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Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

02-1829-GA-CRS

August 18, 2014

RE: Direct Energy Services, LLC Ohio Gas License Renewal (Cert. No. 02-024G)

To Docketing Division:

Enclosed please find the Ohio gas license renewal for Direct Energy Services, LLC. Please note the motion for protective order is being filed in person on August 19, 2014 by Joseph Clark.

If there are any questions or comments regarding this license renewal submission, please contact me.

Respectfully submitted,

Ryan Harwell
Compliance Operations
(713) 877-5701
Ryan.harwell@directenergy.com

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SM Date Processed AUG 19 2014

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PUCO USE ONLY – Version 1.07		
Date Received	Renewal Certification Number	ORIGINAL CRS Case Number
		02 - 1829 - GA-CRS

RENEWAL CERTIFICATION APPLICATION
COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (***Example: Exhibit A-16 - Company History***). 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 directly input information onto the form. You may also download the form by saving it to your local disk.

SECTION A - APPLICANT INFORMATION AND SERVICES

A-1 Applicant intends to renew its certificate as: (check all that apply)

☐ **Retail Natural Gas Aggregator** ☐ **Retail Natural Gas Broker** ☑ **Retail Natural Gas Marketer**

A-2 Applicant information:

Legal Name: Direct Energy Services, LLC

Address: 12 Greenway Plaza, Suite 250 Houston, TX 77046

Telephone No. 713-877-3500 Web site Address www.directenergy.com

Current PUCO Certificate No. 02-024G(6) Effective Dates 9/18/2012 - 9/18/2014

A-3 Applicant information under which applicant will do business in Ohio:

Name: Direct Energy Services, LLC

Address: Fifth Third Building, 21 E. State Street Columbus, OH 43215

Web site Address www.directenergy.com Telephone No. 1-888-734-0741

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

Direct Energy Services, LLC

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A-5 Contact person for regulatory or emergency matters:

Name Teresa Ringenbach Title Sr. Manager, Gov't. & Regulatory Affairs

Business Address Fifth Third Building, 21 E. State Street Columbus, OH 43215

Telephone No. 614-220-4369 ext 230 Fax No. 614-220-4674 Email Address teresa.ringenbach@directenergy

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

Name Paige Harris Title Office of the President Manager, Customer Sol

Business address 6502 S. Yale Avenue Suite 300 Tulsa, OK 74136

Telephone No. 918-493-9564 Fax No. Email Address Paige.harris@directenergy.com

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

Customer service address 12 Greenway Plaza, Suite 250 Houston, TX 77046

Toll-Free Telephone No. 1-888-734-0741 Fax No. 1-800-457-9687 Email Address csdirectenergy@directenergy

A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee

Name Teresa Ringenbach Title Sr. Manager, Gov't. & Regulatory Affairs

Business address Fifth Third Building, 21 E. State Street Columbus, OH 43215

Telephone No. 614-220-4369 ext 230 Fax No. 614-220-4674 Email Address teresa.ringenbach@directenergy.com

A-9 Applicant's federal employer identification number 20-1340064

A-10 Applicant's form of ownership: (Check one)

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

A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers.* (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)

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☑ Columbia Gas of Ohio	☑ Residential	☑ Small Commercial	☐ Large Commercial / Industrial
☑ Dominion East Ohio	☑ Residential	☑ Small Commercial	☐ Large Commercial / Industrial
☑ Duke Energy Ohio	☑ Residential	☑ Small Commercial	☐ Large Commercial / Industrial
☑ Vectren Energy Delivery of Ohio	☑ Residential	☑ Small Commercial	☐ Large Commercial / Industrial

A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.

☑ **Columbia Gas of Ohio**

☑ Residential	Beginning Date of Service	7/1/1998	End Date
☑ Small Commercial	Beginning Date of Service	7/1/1998	End Date
☐ Large Commercial	Beginning Date of Service		End Date
☐ Industrial	Beginning Date of Service		End Date

☑ **Dominion East Ohio**

☑ Residential	Beginning Date of Service	9/6/2000	End Date
☑ Small Commercial	Beginning Date of Service	9/6/2000	End Date
☐ Large Commercial	Beginning Date of Service		End Date
☐ Industrial	Beginning Date of Service		End Date

☑ **Duke Energy Ohio**

☑ Residential	Beginning Date of Service	8/16/2008	End Date
☑ Small Commercial	Beginning Date of Service	8/16/2008	End Date
☐ Large Commercial	Beginning Date of Service		End Date
☐ Industrial	Beginning Date of Service		End Date

☑ **Vectren Energy Delivery of Ohio**

☐ Residential	Beginning Date of Service		End Date
☐ Small Commercial	Beginning Date of Service		End Date
☐ Large Commercial	Beginning Date of Service		End Date
☐ Industrial	Beginning Date of Service		End Date

A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:

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☐	**Columbia Gas of Ohio**	**Intended Start Date**	
☐	**Dominion East Ohio**	**Intended Start Date**	
☐	**Duke Energy Ohio**	**Intended Start Date**	
✓	**Vectren Energy Delivery of Ohio**	**Intended Start Date**	September 2014

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

A-14 **Exhibit A-14 "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-15 **Exhibit A-15 "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 natural gas or electricity to customers in North America.

A-16 **Exhibit A-16 "Company History,"** provide a concise description of the applicant's company history and principal business interests.

A-17 **Exhibit A-17 "Articles of Incorporation and Bylaws**, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto, ***only if the contents of the originally filed documents changed since the initial application***.

A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.

SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a current 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 natural gas service, or retail/wholesale electric services.

B-2 **Exhibit B-2 "Experience & Plans,"** provide a current 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 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking renewed certification (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).

B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocations 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 for which it is seeking renewed certification since applicant last filed for certification.

B-5 **Exhibit B-5 "Disclosure of Consumer Protection Violations,"** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws since applicant last filed for certification.

☑ **No** ☐ **Yes**

If Yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Consumer Protection Violations," detailing such violation(s) and providing all relevant documents.

B-6 **Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas since applicant last filed for certification.

☑ **No** ☐ **Yes**

If Yes, provide a separate attachment, labeled as Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation," detailing such action(s) and providing all relevant documents.

SECTION C - APPLICANT 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, labeled as 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 whether 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 current financial arrangements to conduct competitive retail natural gas service (CRNGS) 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 CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

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C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current 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 current 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 since applicant last filed for certification.

C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

D-1 **Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and the provision of retail ancillary services, as well as other services used to supply natural gas to the natural gas company city gate for retail customers.

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

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

Applicant Signature and Title

Sworn and subscribed before me this 15th **day of** August **Month** 2014 **Year**

Signature of official administering oath

Manu Asthana, Co-President

Print Name and Title

My commission expires on 4/23/2017

NOTARY PUBLIC STATE OF TEXAS
Joann L. McLaughlin
Commission Expires
04-23-2017

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The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of)
Direct Energy Services, LLC)
for a Certificate or Renewal Certificate to Provide)
Competitive Retail Natural Gas Service in Ohio.)

Case No. 02 - 1829 **-GA-CRS**

County of HARRIS
State of TEXAS

MANU ASTHANA [Affiant], being duly sworn/affirmed, hereby states that:

(1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.

(2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.

(3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.

(4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.

(5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.

(6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.

(7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.

(8) Affiant further sayeth naught.

Affiant Signature & Title

Sworn and subscribed before me this 15th **day of** August **Month** 2014 **Year**

Signature of Official Administering Oath

Manu Asthana, Co. President
Print Name and Title

Joann L. McLaughlin
Commission Expires
04-23-2017

My commission expires on 4/23/2017

(CRNGS Supplier Renewal) Page 7 of 7

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Exhibit A-14
Officers and Directors

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The following is a current list of the Officers and Directors of Direct Energy Services, LLC:

Board Positions

Manu Asthana Director & Co-President	12 Greenway Plaza Suite 250 Houston, TX 77046 (713) 877-3642
John Schultz Director & Co-President	One Hess Plaza Woodbridge, NJ 07095 (732) 750-6197

Officers

Bray Dohrwardt Co-Secretary	12 Greenway Plaza Suite 250 Houston, TX 77046 (713) 877-3851
Michele Pilibosian Co-Secretary	12 Greenway Plaza Suite 250 Houston, TX 77046 (713) 877-3856
Randy Kruger Co-Treasurer	One Hess Plaza Woodbridge, NJ 07095 (732) 750-6792
John Williamson Co-Treasurer	12 Greenway Plaza Suite 250 Houston, TX 77046 (713) 904-7277
Craig Galligan Assistant Secretary	1001 Liberty Ave. Pittsburgh, PA 15222 (412) 667-5151

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Exhibit A-15
Corporate Structure

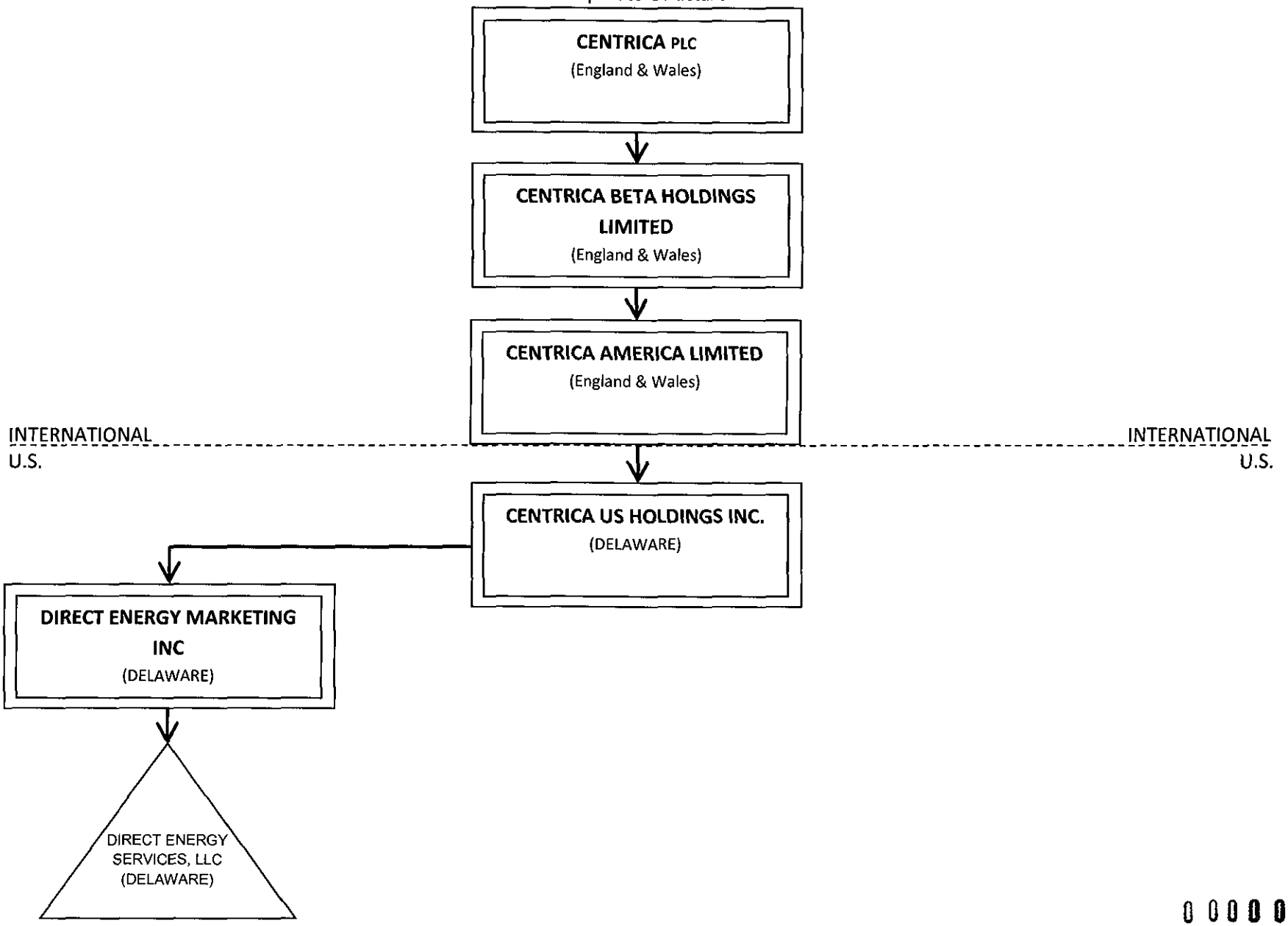

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Exhibit A-16
Company History

Background

Direct Energy Services, LLC is part of the Direct Energy family and its parent company is Centrica, plc. Direct Energy is one of North America's largest energy and energy-related services providers with over 6 million residential and commercial customer relationships. Direct Energy provides customers with choice and support in managing their energy costs through a portfolio of innovative products and services. A subsidiary of Centrica plc (LSE:CNA), one of the world's leading integrated energy companies, Direct Energy operates in 46 states including the District of Columbia and 10 provinces in Canada.

