24/2013	State Tax Lien	Released	$6,137	E032286181W0036	ALBANY COUNTY CLERK
	Filed by: STATE OF NEW YORK				
11/06/2012	State Tax Lien	Filed	$6,137	E032286181W0036	ALBANY COUNTY CLERK
	Filed by: STATE OF NEW YORK				
10/21/2011	State Tax Lien	Filed	$859	52301050	MADISON COUNTY CIRCUIT
	Filed by: STATE OF MISSISSIPPI				
01/11/2011	State Tax Lien	Released	$5,421	ER4922673A5421	NASSAU COUNTY REG
	Filed by: STATE OF NEW YORK				
09/02/2010	State Tax Lien	Filed	$1,230	24L10008740	BALTIMORE CITY COUNTY 8TH JUDICIAL CIRCU
	Filed by: STATE OF MARYLAND				
08/25/2010	State Tax Lien	Filed	$5,241	201008251675	NASSAU COUNTY REG
	Filed by: STATE OF NEW YORK				
06/01/2010	State Tax Lien	Filed	$4,586	13016	KENNEBEC REGISTRY
	Filed by: STATE OF MAINE				
10/14/2009	State Tax Lien	Filed	$213,247	X0926800	ALBANY COUNTY CLERK
	Filed by: STATE OF NEW YORK				

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Uniform Commercial Code (UCC) Filings

UCC Filing Summary

Date Range	Year	Cautionary UCCs **	Total Filed	Released / Termination	Continuous	Amended / Assigned
JAN - PRESENT	2014					
JUL - DEC	2013					
JAN - JUN	2013					
JUL - DEC	2012	1	1			
JAN - JUN	2012					
PRIOR TO JAN	2012					
Total		1	1	0	0	0

** Cautionary UCC Filings include one or more of the following collateral:
Accounts, Accounts Receivables, Contract Rights, Hereafter Acquired Property, Inventory, Leases, Notes Receivable or Proceeds.

UCC Details

UCC FILED Date: 08/02/2012
Filing Number: 2012 2984377
Jurisdiction: SEC OF STATE DE
Secured Party: OCE FINANCIAL SERVICES, INC. IL CHICAGO 60656 5450 NORTH CUM
Collateral: EQUIP, AFTER ACQUIRED PROP, UNDEFINED

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Additional Business Facts

Corporate Registration

THE FOLLOWING INFORMATION WAS PROVIDED BY THE STATE OF DELAWARE.

State of Origin:	DE
Date of Incorporation:	12/15/2008
Current Status:	Active - IN GOOD STANDING
Business Type:	Profit
Charter Number:	0957664
Agent:	CAPITOL CORPORATE SERVICES INC.
Agent Address:	330 ROBERTS ST STE 203 EAST HARTFORD, CT

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Corporate Linkage

Business Name	Location	BIN
Ultimate Parent of the inquired upon business and the top entity within the corporate family:		
GDF SUEZ SA	PARIS	000146149
Immediate Parent of the inquired upon business:		
GDF SUEZ ENERGY INTERNATIONAL	BRUSSELS	000131001
Subsidiaries of the inquired upon business:*		
ASTORIA ENERGY LLC	1710 STEINWAY ST - ASTORIA,NY	708440896
GDF SUEZ ENERGY GENERATION NA, INC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	784785610
GDF SUEZ ENERGY MARKETING NORTH AMERICA, INC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	786404194
GDF SUEZ ENERGY RESOURCES NA	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	786666414
GDF SUEZ GAS NA LLC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	791155034
SUEZ ENERGIA DE MEXICO	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	872164062
GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	982555747
GDF SUEZ PLAINFIELD RENEWABLE CO, LLC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	982555748
GDF SUEZ NA E&P, LLC	1990 POST OAK BLVD - HOUSTON,TX	982555749
GDF SUEZ E&P HOLDING US CORP	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	982555827
Branches of the inquired upon business:		
GDF SUEZ ENERGY NORTH AMERICA, INC	919 CONGRESS AVE STE 1450 - AUSTIN,TX	935700972
GDF SUEZ ENERGY NORTH AMERICA, INC	12085 NORTH FWY - HOUSTON,TX	945346850
GDF SUEZ ENERGY NORTH AMERICA, INC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	954351280
GDF SUEZ ENERGY NORTH AMERICA, INC	99 MILLERS FALLS RD - NORTHFIELD,MA	955674122
GDF SUEZ ENERGY NORTH AMERICA, INC	200 GLASTONBURY BLVD - GLASTONBURY,CT	964789915
GDF SUEZ ENERGY NORTH AMERICA, INC	4601 BROOKHOLLOW DR - MIDLOTHIAN,TX	973279780
GDF SUEZ ENERGY NORTH AMERICA, INC	4001 W ENNIS AVE - ENNIS,TX	975629910