Direct Energy Services, formerly known as Energy America, LLC, first entered the Columbia Gas of Ohio CHOICE program as a marketer in the third quarter of 1998 and has executed a number of campaigns since in the Columbia Gas of Ohio, Dominion East Ohio, Duke Energy Ohio and Vectren Energy Delivery of Ohio service territories. Direct Energy Services plans to continue customer acquisitions and retention efforts as part of Direct Energy's business model. Upon enrollment by the customer, Direct Energy Services mails a confirmation letter detailing the terms and conditions of the contract as part of its "Welcome Kit" to new customers.

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Exhibit A-17
Articles of Incorporation and Bylaws

There have been no changes or amendments to the Articles of Incorporation since the date of the last Renewal Application.

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Exhibit A-18
Secretary of State

Attached is in good standing with Office of the Secretary of State in Ohio.

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UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE

I, Jon Husted, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show DIRECT ENERGY SERVICES, LLC, a Delaware Limited Liability Company, Registration Number 1473703, filed on June 30, 2004, is currently in FULL FORCE AND EFFECT upon the records of this office.

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 11th day of August, A.D. 2014.

Ohio Secretary of State

Validation Number: 201422301604

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Exhibit B-1
Jurisdiction of Operation

Currently, Direct Energy Services is providing retail natural gas service in the Columbia Gas of Ohio, Dominion East Ohio, Duke Energy Ohio and Vectren Energy Delivery of Ohio service territories. In June 2004, Direct Energy Services completed the registration of name transfer from Energy America LLC, which had initiated competitive retail gas supply services in the State of Ohio in July 1998. Further, Direct Energy Services completed the registration in the other states of: Connecticut, Michigan, Maryland, Massachusetts, New York, New Jersey, Pennsylvania, and Rhode Island in 2004. The District of Columbia and Maine were registered under Direct Energy Services, LLC the following year. More recently, Direct Energy Services registered in the state of Indiana. Currently, the states where service is being provided to residential and small commercial end use customers are Illinois, Indiana, New Jersey, New York, Maryland, Ohio, and Pennsylvania.

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Exhibit B-2
Experience & Plans

Direct Energy Services, LLC is part of the Direct Energy family and its parent company is Centrica, plc. Direct Energy is one of North America's largest energy and energy-related services providers with over 6 million residential and commercial customer relationships. Direct Energy provides customers with choice and support in managing their energy costs through a portfolio of innovative products and services. A subsidiary of Centrica plc (LSE:CNA), one of the world's leading integrated energy companies, Direct Energy operates in 46 states including the District of Columbia and 10 provinces in Canada.

Direct Energy Services, formerly known as Energy America, LLC, first entered the Columbia Gas of Ohio CHOICE program as a marketer in the third quarter of 1998 and has executed a number of campaigns since in the Columbia Gas of Ohio, Dominion East Ohio, Duke Energy Ohio and Vectren Energy Delivery of Ohio service territories. Direct Energy Services plans to continue customer acquisitions and retention efforts as part of Direct Energy's business model. Upon enrollment by the customer, Direct Energy Services mails a confirmation letter detailing the terms and conditions of the contract as part of its "Welcome Kit" to new customers.

Regarding customer inquiries and complaints:

Normal customer service hours are Monday – Friday, 8 AM – 8PM, Eastern Standard Time and Saturday from 8 AM – 5 PM Eastern Standard Time. When customer concerns are received at Direct Energy Service's Customer Care center, the issue is researched to determine all factors influencing the concern. Once the factors involved in the issues are established, contact with the customer is made in an attempt to reach an amicable resolution through our Office of the President department. If a public agency is involved in the dispute resolution process, once an investigation is complete, the agency is notified of the results and, assuming concurrence, the matter is closed. If the customer disputes the investigation results, Direct Energy Services will inform the customer that PUCO Staff is available to mediate complaints.

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Exhibit B-3
Summary of Experience

Direct Energy Services, formerly known as Energy America, has provided natural gas services to Ohio customers since July 1998. Direct Energy Services has marketed and acquired customers in Dominion East Ohio, Columbia Gas of Ohio, Duke Energy Ohio and Vectren Energy Delivery of Ohio service territories. Direct Energy Services approximately serves 498,000 customers, as of June 30, 2014, in these Ohio service territories. The most current volume supplied for the current customer base was 1.38 bcf.

Exhibit B-4
Disclosure of Liabilities and Investigations

In the interest of full disclosure, certain Direct Energy affiliates/entities have been the subject of regulatory and/or disciplinary proceedings, which are summarized directly below with more detailed explanations following.

- Energy America, LLC has been the subject of regulatory and disciplinary proceedings in Georgia, Michigan and New Jersey.
- Direct Energy, LP has been the subject of regulatory and disciplinary proceedings in Texas.
- Direct Energy Business, LLC has been the subject of a regulatory proceeding with the California ISO.
- Direct Energy Marketing Limited (Canada) has been the subject of regulatory and/or disciplinary proceedings in Alberta and Ontario.
- CPL Retail Energy, LP was issued a notice of violation in 2011 as a result of the PUCT (TX) compliance audit program.
- Gateway Energy Services Corporation (formerly known as ECONnergy Energy Company, Inc.) had been the subject of regulatory and/or disciplinary proceedings in New York.
- Gateway Energy Services Corporation d/b/a Gateway Power Services was issued a notice of violation in 2011 as a result of the PUCT compliance audit program.
- First Choice Power Special Purpose, LP was issued a notice of violation in 2011 as a result of the PUCT (TX) compliance audit program.

Energy America: Georgia

In July 2000, Energy America was a respondent in a proceeding before the Georgia Public Service Commission, docket number 12126-U. The proceeding resolved claims that Energy America had enrolled door-to-door customers without appropriate authorizations. Energy America did not admit to any acts which violated any Georgia laws or regulations. However, Energy America did agree to a stipulation implementing certain measures including establishing energy fund to assist low income and elderly customers and paying costs and expenses to the Georgia PSC.

In July 2003, Energy America was a respondent in a proceeding before the Georgia Public Services Commission, docket number 16602-U. The proceeding resolved claims that Energy America had enrolled customers without the appropriate authorizations. Energy America did not admit to any acts which violated any Georgia laws or regulations. Pursuant to a stipulation, Energy America agreed to credit the accounts of complaining customers and to contribute to Georgia's Low-Income Heating Assistance Program.

On January 6, 2004, the Georgia Public Service Commission approved a Stipulation between Energy America and the staff of Georgia Public Service Commission to resolve a matter arising out of the Energy America's inadvertent failure to timely pay its provider of mailbox services (docket number 9557-U). Consistent with applicable rules, Energy America had maintained a mailbox, as among other things, the primary mailing address for certain payments, including Low Income Home Energy Assistance Program ("LIHEAP") payments, and other correspondence from Energy America's customers in the State. As a result of Energy America's inadvertent failure to pay the vendor, payments sent to Energy America at the

mailbox address were not forwarded to Energy America resulting in the disconnection of service to several customers. In resolution of these issues, Energy America agreed to reinstate the accounts of all affected customers and made a voluntary contribution to the LIHEAP fund.

Energy America: Michigan

In July 2002, Energy America entered into an Assurance of Voluntary Compliance with the Michigan Attorney General's office to resolve alleged violations of the Michigan Consumer Protection Act. The assurance expired in August 2004 as Energy America had met all substantive terms of the Assurance. In the Assurance Energy America agreed to de-enroll any consumers that alleged they did not authorize the company to enroll them for natural gas service unless Energy America could establish by clear and convincing evidence the consumers allegations were invalid, to not make any false or misleading representations to consumers, to comply with written or verbal requests by consumers to stop soliciting them and to verify future consumer enrollments through taped third party verification or by sending confirmation letters. Energy America did not admit to any acts which violated any Michigan laws or regulations. As part of the Assurance, Energy America paid costs and expenses to the Michigan Attorney General's office.

Direct Energy, LP: Texas

On December 10, 2002, the Public Utility Commission of Texas ("PUCT") issued Notices of Violation ("NOVs") to 25 different Retail Electric Providers ("REPs") who missed the requisite 21-day timeframe for responding to customer complaints forwarded by the PUCT. In addition, there were a number of alleged violations for failing to provide sufficient documentation related to a complaint. Many of these cases were resolved through settlement agreements, which were subsequently approved by the PUCT. Republic Power, LP (d/b/a/ Energy America), now operating under the certificated name, Direct Energy, LP, received two NOVs and worked with PUCT Staff to reach a settlement in both cases. The settlements, which included recommended administrative penalties totaling $25,650, were filed on Aug. 18, 2003; however, the settlements were never placed on the PUCT's agenda for final orders. On March 9, 2007, and after first advising Direct Energy of the PUCT's plans to close out the cases, the PUCT Staff filed proposed final orders, which were subsequently approved by the PUCT on March 29, 2007.

Direct Energy, LP: Texas

On December 22, 2003, Republic Power (d/b/a Energy America) entered into a Stipulation and Settlement Agreement with the Public Utility Commission of Texas ("PUCT"), docket number 28306, to resolve certain technical violations of the Texas Commission's rules relating to the selection or changes of retail electric providers ("REP"). A Notice of Violation ("NOV") issued by the PUCT had alleged that (i) a pre-checked box on the Company's internet customer enrollment form failed to properly "provide a statement with a box that must be checked by the customer to indicate that the customer has read and agrees to select the REP to provide electric service and the time and date of the customer's enrollment"; (ii) the Company's "Term of Service" document did not contain a required "Electricity Facts Label"; and that (iii) the enrollment package e-mailed by the company to new customers enrolled via the internet failed to include a document entitled "Your Rights As A Customer." Republic Power acknowledged its technical violation of the checkbox requirement and, in fact, had corrected the technical violation prior to the NOV. No customer complaints were received by the PUCT regarding the violation.

The Stipulation and Settlement Agreement also addressed certain complaints that arose out of Republic Power's telemarketing efforts, as conducted by several third party telemarketing firms. It was learned that in violation of Republic Power's instructions, the telemarketing firms had switched certain customers without obtaining proper approval or without making certain required disclosures required by PUCT rules. Republic Power addressed this situation by suspending telemarketing activities, terminating relationships with these vendors, and implementing a number of controls and compliance measures before resuming telemarketing activities. Pursuant to the Stipulation and Settlement Agreement, in consideration of an administrative penalty of $750,000, all matters that were the subject of the NOV and customer switching related complaints the occurred on or before August 31, 2003 were deemed fully resolved. As part of the

settlement, the PUCT staff and Republic Power acknowledged that customer confusion about the restructured retail electric market may have been a contributing factor to the lodging of some customer complaints. The parties pledged to work together cooperatively to identify and expeditiously resolve any further problems.

These violations were technical and inadvertent in nature or the result of actions of third parties. Applicant resolved these issues in a responsible and reasonable manner and worked cooperatively with regulators to prevent their re-occurrence.

Direct Energy, LP: Texas

On August 24, 2007, Direct Energy and the Staff of the Public Utility Commission of Texas ("PUCT" or "Commission") filed a Settlement Agreement and Report to the Commission (Docket No. 34671) to resolve a matter related to differing interpretations of the existing PUCT rules for renewal of electric service with respect to small commercial customers. Direct Energy's renewal practice for small commercial customers was to send renewal notices to its customers whose contracts were about to expire. The notices offered to renew the contracts for another 24-month term, and would be effective if the customer did not take action by a specific, disclosed date. The notices included the appropriate disclosures of the renewal product's terms, including notice of an early cancellation fee. Each small commercial customer was also provided the opportunity to contact the Company to decline the renewal offer without penalty. This renewals approach allowed Direct Energy's customers to continue receiving service with the Company on a product comparable to their existing contract without taking any further action. Direct Energy believes that this approach provided a valuable and desirable service to customers and that this renewals practice is not prohibited by the PUCT's rules.

After investigating Direct Energy's renewal practices, the PUCT Staff concluded that Direct Energy and Staff interpreted the existing rules related to renewals differently and that Direct Energy's interpretation was incorrect. Specifically, the PUCT Staff believes that renewing customers for a time period greater than 31 days requires the customer's affirmative consent; however, it was explicitly noted in the Settlement Agreement that:

- Direct Energy and the PUCT Staff interpreted the PUCT rules "differently, and although Staff contends that the Company's interpretation of this rule was incorrect, Staff found no evidence of any willful or negligent violation."
- "Direct Energy fully cooperated with Staff's investigation."
- "After being notified of Staff's concerns regarding Direct Energy's contract renewal practices, the Company voluntarily modified its contract renewal practices to address the issues raised by Staff."

Direct Energy strongly believes that it correctly interpreted and adhered to the renewal rules in the Texas market and that its customers thought so as well. Approximately 5,200 small commercial customer renewals occurred during the period covered by the PUCT's investigation – of these, 25% elected to exercise their option to select another supplier; the other 75% remained with Direct Energy. It is important to note that the PUCT received only 3 customer complaints, with 2 of those arriving after publicity surrounding a settlement by another provider on the same issue.

On December 14, 2007, the Commission issued a Final Order approving a revised Settlement Agreement between Commission Staff and Direct Energy, in which Direct Energy agreed to: 1) provide notice to all affected customers that they are no longer subject to a term commitment and may choose another service plan or provider without being charged a cancellation fee; 2) provide refunds of early cancellation

penalties that may have been levied; and 3) expend $695,000 to fund the development and presentation of an education program regarding the retail electric market in the Electric Reliability Council of Texas targeted to small commercial customers in lieu of paying an administrative penalty.

Direct Energy, LP: Texas

Prior to April 2009, Direct Energy, LP failed to render monthly bills to some of its Texas customers in accordance with PUCT rules as a result of the transition of its previous billing system to a more robust customer information and billing system. In response to the delayed billings, Direct Energy self-reported the issue to Commission Staff and worked to keep Staff informed of its progress to resolve the issue and work with impacted customers.

Commission Staff initiated an investigation in the matter and informed Direct Energy of same. Direct Energy fully cooperated with the investigation. Direct Energy developed and instituted corrective action plans related to its billing system, which are designed to ensure that the billing system renders timely bills. In addition, Direct Energy prepared its call center to be responsive to customer needs; set up a special toll-free phone number dedicated to answering customer questions and working with customers on deferred payment plans; conducted an outreach program to contact affected customers to advise them of the issue and to assure them that Direct Energy would work with them on extended payment arrangements once the customers received their bills; and set letters to impacted customers with a gift card.

On June 19, 2009, Direct Energy and Commission Staff filed an Agreement resolving the violation. On August 14, 2009, the PUCT issued a Final Order approving the Settlement Agreement, in which Direct Energy agreed pay an administrative penalty of $200,000 for the violations of PUCT rules regarding customer billing. The agreement stipulated that Direct Energy complied with PUCT rules relating to bill payments and adjustments while resolving the issues presented, and that those actions ameliorated the impact on the small percentage of Direct Energy's customers who were impacted by the transition complications. In addition, the agreement acknowledged Direct Energy's efforts to conform to the Customer Protection Rules in good faith, and that there was no evidence of Direct Energy's willful violation of those rules, and that Direct Energy worked aggressively to resolve the problem and manage customer impacts.

Direct Energy, LP: Texas

In September 2013, Direct Energy, LP ("Direct Energy") entered into a Settlement Agreement with Staff of the Public Utility Commission of Texas ("Commission") to resolve the Commission's investigation of Direct Energy for violations of the Commission's substantive rules relating to telephonic enrollment, record retention, a customer's right of rescission, re-enrollment without affirmative consent, and informal complaint handling. The Settlement Agreement provides for a resolution of the issues and an administrative penalty of $28,000. The Settlement Agreement provides that Direct Energy worked diligently to keep Commission Staff informed of its progress to resolve the issues and was proactive in communicating with and working with affected customers to minimize the impacts to them. Direct Energy's mitigation efforts included the addition of 180 agents to the call center since December 2012, and setting a new company policy to respond to complaints in less than the 21-day requirement.

Direct Energy Business, LLC: California ISO

On August 22, 2008, the California ISO ("CAISO") issued a $93,364 penalty against Strategic Energy, LLC (n/k/a Direct Energy Business, LLC) in connection with a failure by our contracting partner San Diego Gas & Electric to adequately report load meter data for the April 27 – May 28, 2007 trading days. Strategic Energy quickly realized this error and promptly self-reported it to the CAISO; however, pursuant to the CAISO's tariff, which is approved by the FERC, a penalty is mandatory. Strategic Energy has

worked with its Wholesale Compliance team to develop procedures to prevent future occurrences of this nature.

Direct Energy Services, LLC: Michigan

On February 28, 2013, the Michigan Public Service Commission (MPSC) issued an order accepting Direct Energy Services' (DES) self-report regarding allegations of slamming by field sales agents. Four agents purposefully manipulated DES's quality assurance measures by impersonating customers for third-party verification calls, thereby fraudulently enrolling multiple small business accounts. In response to several slamming complaints received by the MPSC, DES immediately terminated the agents, suspended sales and conducted a thorough investigation. DES submitted a formal self-report regarding the violations of applicable anti-slamming laws and regulations, proposing remedial quality assurance measures, retraining of agents, implementation of paper contracting, regular quality meetings with MPSC staff and a charitable donation to a regional organization. MPSC accepted DES's self-report without any changes to the proposed remedial actions, and after a six month suspension of small business field sales, MPSC approved DES's restarting of field sales in the region.

Direct Energy Marketing Limited: Alberta, Canada

One of Direct Energy's Canadian affiliates is Direct Energy Marketing Limited, which operates a business unit in Alberta called Direct Energy Regulated Services (DERS). DERS is a regulated retail provider of natural gas and electricity. As such DERS is often involved in regulatory proceedings in the natural course of operating a regulated business. In addition, DERS is also subject to regular regulatory investigations and audits as required by Alberta legislation. None of these investigations or audits has resulted in any negative findings against DERS or its affiliates.

Direct Energy Marketing Limited: Ontario, Canada

Direct Energy's Canadian affiliate, Direct Energy Marketing Limited, also operates as a retail energy supplier business in Ontario, doing business as Direct Energy. On June 19, 2003 the Ontario Energy Board ("OEB") issued a Notice of Administrative Penalty ("Notice") against Direct Energy ("DE"). The Notice was based on a finding that in 21 instances customer contracts had been forged and that, as a consequence, DE had breached its retailer licenses by requesting a customer enrollment without the customer's written authorization to do so. A penalty totaling CDN$157,500 ($7,500 per instance) was imposed. Those incidents were addressed as follows:

- Offending sales agents were terminated on confirmation of the allegations and reported to the local police and OEB.
- All affected DE customer were notified, their contracts cancelled and they were reimbursed for any energy charges they incurred.
- All other customers enrolled by the offending sales agent were notified and given the opportunity to cancel their contracts and were fully reimbursed

In addition, strong internal controls were put in place to help prevent future instance.

Direct Energy Marketing Limited: Ontario, Canada

On April 23, 2009, the Ontario Energy Board ("OEB") issued a Notice of Administrative Penalty ("Notice") against Direct Energy Marketing Limited ("DE"). The Notice was based on a finding that a DE door-to-door agent was found to have made a false, misleading or deceptive statement to a consumer. The OEB determined that DE contravened section 88.4(2) of the Act, in that it engaged in an unfair practice as

defined in section 2 of Ontario Regulation 200/02. The OEB also determined that DE contravened section 2.1 of the Code of Conduct for Gas Marketers.

The OEB made an Order on May 5, 2009, under subsection 112.5 of the *Ontario Energy Board Act, 1998* (the "Act") requiring Direct Energy Marketing Limited ("DE") to pay an administrative penalty in the amount of $15,000 for contravening an enforceable provision of the Act and the Code of Conduct for Gas Marketers.

Direct Energy Marketing Limited: Ontario, Canada

In 2009, the Ontario Energy Board commenced an inspection into Direct Energy's ("DE") business practice relating to the methodology employed to calculate early termination fees ("ETFs"). During the course of the investigation, DE determined that the methodology it used to calculate ETFs was at times inconsistent with its contractual terms with customers. The result was that not all customers' ETFs were determined in strict adherence to the contractual terms.

Invoices for 7,860 of these early termination inquiries resulted in overcharges to customers which totaled approximately $950,000. Another 6,627 invoices resulted in undercharges to customers which totaled approximately $2 million.

Direct Energy reimbursed all customers who paid an overcharge, with interest. Direct Energy also paid the Ontario Energy Board an administrative penalty of $700,000.

CPL Retail Energy, LP: Texas

CPL Retail Energy, LP entered into a settlement agreement in 2011 with Staff of the Public Utility Commission of Texas (Commission) in Docket No. 39285. This agreement resolves and concludes an investigation of CPL Retail Energy related to the Commission's substantive rules relating to consumer protection. The investigation was initiated as part of a compliance audit program applicable to all retail electric providers as instituted by the Commission. As part of the settlement, CPL Retail Energy agreed to pay an administrative penalty of $18,000 for alleged violations committed by the company."

Gateway Energy Services Corporation (formerly known as ECONnergy Energy Company, Inc.): New York

ECONnergy Energy Company was found by the New York State Consumer Protection Board to be in violation of the New York No Call Registry based on calls allegedly made by an independent marketing firm. This matter was appealed and settled on December 2, 2003 with ECONnergy being fined approximately $10,000.

On April 19, 2002, the Office of the Attorney General of the State of New York filed a lawsuit against ECONnergy Energy Company, Inc. ("ECONnergy") , alleging that ECONnergy violated various consumer protection laws. This matter was settled on December 6, 2002 when both parties executed a "Stipulation of Resolution" of the informal complaint made against ECONnergy Energy Company. As part of the settlement, ECONnergy was ordered to pay $25,000 and abide by certain monitoring requirements. These monitoring requirements included the implementation of a Comprehensive Statewide Quality Assurance Program, monthly marketing reports to be sent for a period of six months, and closer monitoring of the uniforms and identification of door to door representatives.

Gateway Energy Services Corporation d/b/a Gateway Power Services: Texas

Gateway Energy Services Corp. d/b/a Gateway Power Services (Gateway) entered into a settlement agreement in 2011 with Staff of the Public Utility Commission of Texas (Commission). This agreement resolves and concludes an investigation of Gateway related to the Commission's substantive rules

relating to consumer protection. The investigation was initiated as part of a compliance audit program applicable to all retail electric provides as instituted by the Commission. As part of the settlement, Gateway agreed to pay an administrative penalty of $17,000 for alleged violations committed by the company.

First Choice Power Special Purpose, LP: Texas

First Choice Power Special Purpose, LP ("First Choice") entered into a settlement agreement in 2010 with Staff of the Public Utility Commission of Texas (Commission). This agreement resolves and concludes an investigation of First Choice related to the Commission's substantive rules relating to consumer protection. The investigation was initiated as part of a compliance audit program applicable to all retail electric provides as instituted by the Commission. As part of the settlement, First Choice agreed to pay an administrative penalty of $16,500 for alleged violations committed by the company.

First Choice Power Special Purpose, LP: Texas

First Choice Power Special Purpose, LP: In March 2013, a Settlement Agreement between the Staff of the Public Utility Commission of Texas (PUCT) and First Choice Power Special Purpose, L.P. (First Choice) regarding PUCT Staff's investigation of First Choice for violations concerning selection of a retail electric provider was approved by the PUCT. The Settlement Agreement provided for a resolution of the issues and an administrative penalty of $25,000. The violations related to nine separate customer complaints of an unauthorized switch received by the PUCT during the period January 2011 – October 2011. First Choice believes that it took reasonable efforts to comply with the enrollment requirements contained in PUCT rules, including taking steps to ensure that data provided by applicants was correct at the time of enrollment. In addition, First Choice has initiated review processes of submitted enrollments to look for signs of agent fraud, and has acted to remove such agents, where appropriate.

Exhibit B-5
Disclosure of Consumer Protection Violations

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Not Applicable.

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Exhibit B-6
Disclosure of Certification Denial, Curtailment, Suspension, or Revocation

Not Applicable.

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Exhibit C-1
Annual Reports

Please see the previous two annual reports.

2012: http://www.centrica.com/files/reports/2012ar/files/pdf/centrica_annual_report_2012.pdf

2013: http://www.centrica.com/files/reports/2013ar/files/pdf/centar13_annualreport.pdf

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Exhibit C-2
SEC Filings

Direct Energy Services, LLC is an indirect wholly owned subsidiary of Centrica plc. Centrica plc is headquartered in Winsor, UK. As a foreign entity, Centrica is not subject to SEC jurisdiction, and thus does not have SEC filings.