* The inquired upon business has more than 10 subsidiaries.

See the complete hierarchy by clicking here.

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Inquiries

Summary of Inquiries

Business Category	APR14	MAR14	FEB14	JAN14	DEC13	NOV13	OCT13	SEP13	AUG13
GENERAL		1							
LEGAL SVCS					1				
Totals		1			1				

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End of report

1 of 1 report

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Exhibit C-8 "Bankruptcy Information," provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

None.

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Exhibit C-9 "Merger Information," provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

None.

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Exhibit D-1 "Operations" provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.

GDF Suez Energy Resources NA, Inc. ("GSERNA") operations include the scheduling of power for transmission and delivery and the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers. GSERNA provides risk-managed retail electricity to commercial and industrial customers, with products and services that offer budget certainty, reduce energy expenditures, and set new standards in electricity supply. In-house expertise and market-based knowledge helps control costs and manage risks and volatility through a variety of energy products. GSERNA's sources of supply include power generation facilities, which are owned and operated internally by GDF Suez Energy Generation NA, Inc., and power purchase agreements with power generation and wholesale partners around the United States. GSERNA manages the supply and procurement of electricity through its power generation units, gas distribution and storage facilities, and more than 100 power purchase agreements with power generation and wholesale partners around the United States. GSERNA schedules and causes the delivery of electricity through agreements with Independent System Operators (ISO) and relationships with regulated transmission and distribution companies. The origination, supply, and delivery of power is handled by GSERNA's 24/7 operation facilities across the United States. GSERNA has invested significant resources to ensure that all customers receive on-time switching, timely and accurate billing, and immediate response to customer care issues. Our Customer Service and Support organization is designed to provide dedicated professionals to handle all aspects of energy supply, delivery, and risk management. GSERNA publically guarantees an on-time enrollment. GSERNA is recognized a leader in quick problem resolution, execution on price quotes, and on-time billing. GSERNA will respond to all customer inquires and/or complaints in accordance with the Commission rules adopted pursuant to Section 4928.10 of the Revised Code. GSERNA has also instituted quality control and quality assurance practices to ensure our people, processes, vendors and systems operate at this highly level of quality.

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Exhibit D-2 "Operations Expertise," given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.

GDF Suez Energy Resources NA, Inc., GSERNA, is the one of the largest and one of the fastest growing C&I retail electricity suppliers in the United States, with more than 50,000 commercial and industrial accounts in Connecticut, Delaware, Illinois, Maryland, Massachusetts, Maine, New Jersey, New York, Pennsylvania, Washington D.C. and Texas. Its success is based on the ability to provide innovative products and services that help customers control costs and minimize risk. Based in Houston, GDF SUEZ Energy North America, Inc. is a business unit of GDF SUEZ Energy International and is responsible for managing GDF SUEZ's positions within the energy value chain in the U.S., Mexico, and Canada, including electricity generation and cogeneration, natural gas and LNG, asset-based trading and origination, and energy sales and related services. GSERNA serves customer accounts representing almost $2 billion in contract value and to more than 25,000 meters. GSERNA's financial strength sets it apart. As part of GDF SUEZ, GSERNA is backed by the resources of one of the world's top 10 power producers with annual revenues exceeding $110 billion. Our company leadership team comprises some of the best talent in retail energy, with extensive experience from many of the top companies in the industry Additionally, GSERNA maintains a centralized, scalable back office to enable competitive pricing.

GSERNA currently serves commercial and industrial customers in the following the following states: Connecticut, Delaware, District of Columbia, Illinois, Main, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Texas. Affiliates of GSERNA have FERC authorization to market wholesale electric power. GSERNA's sources of supply include power generation facilities, which are owned and operated internally by GDF Suez Energy Generation NA, Inc., and power purchase agreements with power generation and wholesale partners around the United States. GSERNA's sources of supply also include physical bilateral purchases both from GDF SUEZ Energy Marketing NA, Inc. (GSEMNA) and other third party suppliers. SERNA manages the supply and procurement of electricity through its power generation units, gas distribution and storage facilities, and more than 100 power purchase agreements with power generation and wholesale partners around the United States. GSERNA schedules and causes the delivery of electricity through agreements with Independent System Operators (ISO) and relationships with regulated transmission and distribution companies. GSERNA has received high marks in customer satisfaction, as evidenced by independent surveys placing SERNA in the top-tier of all energy providers. Additionally, GSERNA enjoys industry leading receivables performance. GSERNA has also instituted quality control and quality assurance practices to ensure our people, processes, vendors and systems operate at this highly level of quality.

Exhibit D-3 "Key Technical Personnel," provide the names, titles, e- mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.

SAM HENRY - President & CEO
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: sam.henry@gdfsuezna.com
Sam Henry is the President and CEO of GDF Suez Energy Resources NA, Inc. (GSERNA), one of the nation's leading energy providers serving commercial and industrial customers and a subsidiary of IPR-GDF Suez North America, Inc. (IPR-GSNA), a member of the internal energy groups International Power and GDF Suez, active in the development, acquisition, and operation of electricity and cogeneration facilities, the marketing and sales of products and services, and the import and distribution of natural gas and LNG. Prior to joining GSERNA, from 2004 to 2012, Mr. Henry was the President and CEO of IPR-GDF Suez Energy Marketing, Inc., the trading and portfolio management operating group of IPR-GSNA. His responsibilities included all commercial activities surrounding power generation plants and the hedging of commodity price risks for the company in North America. In Mr. Henry's three decades in the energy industry, he has focused on asset and risk management. Prior to joining the IPR-GSNA group, Mr. Henry was Vice President of Risk Management at Edison Mission Energy, a company with 25,000 MW of generation in the United States, United Kingdom and Australia. Mr. Henry also served as Vice President of Trading and Risk management for Conoco's natural gas and gas liquids division, as well as its affiliated power marketer, Dupont Power Marketing. Mr. Henry also held positions at Chevron in the crude oil, gas liquids, and natural gas marketing sectors in Texas and New York. Mr. Henry is a member of the Global Association of Risk Professional and has been a member of the New York Mercantile Exchange advisory committee on propane, natural gas, and electricity trading. He also serves on the Advisory Board of the University of Houston Global Energy Management Institute.

RAY CUNNINGHAM - Vice President, General Counsel & Secretary
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: ray.cunningham@gdfsuezna.com
Mr. Cunningham joined the retail business unit of GDF SUEZ in October 2012 as its Vice President & Assistant General Counsel where he is responsible for government affairs, regulatory compliance, corporate transactions, litigation, risk management, and all legal matters impacting the retail business. Mr. Cunningham has over 25 years of experience in the energy industry and was most recently Vice President & Assistant General Counsel of the wholesale gas and power business unit of GDF SUEZ. Mr. Cunningham is a graduate of Texas Tech University and South Texas College of Law.