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Exhibit C-3
Financial Statements

Please see attached for Direct Energy Services, LLC's parent company Centrica, plc's Summary Financial Statements for 2012 and 2013.

Financial Statements

GROUP INCOME STATEMENT

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Year ended 31 December	Notes	2012 Business performance £m	2012 Exceptional items and certain re-measurements £m	2012 Results for the year £m	2011 Business performance £m	2011 Exceptional items and certain re-measurements £m	2011 Results for the year £m
Group revenue	4(a)	**23,942**	**–**	**23,942**	22,824	–	22,824
Cost of sales before exceptional items and certain re-measurements	5	**(18,676)**	**–**	**(18,676)**	(17,959)	–	(17,959)
Exceptional items	7	**–**	**(89)**	**(89)**	–	(221)	(221)
Re-measurement of energy contracts	7	**–**	**603**	**603**	–	(437)	(437)
Cost of sales	5	**(18,676)**	**514**	**(18,162)**	(17,959)	(658)	(18,617)
Gross profit		**5,266**	**514**	**5,780**	4,865	(658)	4,207
Operating costs before exceptional items	5	**(2,844)**	**–**	**(2,844)**	(2,750)	–	(2,750)
Exceptional items	7	**–**	**(445)**	**(445)**	–	(110)	(110)
Operating costs	5	**(2,844)**	**(445)**	**(3,289)**	(2,750)	(110)	(2,860)
Share of profits/(losses) in joint ventures and associates, net of interest and taxation	7, 16	**140**	**(6)**	**134**	93	(26)	67
Group operating profit	4(b)	**2,562**	**63**	**2,625**	2,208	(794)	1,414
Interest income	8	**254**	**–**	**254**	212	–	212
Interest expense	8	**(437)**	**–**	**(437)**	(358)	–	(358)
Net interest expense		**(183)**	**–**	**(183)**	(146)	–	(146)
Profit from continuing operations before taxation		**2,379**	**63**	**2,442**	2,062	(794)	1,268
Taxation on profit from continuing operations	9	**(1,029)**	**(140)**	**(1,169)**	(810)	(16)	(826)
Profit from continuing operations after taxation		**1,350**	**(77)**	**1,273**	1,252	(810)	442
Profit from discontinued operations	7	**–**	**–**	**–**	13	22	35
Loss on disposal of discontinued operations	7, 31	**–**	**–**	**–**	–	(56)	(56)
Discontinued operations		**–**	**–**	**–**	13	(34)	(21)
Profit for the year		**1,350**	**(77)**	**1,273**	1,265	(844)	421

Earnings per ordinary share		Pence	Pence
From continuing and discontinued operations:			
Basic	11	**24.6**	8.2
Diluted	11	**24.4**	8.1
From continuing operations:			
Basic	11	**24.6**	8.6
Diluted	11	**24.4**	8.5
Interim dividend paid per ordinary share	10	**4.62**	4.29
Final dividend proposed per ordinary share	10	**11.78**	11.11

The notes on pages 82 to 134 form part of these Financial Statements.

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GROUP STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December	Notes	2012 £m	2011 £m
Profit for the year		**1,273**	421
Other comprehensive (loss)/income:			
Transfer of available-for-sale reserve to Income Statement	27	**–**	23
Gains/(losses) on revaluation of available-for-sale securities	27	**7**	(4)
Taxation on revaluation of available-for-sale securities	27	**(2)**	(2)
		5	17
Net losses on cash flow hedges	27	**(27)**	(99)
Transferred to income and expense on cash flow hedges	27	**108**	42
Transferred to assets and liabilities on cash flow hedges	27	**(1)**	2
Exchange differences on translation of cash flow hedges in foreign operations	27	**1**	(3)
Taxation on cash flow hedges	27	**(20)**	23
		61	(35)
Exchange differences on translation of foreign operations	27	**(44)**	(12)
Recycling of foreign exchange loss on disposal of business	27	**–**	(3)
		(44)	(15)
Net actuarial (losses)/gains on defined benefit pension schemes	27	**(319)**	198
Taxation on net actuarial (losses)/gains on defined benefit pension schemes	27	**69**	(59)
		(250)	139
Share of other comprehensive income of joint ventures and associates, net of taxation	27	**32**	(25)
Other comprehensive (loss)/income net of taxation		**(196)**	81
Total comprehensive income for the year		**1,077**	502

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital (note 26) £m	Share premium £m	Retained earnings £m	Accumulated other comprehensive (loss)/income (note 27) £m	Other equity (note 28) £m	Total equity £m
1 January 2011	318	833	4,386	(319)	601	5,819
Total comprehensive income	–	–	421	81	–	502
Employee share schemes	1	41	5	–	10	57
Dividends	–	–	(762)	–	–	(762)
Purchase of non-controlling interest	–	–	(7)	–	–	(7)
Taxation	–	–	–	–	(8)	(8)
Exchange adjustments	–	–	–	–	(1)	(1)
31 December 2011	319	874	4,043	(238)	602	5,600
Total comprehensive income	–	–	1,273	(196)	–	**1,077**
Employee share schemes	2	55	11	–	(2)	**66**
Dividends	–	–	(816)	–	–	**(816)**
Taxation	–	–	–	–	(1)	**(1)**
Exchange adjustments	–	–	–	–	1	**1**
31 December 2012	**321**	**929**	**4,511**	**(434)**	**600**	**5,927**

The notes on pages 82 to 134 form part of these Financial Statements.

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GROUP BALANCE SHEET

31 December	Notes	2012 £m	2011 £m
Non-current assets			
Goodwill	14	**2,543**	2,518
Other intangible assets	14	**1,579**	1,221
Property, plant and equipment	15	**7,965**	6,412
Interests in joint ventures and associates	16	**2,721**	2,620
Deferred tax assets	22	**183**	235
Trade and other receivables	18	**55**	74
Derivative financial instruments	19	**313**	290
Securities	12	**199**	190
Retirement benefit assets	29	**254**	413
		15,812	13,973
Current assets			
Inventories	17	**545**	442
Current tax assets		**54**	81
Trade and other receivables	18	**4,335**	4,212
Derivative financial instruments	19	**268**	315
Securities	12	**7**	28
Cash and cash equivalents	12	**931**	518
		6,140	5,596
Total assets		**21,952**	19,569
Current liabilities			
Trade and other payables	21	**(4,545)**	(4,094)
Current tax liabilities		**(594)**	(226)
Bank overdrafts, loans and other borrowings	12	**(472)**	(502)
Derivative financial instruments	19	**(615)**	(1,140)
Provisions for other liabilities and charges	23	**(266)**	(308)
		(6,492)	(6,270)
Net current liabilities		**(352)**	(674)
Non-current liabilities			
Trade and other payables	21	**(26)**	(33)
Bank overdrafts, loans and other borrowings	12	**(4,856)**	(3,669)
Derivative financial instruments	19	**(327)**	(505)
Deferred tax liabilities	22	**(1,678)**	(1,506)
Provisions for other liabilities and charges	23	**(2,480)**	(1,903)
Retirement benefit obligations	29	**(166)**	(83)
		(9,533)	(7,699)
Net assets		**5,927**	5,600
Equity			
Share capital	26	**321**	319
Share premium		**929**	874
Retained earnings		**4,511**	4,043
Accumulated other comprehensive loss	27	**(434)**	(238)
Other equity	28	**600**	602
Total equity		**5,927**	5,600

The Financial Statements on pages 78 to 134 were approved and authorised for issue by the Board of Directors on 27 February 2013 and were signed below on its behalf by:

Sam Laidlaw
Chief Executive

Nick Luff
Group Finance Director

The notes on pages 82 to 134 form part of these Financial Statements.

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GROUP CASH FLOW STATEMENT

Year ended 31 December	Notes	2012 £m	2011 £m
Cash generated from continuing operations	13(a)	**3,605**	3,229
Income taxes paid	13(d)	**(332)**	(430)
Petroleum revenue tax paid	13(d)	**(192)**	(262)
Interest received		**6**	20
Interest paid		**(1)**	(3)
Payments relating to exceptional charges		**(266)**	(194)
Net cash flow from continuing operating activities		**2,820**	2,360
Net cash flow from discontinued operating activities		**–**	(23)
Net cash flow from operating activities		**2,820**	2,337
Purchase of businesses net of cash and cash equivalents acquired		**(155)**	(394)
Sale of businesses net of cash and cash equivalents disposed of		**30**	78
Purchase of intangible assets	4(e),13(c)	**(572)**	(299)
Purchase of property, plant and equipment	4(e)	**(1,795)**	(765)
Disposal of property, plant and equipment and intangible assets		**14**	6
Investments in joint ventures and associates		**(291)**	(236)
Dividends received from joint ventures and associates	16(a)	**110**	147
Repayments of loans to, and disposal of investments in, joint ventures and associates	16(a)	**42**	10
Interest received		**33**	6
Sale of securities	13(b)	**26**	48
Net cash flow from continuing investing activities		**(2,558)**	(1,399)
Net cash flow from discontinued investing activities		**–**	(1)
Net cash flow from investing activities		**(2,558)**	(1,400)
Issue of ordinary share capital	26	**33**	23
Purchase of own shares		**(9)**	(6)
Financing interest received		**46**	9
Financing interest paid		**(256)**	(202)
Cash inflow from additional debt		**1,712**	114
Cash outflow from payment of capital element of finance leases		**(31)**	(25)
Cash outflow from repayment of other debt		**(471)**	(30)
Cash outflow from settlement of derivative contracts related to borrowings		**(14)**	–
Net cash flow from increase in debt	13(b)	**1,196**	59
Realised net foreign exchange loss on cash settlement of derivative contracts		**(5)**	(28)
Equity dividends paid		**(815)**	(762)
Net cash flow from continuing financing activities		**190**	(907)
Net increase in cash and cash equivalents		**452**	30
Cash and cash equivalents at 1 January		**479**	451
Effect of foreign exchange rate changes		**–**	(2)
Cash and cash equivalents at 31 December		**931**	479
Included in the following lines of the Balance Sheet:			
Cash and cash equivalents	12(b)	**931**	518
Bank overdrafts, loans and other borrowings		**–**	(39)
		931	479

The notes on pages 82 to 134 form part of these Financial Statements.

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Group Income Statement

Year ended 31 December	Notes	2013 Business performance £m	2013 Exceptional items and certain re-measurements £m	2013 Results for the year £m	2012 (restated) (i) Business performance £m	2012 (restated) (i) Exceptional items and certain re-measurements £m	2012 (restated) (i) Results for the year £m
Group revenue	4(b)	**26,571**	–	**26,571**	23,942	–	23,942
Cost of sales before exceptional items and certain re-measurements (i)	5	**(21,464)**	–	**(21,464)**	(18,840)	–	(18,840)
Exceptional items	7	–	**(125)**	**(125)**	–	(89)	(89)
Re-measurement of energy contracts	7	–	**413**	**413**	–	603	603
Cost of sales	5	**(21,464)**	**288**	**(21,176)**	(18,840)	514	(18,326)
Gross profit		**5,107**	**288**	**5,395**	5,102	514	5,616
Operating costs before exceptional items (i)	5	**(2,735)**	–	**(2,735)**	(2,680)	–	(2,680)
Exceptional items	7	–	**(939)**	**(939)**	–	(445)	(445)
Operating costs	5	**(2,735)**	**(939)**	**(3,674)**	(2,680)	(445)	(3,125)
Share of profits/(losses) of joint ventures and associates, net of interest and taxation	6, 7	**146**	**25**	**171**	140	(6)	134
Group operating profit	4(c)	**2,518**	**(626)**	**1,892**	2,562	63	2,625
Financing costs (i)	8	**(297)**	–	**(297)**	(271)	–	(271)
Investment income (i)	8	**54**	–	**54**	62	–	62
Net finance cost		**(243)**	–	**(243)**	(209)	–	(209)
Profit before taxation		**2,275**	**(626)**	**1,649**	2,353	63	2,416
Taxation on profit (i)	7, 9	**(942)**	**243**	**(699)**	(1,031)	(140)	(1,171)
Profit for the year		**1,333**	**(383)**	**950**	1,322	(77)	1,245
Attributable to:							
Owners of the parent		**1,333**	**(383)**	**950**	1,322	(77)	1,245

Earnings per ordinary share		Pence	Pence
Basic (i)	10	**18.4**	24.0
Diluted (i)	10	**18.3**	23.9
Interim dividend paid per ordinary share	11	**4.92**	4.62
Final dividend proposed per ordinary share	11	**12.08**	11.78

(i) See note 1(a).