JOHN HENDERSON – Vice President, Retail Strategy
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: john.henderson@gdfsuezna.com
Mr. Henderson jointed the Retail group in October 2012 to focus on strategies for extending the company's commercial and industrial capabilities to the B2C market. Previously, Mr. Henderson served as Vice President, Central Portfolio Management focusing on compliance with the new Dodd-Frank financial reform regulations and hedging strategy and optimization of GDF SUEZ North America electricity, LNG and retail portfolio. Mr. Henderson joined GDF SUEZ in 2002 and has served in a broad ranges of commercial and operational executive roles including retail marketing and operations, COO of Mexico regulated gas distribution and co-generation, North America merchant generation management, and portfolio risk management. Prior to joining GDF SUEZ, Mr. Henderson held energy-related executive positions at The New Power Company, a joint venture between Enron, AOL, GE and IBM to serve residential customers, and Enron in North America and the United Kingdom. Mr. Henderson began his career working in New York in investment banking prior to moving to Houston and focusing on energy. Mr. Henderson holds a Bachelor of Science degree in Electrical Engineering and also Economics from Rice University (with highest distinction) and an MBA degree from The Standard Graduate School of Business. Mr. Henderson is a member of the Global Association of Risk Professionals and is actively involved in advancing competitive policy through numerous gas, electric and retail industry associations.

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VIKRAM KULKARNI –Vice President, Supply
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: vikram.kulkarni@gdfsuezna.com

Mr. Kulkarni joined the company in June 2003 and is responsible for a number of critical operational aspects including load analysis, forecasting, order fulfillment and information technology. Mr. Kulkarni has more than 10 years of experience in the retail energy space within operations, structuring and risk management functions. He was previously with TXU Energy and an associate with Enron Energy Services. Mr. Kulkarni's staff manages the retail business unit's project management, load analytics, data analysis, business services, and customer service. Mr. Kulkarni holds a Bachelor of Science degree in Economics from the University of Wisconsin – Madison, and a Master of Science degree in Finance from Boston College.

DOUGLAS STEIN – Vice President & Controller, Business Control
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: douglas.stein@gdfsuezna.com

Mr. Stein is responsible for the financial functions, including accounting, performance reporting, planning, settlements and credit. In addition, he heads up the customer billing and account management functions. Mr. Stein began his career working with PricewaterhouseCoopers before joining GDF SUEZ. Prior to GSERNA, Mr. Stein was a Director for GDF SUEZ Generation NA LLC. He is a certified public accountant and holds a Bachelor in Business Administration and Masters in Accounting from Trinity University.

J.D. BURROWS - Vice President, Marketing
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: jd.burrows@gdfsuezna.com

Mr. Burrows rejoined the retail business unit of GDF SUEZ in April 2013 as its Vice President of Marketing where he is responsible for lead generation, brand positioning, market analytics and pricing strategies. Prior to rejoining the retail business unit, Mr. Burrows worked as the Vice President of Origination & Procurement for GDF SUEZ Energy Marketing NA, Inc. where he was responsible for wholesale origination of structured energy products; mid-marketing of energy, capacity, RECs; and procurement of natural gas, fuel oil, coal, transportation and rail capacity; and prior to that he was the Vice President of Strategy & Marketing for GDF SUEZ Energy North America Inc. Before joining GDF SUEZ, Mr. Burrows held positions with Enron in structuring and risk management, and with Dynegy in Northeast market development. He started his career in energy with the Public Utility Commission of Texas, where he served as a witness and staff expert on rate design and fuel factors. Mr. Burrows earned a Bachelor of Science in economics from the University of Texas and a Master of Science in economics from Texas A&M University.

Exhibit D-4 "FERC Power Marketer License Number," provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)

Not applicable.

From: (713) 636-1607
Naveen Rabie
SUEZ Energy Resources NA, Inc.
1990 Post Oak Blvd., Suite 1900

Houston, TX 77056

Origin ID: HOUA

FedEx. Express

E

J141014020703

Ship Date: 30MAY14
ActWgt: 5.0 LB
CAD: 4476218/INET3490

Delivery Address Bar Code

SHIP TO: (713) 636-1607 BILL SENDER

Docketing Division
Public Utility Commission of Ohio
180 E BROAD ST
13th Floor
COLUMBUS, OH 43215

Ref # GSERNA Legal
Invoice #
PO #
Dept #

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STANDARD OVERNIGHT

TRK# 0201 7701 4395 4418

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