The notes on pages 92 to 159 form part of these Financial Statements.

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Financial Statements

Group Statement of Comprehensive Income

Year ended 31 December	Notes	2013 £m	2012 (restated) (i) £m
Profit for the year (i)		**950**	1,245
Other comprehensive income/(loss):			
Items that will be or have been recycled to the Group Income Statement:			
Gains on revaluation of available-for-sale securities, net of taxation	S4	**3**	5
Net losses on cash flow hedges	S4	**(25)**	(27)
Transferred to income and expense on cash flow hedges	S4	**34**	108
Taxation on cash flow hedges	S4	**(1)**	(20)
		8	61
Exchange differences on translation of foreign operations		**(217)**	(44)
Share of other comprehensive income/(loss) of joint ventures and associates, net of taxation	S4	**18**	(12)
		(188)	10
Items that will not be recycled to the Group Income Statement:			
Net actuarial losses on defined benefit pension schemes (i)	S4	**(179)**	(293)
Taxation on net actuarial losses on defined benefit pension schemes (i)	S4	**31**	71
		(148)	(222)
Reversal of revaluation reserve, net of taxation and exchange differences	S4	**(17)**	–
Share of other comprehensive (loss)/income of joint ventures and associates, net of taxation	S4	**(15)**	44
Other comprehensive loss net of taxation		**(368)**	(168)
Total comprehensive income for the year		**582**	1,077
Attributable to:			
Owners of the parent		**590**	1,077
Non-controlling interests		**(8)**	–

(i) See note 1(a).

Group Statement of Changes in Equity

	Share capital (note 25) £m	Share premium £m	Retained earnings £m	Other equity (note S4) £m	Total £m	Non-controlling interests (note 12) £m	Total equity £m
1 January 2012 (as previously reported)	319	874	4,043	364	5,600	–	5,600
Effect of adoption of IAS 19 (revised 2011) (i)	–	–	(297)	297	–	–	–
1 January 2012 (restated)	319	874	3,746	661	5,600	–	5,600
Total comprehensive income (i)	–	–	1,245	(168)	1,077	–	1,077
Employee share schemes	2	55	11	(2)	66	–	66
Dividends	–	–	(816)	–	(816)	–	(816)
Taxation	–	–	–	(1)	(1)	–	(1)
Exchange adjustments	–	–	–	1	1	–	1
31 December 2012 (restated)	321	929	4,186	491	5,927	–	5,927
Total comprehensive income	–	–	950	(360)	**590**	(8)	**582**
Employee share schemes	–	2	(15)	70	**57**	–	**57**
Purchase of treasury shares	–	–	(2)	(500)	**(502)**	–	**(502)**
Amounts arising on acquisition (see note 12)	–	–	–	–	**–**	81	**81**
Distribution paid to non-controlling interests	–	–	–	–	**–**	(8)	**(8)**
Dividends paid to equity holders	–	–	(864)	–	**(864)**	–	**(864)**
Taxation on share based payments	–	–	–	(16)	**(16)**	–	**(16)**
31 December 2013	**321**	**931**	**4,255**	**(315)**	**5,192**	**65**	**5,257**

(i) See note 1(a).

The notes on pages 92 to 159 form part of these Financial Statements.

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Group Balance Sheet

31 December	Notes	2013 £m	2012 (restated) (i) £m
Non-current assets			
Property, plant and equipment	13	**7,446**	7,965
Interests in joint ventures and associates	14	**2,658**	2,721
Other intangible assets	15	**1,905**	1,579
Goodwill	15	**2,819**	2,543
Deferred tax assets	16	**105**	183
Trade and other receivables	17	**150**	55
Derivative financial instruments	19	**227**	313
Retirement benefit assets	22	**205**	254
Securities	24	**202**	199
		15,717	15,812
Current assets			
Trade and other receivables	17	**5,446**	4,335
Inventories	18	**530**	545
Derivative financial instruments	19	**573**	268
Current tax assets		**151**	54
Securities	24	**9**	7
Cash and cash equivalents	24	**719**	931
		7,428	6,140
Assets of disposal groups classified as held for sale	12	**301**	–
Total assets		**23,446**	21,952
Current liabilities			
Derivative financial instruments	19	**(506)**	(615)
Trade and other payables	20	**(5,630)**	(4,545)
Current tax liabilities		**(645)**	(594)
Provisions for other liabilities and charges	21	**(258)**	(266)
Bank overdrafts, loans and other borrowings (i)	24	**(859)**	(566)
		(7,898)	(6,586)
Net current liabilities		**(470)**	(446)
Non-current liabilities			
Deferred tax liabilities	16	**(1,426)**	(1,678)
Derivative financial instruments	19	**(431)**	(327)
Trade and other payables	20	**(64)**	(26)
Provisions for other liabilities and charges	21	**(2,934)**	(2,480)
Retirement benefit obligations	22	**(165)**	(166)
Bank overdrafts, loans and other borrowings (i)	24	**(5,172)**	(4,762)
		(10,192)	(9,439)
Liabilities of disposal groups classified as held for sale	12	**(99)**	–
Net assets		**5,257**	5,927
Share capital	25	**321**	321
Share premium		**931**	929
Retained earnings (i)		**4,255**	4,186
Other equity (i)	S4	**(315)**	491
Total shareholders' equity		**5,192**	5,927
Non-controlling interests		**65**	–
Total shareholders' equity and non-controlling interests		**5,257**	5,927

(i) See note 1(a).

The Financial Statements on pages 88 to 159, of which the notes on pages 92 to 159 form part, were approved and authorised for issue by the Board of Directors on 20 February 2014 and were signed below on its behalf by:

SAM LAIDLAW
Chief Executive

NICK LUFF
Group Finance Director

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Financial Statements

Group Cash Flow Statement

Year ended 31 December	Notes	2013 £m	2012 £m
Group operating profit including share of results of joint ventures and associates		**1,892**	2,625
Less share of profit of joint ventures and associates		**(171)**	(134)
Group operating profit before share of results of joint ventures and associates		**1,721**	2,491
Add back/(deduct):			
Depreciation, amortisation, write-downs and impairments		**2,319**	1,507
Profit on disposals		**(21)**	(38)
Increase in provisions		**162**	201
Defined benefit pension service cost and contributions		**(87)**	(52)
Employee share scheme costs		**43**	43
Unrealised gains arising from re-measurement of energy contracts		**(400)**	(610)
Operating cash flows before movements in working capital		**3,737**	3,542
Decrease/(increase) in inventories		**78**	(88)
Increase in trade and other receivables [i]		**(456)**	(205)
Increase in trade and other payables [i]		**697**	361
Operating cash flows before payments relating to taxes, interest and exceptional charges		**4,056**	3,610
Taxes paid	9(d)	**(892)**	(524)
Payments relating to exceptional charges		**(224)**	(266)
Net cash flow from operating activities		**2,940**	2,820
Purchase of businesses		**(1,115)**	(155)
Sale of businesses		**140**	30
Purchase of intangible assets and property, plant and equipment	4(f)	**(1,615)**	(2,367)
Sale of property, plant and equipment and intangible assets		**17**	14
Investments in joint ventures and associates		**(51)**	(291)
Dividends received from joint ventures and associates	14(a)	**193**	110
Repayments of loans to, and disposal of investments in, joint ventures and associates		**59**	42
Interest received		**29**	33
(Purchase)/sale of securities	24(b)	**(8)**	26
Net cash flow from investing activities		**(2,351)**	(2,558)
Issue and surrender of ordinary share capital for share awards		**20**	24
Purchase of treasury shares under share repurchase programme		**(502)**	–
Distribution paid to non-controlling interests		**(8)**	–
Financing interest paid		**(248)**	(215)
Repayment of borrowings	24(b)	**(400)**	(516)
Cash received from borrowings	24(b)	**1,209**	1,712
Equity dividends paid		**(862)**	(815)
Net cash flow from financing activities		**(791)**	190
Net (decrease)/increase in cash and cash equivalents		**(202)**	452
Cash and cash equivalents at 1 January		**931**	479
Effect of foreign exchange rate changes		**(10)**	–
Cash and cash equivalents at 31 December		**719**	931
Included in the following line of the Group Balance Sheet:			
Cash and cash equivalents	24(b)	**719**	931

(i) Includes net inflow of £82 million of cash collateral in 2013 (2012: £114 million). See note 24(d).

The notes on pages 92 to 159 form part of these Financial Statements.

Exhibit C-4
Financial Arrangements

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Public Version - Redacted

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty"), dated as of November 13, 2012, is issued and delivered by [redacted] (the "Guarantor"), for the account of [redacted] (the "Obligor"), and for the benefit of [redacted] (the "Beneficiary").

Background Statement

WHEREAS, the Beneficiary and Obligor entered into that certain Certified Supplier Service Agreement, pertaining to Beneficiary's Electricity Customer Choice Program (the "Agreement"); and

WHEREAS, Beneficiary has required that the Guarantor deliver to the Beneficiary this Guaranty as an inducement to enter into the Agreement.

Agreement

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the Guarantor hereby agrees as follows:

1. Guaranty; Limitation of Liability. Subject to any rights, setoffs, counterclaims and any other defenses that the Guarantor expressly reserves to itself under this Guaranty, the Guarantor absolutely and unconditionally guarantees the timely payment of the Obligor's payment obligations under the Agreement (the "Guaranteed Obligations"); provided, however, that the Guarantor's aggregate liability hereunder shall not exceed [redacted]

Subject to the other terms of this Guaranty, the liability of the Guarantor under this Guaranty is limited to payments expressly required to be made under the Agreement, and except as specifically provided therein, the Guarantor shall not be liable for or required to pay any consequential or indirect loss (including but not limited to loss of profits), exemplary damages, punitive damages, special damages, or any other damages or costs.

2. Effect of Amendments. The Guarantor agrees that the Beneficiary and the Obligor may modify, amend and supplement the Agreement and that the Beneficiary may delay or extend the date on which any payment must be made pursuant to the Agreement or delay or extend the date on which any act must be performed by the Obligor thereunder, all without notice to or further assent by the Guarantor, who shall remain bound by this Guaranty, notwithstanding any such act by the Beneficiary.

3. Waiver of Rights. The Guarantor expressly waives (i) protest, (ii) notice of acceptance of this Guaranty by the Beneficiary, and (iii) demand for payment of any of the Guaranteed Obligations.

4. Reservation of Defenses. Without limiting the Guarantor's own defenses and rights hereunder, the Guarantor reserves to itself **all** rights, setoffs, counterclaims and other defenses that the Obligor may have to payment of all or any portion of the Guaranteed Obligations except defenses arising from the bankruptcy, insolvency, dissolution or liquidation of the Obligor and other defenses expressly waived in this Guaranty.

5. Settlements Conditional. If any monies paid to the Beneficiary in reduction of the indebtedness of the Obligor under the Agreement have to be repaid by the Beneficiary by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force, the liability of the Guarantor under this Guaranty shall be computed as if such monies had never been paid to the Beneficiary

6. Notice. The Beneficiary will provide written notice to the Guarantor if the Obligor defaults under the Agreement.

7. Primary Liability of the Guarantor. The Guarantor agrees that the Beneficiary may enforce this Guaranty without the necessity at any time of resorting to or exhausting any other security or collateral. This is a continuing Guaranty of payment and not merely of collection.

8. Representations and Warranties. The Guarantor represents and warrants to the Beneficiary as of the date hereof that:

a. The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty on its part to be performed;

b. The execution, delivery and performance of this Guaranty by the Guarantor have been and remain duly authorized by all necessary corporate action and do not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;

c. All consents, authorizations, approvals, registrations and declarations required for the due execution, delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect, and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such

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GUARANTY AGREEMENT

execution, delivery or performance; and

d. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights or by general equity principles.

9. Term of Guaranty. This Guaranty is a continuing guaranty of payment (and not of collection or performance) beginning November 13, 2012 and thereafter shall renew annually for a like period of twelve months until terminated by the parties.

10. Governing Law. This Guaranty shall be governed by and construed in accordance with the internal laws of the State of New York, including Section 5-1401 of the General Obligations Law of the State of New York, but otherwise without giving effect to principles of conflicts of law.

11. Expenses. The Guarantor agrees to pay all reasonable out-of-pocket expenses (including the reasonable fees and expenses of the Beneficiary's counsel) relating to the enforcement of the Beneficiary's rights hereunder in the event the Guarantor disputes its obligations under this Guaranty and it is finally determined (whether through settlement, arbitration or adjudication, including the exhaustion of all permitted appeals), that the Beneficiary is entitled to receive payment of a portion of or all of such disputed amounts. All payments under this Section 10 together with any payment of the Guaranteed Obligations shall remain subject to the aggregate amount limitations set forth in Section 1.

12. Waiver of Jury Trial. The Guarantor and the Beneficiary, through acceptance of this Guaranty, waive all rights to trial by jury in any action, proceeding or counterclaim arising or relating to this Guaranty.

13. Entire Agreement Amendments. This Guaranty integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations and prior writings in respect to the subject matter hereof. This Guaranty may only be amended or modified by an instrument in writing signed by each of the Guarantor and the Beneficiary.

14. Headings. The headings of the various Sections of this Guaranty are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof.

15. No Third-Party Beneficiary. This Guaranty is given by the Guarantor solely for the benefit of the Beneficiary, and is not to be relied upon by any other person or entity.

16. Assignment. Neither the Guarantor nor the Beneficiary may assign its rights or obligations under this Guaranty without the prior written consent of the other, which consent may not be *unreasonably withheld or delayed.* Notwithstanding the foregoing, the Beneficiary may assign this Guaranty, without the Guarantor's consent, provided such assignment is made to an affiliate or subsidiary of the Beneficiary

Any purported assignment in violation of this Section 15 shall be void and without effect.

17. Notices. Any communication, demand or notice to be given hereunder will be duly given when delivered in writing or sent by facsimile to the Guarantor or to the Beneficiary, as applicable,

If to the Guarantor, at:

[redacted]
Attention: Group General Counsel and Company Secretary
[redacted]

With a copy to:

[redacted]
Attention: Principal Legal Counsel
[redacted]

If to the Beneficiary, at:

[redacted]
CHIEF RISK OFFICER
[redacted]

or such other address as **the** Guarantor or the *Beneficiary shall from time to time specify. Notice* shall be deemed given (a) when received, as evidenced by signed receipt, if sent by hand delivery, overnight courier or registered mail or (b) when received, as evidenced by transmission confirmation report, if sent by facsimile and received on or before 4 pm local time of recipient, or (c) the next business day, as evidenced by transmission confirmation report, if sent by facsimile and received after 4 pm local time of recipient.

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GUARANTY AGREEMENT

IN **WITNESS WHEREOF,** the Guarantor has executed this Guaranty as of the day and year first above written.

[redacted]

By: _____

Name: [redacted]

Title: [redacted]

By: _____

Name: [redacted]

Title: [redacted]

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GUARANTY AGREEMENT
GTYSCO3001

THIS GUARANTY AGREEMENT GTYSCO3001 (the "Guaranty") is made this 25th day of November, 2013, among and between [redacted] ("Creditor") and [redacted] ("Debtor") and in order to induce such transactions, services and/or credits as further defined below (the "Agreement"), the undersigned [redacted] (the "Guarantor") does hereby guarantee the prompt payment of all such sums owed by Debtor to Creditor for obligations arising out of the Agreements.

PRELIMINARY STATEMENT

WHEREAS, Debtor has entered or will enter into a Standard Choice Offer ("SCO") Supplier Agreement November 5th, 2013 to provide natural gas to Creditor's SCO customers, whereby Creditor may extend credit or other financial accommodations to Debtor, and

WHEREAS, Creditor has required, as a prerequisite to extending credit or other financial accommodations to Debtor, that Guarantor execute and deliver this Guaranty, and Guarantor is willing to execute and deliver this Guaranty to guarantee Debtor's payment obligations to Creditor.

AGREEMENT

NOW THEREFORE, in consideration of and as inducement for Creditor to enter into agreements with Debtor to extend credit or other financial accommodations to Debtor, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Guarantor hereby covenants and agrees with Creditor as follows:

Section 1. ***Obligations Guaranteed.*** Guarantor irrevocably and unconditionally guarantees the timely payment, when due, of each and every obligation of Debtor to Creditor, whether now existing or hereafter arising, under the Agreement and all other agreements executed in favor of, and delivered to, Creditor pursuant to the Agreement, subject to a maximum amount payable under this Guaranty of [redacted], plus reasonable attorney's fees. All obligations guaranteed by Guarantor pursuant to this Guaranty are hereinafter collectively referred to as the "Obligations". Guarantor shall promptly pay to Creditor the amount due upon demand by Creditor after an Event of Default under the Agreement payable within five (5) business days. Guarantor shall be liable for reasonable attorney's fees and expenses of Creditor's external counsel incurred in any effort to collect or enforce any of the obligations under this Guaranty. Except to the extent specifically provided hereunder or in the Agreement, in no event shall the Guarantor be subject to consequential, exemplary, equitable, loss of profits, punitive, tort, or any other damages. This is Guaranty is one of payment and not collection.

Section 2. ***Guaranty Obligations.*** Guarantor's obligations under this Guaranty are absolute and, subject to Section 5, shall remain in full force and effect until all Obligations of Debtor shall have been discharged in full.

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Section 3. ***Independent Obligation.*** In the event of any default under the Agreement by Debtor, Creditor shall have the right to proceed first and directly against Guarantor under this Guaranty without proceeding against any other person or entity or exhausting any other remedies which it may have and without resorting to any other security held by it.

Section 4. ***Effect of Bankruptcy.*** In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, Creditor must return any payment, or any part thereof, received by Creditor from Debtor under this Agreement, any prior release or discharge from the terms of this Guaranty shall be without effect with respect to such payment and this Guaranty shall remain in full force and effect. In the event that any payment to Creditor in respect to any Obligations is rescinded or must otherwise be returned for any reason whatsoever, Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made.

Section 5. ***Continuing Obligation.*** This Guaranty shall continue in full force and effect until the earlier of 6/30/2015, or the date which is thirty (30) days after the date on which Creditor receives written notice from Guarantor that it is terminating this Guaranty ("Termination Date"); provided, that this Guaranty shall continue in full force and effect after any such termination with respect to any Obligations existing at the date of termination, whether or not such Obligations are then due and payable.

Section 6. ***Waiver of Defenses.*** The liability of the Guarantor under this Guaranty, and Guarantor's obligations under this Guaranty shall not be impaired or released as a result of (a) any change of the time, manner or terms of payment of any of Obligations; (b) any renewal or increase of any of the Obligations; (c) any release or partial release of any other guarantor or other obligor in respect of any of the Obligations; (d) any modification, amendment, waiver or renewal of, or consent to departure from, any agreement or instrument relating to any of the Obligations: (e) Creditor's exercise or failure to exercise any rights against the Debtor, the Guarantor or other or any other action or inaction by the Creditor in respect of any of the Obligations; (f) with respect to any of the foregoing, the lack of notice to or consent by Guarantor; or (g) any other circumstance which might otherwise constitute a defense available to, or discharge of, a surety or a guarantor excepting payment. Nothing herein is intended to deny Guarantor, and Guarantor shall have and may assert any and all of the defenses, set-offs, counterclaims and other rights which Debtor is or may be entitled to assert that arise from or out of the Agreement, except for defenses arising out of the bankruptcy, insolvency, dissolution, or liquidation of Debtor.

Section 7. ***Right to Set-Off.*** The Creditor may set-off or apply any and all deposits and any other property at any time held by, or any other indebtedness at any time owing by, the Creditor to Guarantor against any Obligation of the Guarantor hereunder; provided Creditor has first demand on Guarantor for payment of such Obligation and given Guarantor the opportunity for payment of same. The amount of any such set-off shall be treated as an amount paid under this Guaranty for purposes of the maximum amount of the Guaranty set forth in Section 1.

Section 8. ***Waiver.*** Guarantor hereby expressly waives notice from Creditor of its acceptance and reliance upon this Guaranty and any notice of credit extended hereunder. Guarantor consents to any extensions of time for the payment of said account, and to any changes in the terms of any agreement between Creditor and Debtor. No waiver, amendment, release or modification of this Guaranty shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties hereto. Guarantor also waives promptness, diligence, presentment to or demand of payment from anyone liable upon the Obligations, and presentment, notice of dishonor, protest and all other notices whatsoever. Creditor's failure or delay in exercising any right, remedy or power hereunder shall not operate as

a waiver thereof, nor shall any single or partial exercise by the Creditor of any right, remedy or power hereunder preclude the Creditor from any other or future exercise of any right, remedy or power. Each and every right, remedy and power granted to the Creditor hereunder or allowed to it by law or other agreement shall be cumulative with and not exclusive of any other.

Section 9. ***Waiver of Subrogation.*** If the Guarantor shall make any payment under this Guaranty, the Guarantor will not exercise any rights which it might acquire by way of subrogation until all Obligations of Debtor have been fully and indefeasibly paid in full to Creditor, subject to no recission or right of return, at which time Guarantor may exercise such right of subrogation and the Creditor shall release or transfer to Guarantor any security held by Creditor. If any amount shall be paid to Guarantor in violation of the preceding sentence, such amount shall be held in trust for Creditor's benefit and shall forthwith be paid to Creditor to be credited and applied to the Obligations of the Debtor whether matured or unmatured.

Section 10. ***Expenses.*** If Guarantor refuses to honor any obligation hereunder, Guarantor shall pay all costs and expenses (including reasonable attorney's fees) incurred by Creditor in enforcing its rights under this Guaranty.

Section 11. ***Currency.*** Guarantor shall make each payment under this Guaranty in immediately available funds in the same currency in which the Obligation in respect of which such payment is made is denominated or, at the option of Guarantor, in U.S. dollars.

Section 12. ***Assignment.*** This Guaranty shall be binding upon Guarantor and upon its successors and assigns and shall be for the benefit of Creditor and its successors and assigns. Guarantor may not assign this Guaranty or the obligations hereunder without the express written consent of the Creditor. Creditor may, upon notice to Guarantor, assign its rights hereunder without the consent of Guarantor.

Section 13. ***Applicable Law.*** This Guaranty shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to laws of such State that would require the application of the laws of any other State.

Section 14. ***Severability.*** In case any clause, provision or section of this Guaranty, or any application thereof, is for any reason held to be illegal, invalid, or inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other clause, provision or section, and each such clause, provision or section shall be deemed to be effective and operative in the manner and to the fullest extent permitted by law.

Section 15. ***Supersedes.*** This Guaranty is the entire and only agreement between Guarantor and Creditor with respect to the guaranty of the Obligations of Debtor by Guarantor. This Guaranty shall supersede, revoke and terminate all previous guaranties of the Obligations of the Debtor under the Agreement given to Creditor by Guarantor prior to the date hereof.

Section 16. ***Representations and Warranties.*** Guarantor represents and warrants to Creditor that: (a) the execution, delivery, and performance of this Guaranty have been and remain duly authorized by all necessary corporate or limited liability company action and do not contravene any provision of Guarantor's Certificate of Incorporation or bylaws or any law. regulation, rule, order, judgment, or contractual restriction binding on Guarantor or its assets; (b) the Guaranty has been duly executed and delivered by Guarantor and constitutes a legal, valid, and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms; (c) the Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty on its part to be performed; and (d) all consents, authorizations, approvals, registrations and declarations required for the due execution,

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delivery and performance of this Guaranty have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect, and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance.

Section 17. ***Notices.*** Any notices given or required to be given hereunder shall be given to the parties at their respective addresses below either by regular mail, in person, by overnight courier service or by facsimile, which notices shall be effective upon receipt:

If to Creditor: [redacted]
Attn: Robert L. Goocher
[redacted]

With an Additional Notice to: [redacted]
Attn: Office of the General Counsel
[redacted]

If to Guarantor: [redacted]
Attn: Group General Counsel and Company Secretary [redacted]

[redacted]

Guarantor or Creditor may change the address to which notices to it are to be sent upon written notice to the other party.

Section 18. ***Modification.*** This Guaranty may not be modified unless the changes are in writing and signed by both parties.

IN WITNESS WHEREOF, this Guaranty was executed and effective as of the date first above written.

[redacted]

By: _____

Print Name: [redacted]

Title: [redacted]

By: _____

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Print Name: [redacted]

Title: [redacted]

Acknowledged and agreed as of the date first written above.

By:_____

Print Name:_____

Title: _____

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DEED OF AMENDMENT TO GUARANTEE

WHEREAS, [redacted] ("Guarantor") issued a Guarantee ("the Guarantee") dated 12 July 2004 in favour of [redacted] in respect of the trading activities of [redacted].

AND WHEREAS Guarantor wishes to amend the Guarantee in the manner set forth below:

By execution of this Deed of Amendment dated 3 September 2004, the Guarantee shall be amended as follows:

1. Expressions used in the Guarantee shall have the same meaning when used in this Deed of Amendment.

2. The Guarantor and Contract Parties hereby delete the first paragraph in the preamble paragraphs of the Guarantee and insert the following in substitution therefor:

   "WHEREAS, [redacted] and [redacted], subsidiaries of the Guarantor listed above, (individually and collectively the "Company") have entered into, or desire to enter into, one or more contracts or agreements for the purchase, sale, pooling or exchange of natural gas products ("Contract") between Beneficiary and Company, setting forth the obligations to be performed by Company thereunder; and"

3. Except as amended hereby, all other terms and conditions of the Guarantee shall remain the same and in full force and effect.

4. This Deed of Amendment shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF the Guarantor has caused this Deed of Amendment to be executed as a Deed by its duly authorised officers as at 3 September 2004.

EXECUTED and **DELIVERED** as a **DEED**
by [redacted] acting by a [redacted]
and its [redacted]

[redacted]

[redacted]

DEED OF AMENDMENT (No. 4) TO GUARANTY ORIGINAL

WHEREAS, [redacted] ("Guarantor") issued a Guaranty dated 12 July 2004 in favour of [redacted] ("Beneficiary") in respect of the trading activities of [redacted] and [redacted] ("Company") as amended on 3 September 2004, 3 August 2005 and 10 November 2005 (as amended, "the Guaranty").

AND WHEREAS Guarantor wishes to amend the Guaranty in the manner set forth below:

By execution of this Deed of Amendment, the Guaranty shall be amended as follows:

1. Expressions used in the Guaranty shall have the same meaning when used in this Deed of Amendment.

2. The second sentence of Clause 1 of the Guaranty is hereby deleted in its entirety and the following is inserted in substitution therefor:

   "Notwithstanding anything to the contrary herein, Guarantor's obligation to Beneficiary hereunder is limited to [redacted] in the aggregate, plus reasonable out-of-pocket costs and expenses incurred by Beneficiary in enforcing this Guaranty."

3. Except as amended hereby, all other terms and conditions of the Guaranty shall remain the same and in full force and effect.

4. This Deed of Amendment shall be governed by and construed in accordance with the Laws of the State of New York without giving effect to principles of conflict of law.

IN WITNESS WHEREOF the Guarantor has caused this Deed of Amendment to be executed as a Deed by its duly authorised officers as at 28 March 2008.

EXECUTED and **DELIVERED** as a **DEED** by [redacted] acting by a [redacted] and [redacted]

[redacted]

[redacted]

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[redacted]

Guarantee

This Guarantee (this "**Guarantee**") is dated February 3, 2012 and made and entered into between

1. [redacted] (registered number 3033654) whose registered office is [redacted] ("**Guarantor**"); and

2. [redacted] whose registered office/principal place of business is [redacted] ("**Contract Party**").

WHEREAS

(A) Contract Party and [redacted] (the "**Obligor**"), a wholly owned subsidiary of Guarantor are contemplating entering into one or more contracts, agreements, and commitments for the purchase, sale, exchange, storage, or transportation of natural gas (the "**Physical Transactions**").

(B) Guarantor will directly or indirectly benefit from the Transactions; and

(C) As a condition precedent to the Transactions, Contract Party has required that Guarantor unconditionally guarantee to Contract Party all payment obligations of Obligor under the Transactions.

NOW THEREFORE, to induce Contract Party to enter into the Transactions, Guarantor agrees as follows:

PAYMENT GUARANTEE

1. Guarantor absolutely, irrevocably and unconditionally guarantees to Contract Party all payment obligations of Obligor set forth in the Transactions (the "**Obligations**") up to an aggregate amount that shall not exceed [redacted]. This Guarantee is a continuing guarantee of payment (and not of collection or performance) effective during the term of the Transactions.

2. Guarantor WAIVES any right to require as a condition to its obligations hereunder that:

   (i) Presentment, demand, or notice of default, dishonor, or protest with respect to the Transactions be made upon Obligor; and

   (ii) action be brought against Obligor or any other person or entity except Guarantor,

   should Contract Party seek to enforce the obligations of Guarantor. Specifically, without limitation, Guarantor WAIVES any right to require, substantively or procedurally, that:

   (a) a judgment previously be rendered against Obligor or any other person or entity except Guarantor;

   (b) Obligor or any other person or entity be joined in any action against Guarantor; or

   (c) an action separate from one against Guarantor be brought against Obligor or any other person or entity.

3. The obligations of Guarantor are several from those of Obligor or any other person or entity, including, without limitation, any other surety for Obligor, and are primary payment obligations concerning which Guarantor is the principal obligor.

4. The obligations of Guarantor hereunder shall in no way be affected or impaired by reason, and Guarantor WAIVES its right to prior notice, of the happening from time to time of any of the following:

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(i) extensions (whether or not material) of the time for performance of all or any portion of the Obligations;

(ii) acceptance of the Guarantee by the Contract Party;

(iii) the Obligor incurring any Obligation;

(iv) the modification or amendment in any manner (whether or not material) of the Transactions or the Obligations;

(v) any failure, delay or lack of diligence on the part of a Contract Party, or any other person or entity to enforce, assert or exercise any right, privilege, power or remedy conferred on a Contract Party or any other person or entity under the Transactions or at law, or any action on the part of a Contract Party or such other person or entity granting indulgence or extension of any kind;

(vi) the settlement or compromise of any Obligations; and

(vii) a change of status, composition, structure or name of Obligor, including, without limitation, by reason of bankruptcy, liquidation, insolvency, merger, dissolution, consolidation or reorganisation.

5. With the prior written consent of Contract Party, which consent shall not be unreasonably withheld, this Guarantee may be replaced by a guarantee or guarantees in substantially similar form made by a guarantor of equal or better creditworthiness, provided that this Guarantee shall continue to apply to all obligations of the Guarantor under this Guarantee in respect of Transactions entered into prior to the time of such replacement and the replacement guarantee shall apply only to those Obligations incurred in respect of Transactions entered into after its execution and delivery.

6. The Guarantor may terminate this Guarantee by giving written notice of such termination to the Contract Party. No such terminations shall be effective until five (5) business days after receipt by Contract Party of such termination notice. No such termination shall affect the obligations of the Guarantor under this Guarantee in respect of Transactions entered into prior to such termination notice becoming effective.

RESERVATION OF DEFENCES

7. Without limiting the defences and rights of Guarantor not expressly waived in this Guarantee, Guarantor expressly reserves unto itself all rights, counterclaims and other defences of Obligor relating to the Obligations, except those arising out of:1) the bankruptcy, insolvency, dissolution or liquidation of Obligor; 2) the lack of validity or enforceability of any Transactions arising from the defective formation of the Obligor; 3) ultra vires or other defense relating to Obligor's lack of authority to enter into or perform under any agreement or Transaction; or 4) Obligor's lack of good standing or qualification to do business in any applicable jurisdiction within the United States.

NOTICE

8. All notices and communications made pursuant to this Guarantee shall be in writing and delivered personally or mailed recorded delivery, postage prepaid, or sent by facsimile, as follows:

To Guarantor:

[redacted]

Attn: Group General Counsel and Company Secretary

[redacted]

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To Contract Party:
[redacted]

Attn: Gilbert Asamoah / Credit Relationship Manager
[redacted]

9. Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by facsimile shall be effective upon actual receipt if received during recipient's normal business hours or at the beginning of recipient's next business day after receipt if not received during recipient's normal business hours. Any party may change its address to which notice is to be given hereunder by providing notice of the same in accordance with Clause 9.

MISCELLANEOUS

10. This Guarantee shall in all respects be governed by, and construed in accordance with, the laws of the State of New York and the parties hereby submit to the exclusive jurisdiction of the courts of the State of New York.

11. Except for increasing the value of the Obligations figure in Clause 1 above, no term or provision of this Guarantee shall be amended, modified, altered, waived, supplemented or terminated except in writing signed by the parties hereto.

12. Neither Guarantor nor Contract Party may assign or transfer (whether by way of security or otherwise) this Guarantee or any interest or obligation in or under this Guarantee without the prior written consent of Contract Party or Guarantor respectively. Any purported transfer or assignment that is not in accordance with this Clause 12 shall be void. Subject to the foregoing this Guarantee shall be binding upon and enure to the benefit of and be enforceable by the respective successors, permitted assigns and transferees of Guarantor and Contract Party.

13. This Guarantee embodies the entire agreement and understanding between Guarantor and Contract Party and supersedes all prior agreements and understandings relating to the subject matter hereof.

14. The headings in this Guarantee are for purposes of reference only, and shall not affect the meaning hereof. References to Clauses are to clauses of this Guarantee.

15. This Guarantee may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one document.

16. Guarantor shall make payment in United Stated dollars and without deductions to Contract Party in immediately available funds of all sums due hereunder within ten (10) business days of written demand for the same by Contract Party (which demand shall set forth the basis and the calculation of the amount for which demand is made and which shall in the absence of manifest error be conclusive).

17. Guarantor represents and warrants that: 1) it is properly organized and validly existing under all necessary jurisdictions ; 2) this Guarantee is its legally binding obligation enforceable in accordance with its terms (except as the enforceability of this Guarantee may be limited by any applicable bankruptcy, insolvency, reorganisation, moratorium or similar laws affecting creditors' rights generally and by general principles of equity); 3) that the execution, delivery and performance of this Guarantee are within its powers; and 4) further warrants that all necessary consents and authorisations for the giving and implementation of this Guarantee have been obtained.

18. Until all amounts which may be or become payable under the Transactions have been irrevocably paid in full, Guarantor shall not by virtue of this Guarantee be subrogated to any rights of Contract Party or claim in competition with Contract Party against Obligor in connection with any matter relating to or arising from the Obligations or this Guarantee.

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Guarantor has caused this Guarantee to be executed as a deed and Contract Party has signed the same as of the day and year first above written.

Signed as a deed by [redacted] as attorney for

[redacted]

under a power of attorney dated January 9, 2012 in the presence of:

By: Lauren McBride

Name: [redacted]

as attorney for [redacted]

WITNESS:

By: _____

Name: [redacted]

Title: [redacted]

Address: [redacted]

[redacted]

By: _____

Title: [redacted]

Exhibit C-5
Forecasted Financial Statements

ORIGINAL

Public Version - Redacted

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Exhibit C-6
Credit Rating

Please see attached for Direct Energy Source, LLC dba Vectren Source's parent company Centrica, plc's Credit Rating from S&P.

Please note that no Direct Energy company (including Direct Energy Services, LLC) maintains a credit rating. All Direct Energy companies rely on the credit rating of the parent company, Centrica, plc.

ORIGINAL

Centrica plc (LSE:CNA)

Multi-Utilities | Employees: 34,489 | S&P Issuer Credit Rating FC LT: A-

Maidenhead Road
Millstream
Windsor, Berkshire SL4 5GD
United Kingdom
Phone: 44 17 5349 4000
www.centrica.co.uk

Centrica plc operates as an integrated energy company in the United Kingdom, North America, Norway, and internationally. The company is engaged in the supply of gas and electricity to 11 million homes in the United Kingdom; provides installation, repair, and maintenance services for central heating, plumbing and drains, gas appliances, and kitchen appliances; and supplies gas and electricity, as well as provides energy related services to business customers. It is also involved in the production, processing, trading, and optimization of gas and oil, as well as development of new fields; and generation, trading, and optimization of power from thermal, nuclear, and wind sources. In addition, the company provides gas storage services in the United...

Key Statistics

	12 Months Dec-31-2011A	12 Months Dec-31-2012A	12 Months Dec-31-2013A	12 Months Dec-31-2014E	12 Months Dec-31-2015E
Total Revenue	22,824.00	23,942.00	26,571.00	28,036.23	28,334.45
Growth Over Prior Year	1.8%	4.9%	11.0%	5.4%	1.1%
Gross Profit Margin %	21.3%	21.3%	19.2%	-	-
EBITDA Margin %	13.0%	14.5%	13.7%	12.9%	13.4%
EBIT Margin %	9.3%	10.6%	9.3%	8.0%	8.6%
Net Income Margin %	1.8%	5.2%	3.6%	4.2%	4.6%
Diluted EPS Excl. Extra	0.09	0.24	0.18	0.23	0.26
Diluted EPS Excl. Extra	(76.5%)	181.2%	(23.4%)	(11.7%)	11.5%

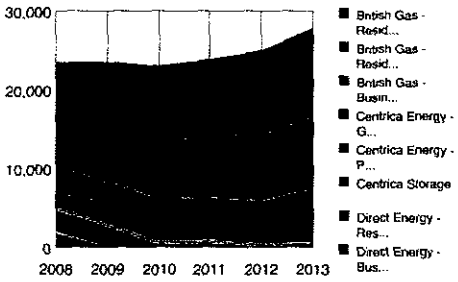
Estimates

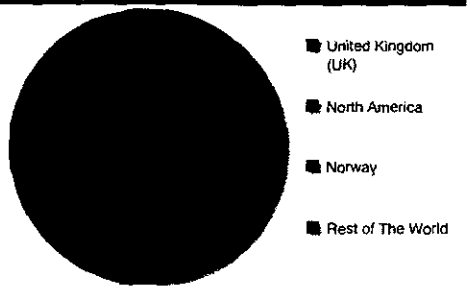
Recommendat	Hold(2.74)
Target Price	3.32952000
LT Growth %	1.75%

Forward Multiples

	FY2014	FY2015
P/E	14.35x	12.87x
TEV/REV	0.79x	0.79x
TEV/EBITDA	6.14x	5.85x
PEG	8.21x	7.36x
P/BV	3.14x	2.93x

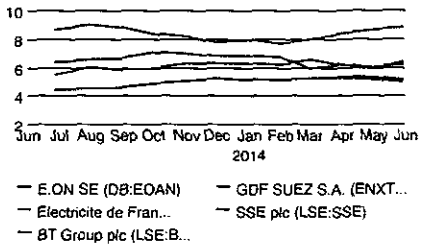
Revenue by Business and Geographic Segments (GBP, mm)





* Segments with negative values, such as corporate eliminations, are excluded from the total and percentage calculations and do not appear on the charts

Competitors - NTM TEV/Fwd EBITDA



Top Holders

Holder	Common Stock Equivalent Held	% of Total Shares Outstanding	Market Value (GBP in mm)
Aberdeen Asset Management PLC	327,777,755	6.50	1,097.1
BNY Mellon Asset Management	271,395,045	5.38	908.4
Invesco Ltd.	258,200,185	5.12	864.2
BlackRock, Inc.	247,709,791	4.91	829.1
Legal & General Investment Management	164,684,405	3.27	551.2

Holders as of Wednesday, June 04, 2014

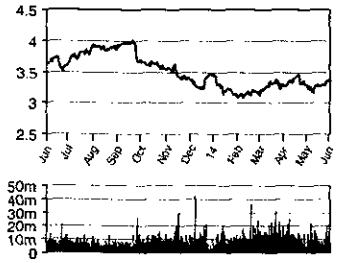
Capitalization

Share Price as of	3.35
Shares Out.	5,043.90
Market Capitalization	**16,881.92**
- Cash & Short Term	728.00
+ Total Debt	6,057.00
+ Pref. Equity	-
+ Total Minority Interest	65.00
= Total Enterprise Value	**22,275.92**
Book Value of Common	5,192.00
+ Pref. Equity	-
+ Total Minority Interest	65.00
+ Total Debt	6,057.00
= Total Capital	**11,314.00**

Market Data

Last (Delayed)	3.30	Market Cap (mm)	16,881.9
Open	3.35	Shares Out. (mm)	5,043.9
Previous Close	3.35	Float %	94.9%
Change on Day	(0.05)	Shares Sold	-
Change % on Day	(1.5%)	Dividend Yield %	5.1%
Day High/Low	3.36/3.28	Diluted EPS Excl....	0.18
52 wk High/Low	4.03/3.02	P/Diluted EPS	18.06x
Volume (mm)	14.21	Avg 3M Dly Vlm	13.73
Beta 5Y	0.33		

Share Price & Volume (GBP)



Key Executives and Board Members

Haythornthwaite,	Chairman, Chairman of Nominations Committee
Laidlaw, William	Chief Executive, Executive Director, Chairman
Luff, Nicholas L.	Group Finance Director, Executive Director,
Dawson, Grant	General Counsel, Company Secretary, Member
Shedden, Jill	Group Director of Human Resources and

Events

Date/Time	Event
Jun-10-2014	Company Conference Presentation
Jun-10-2014	Conference
Jul-31-2014	Earnings Release Date

Date Created: Jun-04-2014

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Research Update:

U.K. Energy Supplier Centrica 'A-' Rating Placed On CreditWatch Negative On Challenging Market Outlook

Primary Credit Analyst:
Mark J Davidson, London (44) 20-7176-6306; mark.j.davidson@standardandpoors.com

Secondary Contact:
Tania Tsoneva, CFA, London (44) 20-7176-3489; tania.tsoneva@standardandpoors.com

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Research Update:

U.K. Energy Supplier Centrica 'A-' Rating Placed On CreditWatch Negative On Challenging Market Outlook

Overview

- In our opinion, business risk for U.K. energy supplier Centrica PLC is rising as a result of intense political pressure in the U.K., and challenging wholesale markets in the U.K. and North America. These pressures have, in our opinion, affected Centrica's profitability prospects.
- In addition, we believe that Centrica's financial risk has moderately increased due to the prospect of lower operating cash flows than we anticipated in the near term, although we believe that the company's ratios will remain robust and that it maintains good financial flexibility as a result of its free cash flow generation.
- We are placing our 'A-' long-term corporate credit rating on Centrica on CreditWatch with negative implications.
- The CreditWatch placement reflects the possibility of a downgrade in the next 90 days to reflect rising business risk in Centrica's key markets and a related moderate weakening in its credit metrics.

Rating Action

On May 19, 2014, Standard & Poor's placed its 'A-' long-term corporate credit ratings on U.K. energy supplier Centrica PLC on CreditWatch with negative implications. At the same time, we affirmed our 'A-2' short-term corporate credit rating on Centrica.

Rationale

The CreditWatch placement reflects our opinion that pressures on Centrica's business and financial risk profiles are intensifying and increasing the probability of us lowering the ratings on the company in the near or medium term. These pressures have, in our opinion, affected Centrica's profitability prospects and may require the company to revise its investment approach.

On May 8, 2014, Centrica's interim management statement warned that the company's earnings are likely to fall in 2014, as a result of a range of pressures that in our view have been intensifying in the past six-12 months. These pressures include:

- Intense political pressure on U.K. energy suppliers to minimize price increases due to affordability concerns, with Centrica stating that it

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expects no change in residential energy prices this year;
- Increasingly competitive markets, with the arrival of new entrants and a loss of customers for Centrica;
- Weak spark spreads (a gas-fired power plant's theoretical margins from selling a unit of electricity) that are generating operating losses in Centrica's U.K. generation fleet, which is mostly gas-fired; and
- Challenging conditions in North America, which has been Centrica's main source of growth in recent years.

Last year, we revised downward Centrica's business risk profile to "satisfactory" from "strong," reflecting our opinion of an increasingly challenging operating environment in Centrica's upstream and downstream markets. Upstream, the U.K. has become a net importer of gas due to the depletion of domestic reserves, requiring Centrica to procure gas outside its home market. In the U.K., Centrica's mainly gas-fired power generation is unprofitable due to persistently low spark spreads, and the company has announced plans to sell three of its eight plants, adding to two that have been closed or mothballed.

In downstream markets, we consider Centrica as the most exposed of the 'Big Six' suppliers to the unfavorable political climate, because of its leading market positions, especially in gas, where it makes above-industry-average margins. We believe that retail margins (post tax) could reduce toward the industry average of about 3%, compared to about 5% that Centrica has historically reported. We also consider that event risk has increased, not least because the opposition Labor party appears committed to implementing a 20-month price freeze if it wins the 2015 general election. In addition, energy regulator Ofgem will decide this summer whether to launch its Competition and Markets Authority investigation into the Big Six suppliers. We note that Centrica does not have any regulated network activities, which can mitigate weakness in non-regulated segments at Centrica's more integrated peers.

These business risk pressures are partly offset by Centrica's leading position in the U.K. supply market, its leading position in gas, its significantly improved vertical integration following recent large upstream acquisitions, and its geographic diversification in North America.

We assess Centrica's financial risk profile as "modest" reflecting the company's currently strong credit metrics, the financial flexibility afforded by its free cash flow generation, a significant discretionary element to its capital expenditure plan, and its "strong" liquidity. That said, our updated base-case forecast indicates slightly weaker ratios than we previously projected, with Standard & Poor's-adjusted funds from operations (FFO) to debt declining below 50% in 2014 and 2015, and possibly to as low as 45% if retail margins decline toward 3%. This remains consistent with a "modest" financial risk profile, but leaves limited headroom for any further weakening. We are likely to raise, potentially significantly, our previously published ratio guidance of FFO to debt of 35% for Centrica as a result of our review of Centrica's business and financial risk profiles. This is because of our

downward revision of its business risk profile at the end of last year.

Our base-case operating scenario for Centrica assumes:
- Gradually rising wholesale power and gas prices, flat customer numbers, reducing consumption, and continued low spark spreads.
- Post-tax margins in the retail segment of 3%-5%.
- Positive free operating cash flow, which will enable Centrica to maintain debt around current levels, assuming no acquisitions.

Based on these assumptions, we arrive at the following adjusted credit measures:
- EBITDA margins of 13%-17% in 2014 and 13%-17% in 2015.
- FFO to debt of 42%-48% in 2014 and 45%-50% in 2015.
- Debt to total capital of 40%-50% in 2014 and 2015.

Liquidity

We assess Centrica's liquidity position as "strong" under our criteria, as its sources of liquidity cover its needs over the next 12 months by 1.5x or more.

Centrica's principal liquidity sources over the next 12 months are as follows:
- Unrestricted cash of about £500 million on Dec. 31, 2013.
- An available £3.8 billion in undrawn committed bank facilities that mature in more than one year. The two core facilities, for £1,950 million and $1,425 million, expire in July 2017.
- Our estimate of FFO of about £3 billion for the next 12 months.

Centrica's principal liquidity uses over the next 12 months are as follows:
- Short-term debt maturities of about £700 million.
- Capital expenditure of about £1.3 billion.
- Dividend payments, which in 2013 were £870 million.

CreditWatch

The CreditWatch negative placement indicates a one-in-two probability of a downgrade in the next 90 days. A downgrade would reflect our opinion of rising business risk in Centrica's key markets, and a related moderate weakening in its credit metrics.

In the next 90 days, we will conduct an in-depth review of Centrica's business and financial risk profiles. This will include meeting with senior management, and determining the company's appetite for maintaining ratios in line with the current ratings.

We anticipate that any downgrade would likely be only one notch. Alternatively, if we believe that Centrica is able and willing to maintain metrics consistent with our assessment of its business risk profile, we could assign a negative outlook.

Upside scenario

We could remove the ratings from CreditWatch and affirm them if Centrica is able to demonstrate that it could sustain credit metrics that we consider commensurate with our opinion of its current business risk profile.

Ratings Score Snapshot

Corporate Credit Rating: A-/Watch Neg/A-2

Business risk: Satisfactory
- Country risk: Very low
- Industry risk: Moderately high
- Competitive position: Strong

Financial risk: Modest
- Cash flow/Leverage: Modest

Anchor: bbb+

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

Related Criteria And Research

Related criteria

- 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
- Corporate Methodology, Nov. 19, 2013
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Industry Risk, Nov. 19, 2013
- Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Ratings List

Ratings Affirmed; CreditWatch/Outlook Action

	To	From
Centrica PLC		
Corporate Credit Rating	A-/Watch Neg/A-2	A-/Stable/A-2
British Gas Trading Ltd.		
Corporate Credit Rating	A-/Watch Neg/--	A-/Stable/--
Centrica PLC		
Senior Unsecured	A-/Watch Neg	A-

Ratings Affirmed

Centrica PLC		
Commercial Paper	A-2	A-2

Additional Contact:
Infrastructure Finance Ratings Europe; InfrastructureEurope@standardandpoors.com

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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Exhibit C-7
Credit Report

Please see Exhibit C-6 for Direct Energy Services, LLC's parent company Centrica, plc's Credit Rating at A- with S&P.

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Exhibit C-8
Bankruptcy Information

Direct Energy Services, LLC has had no reorganizations, protection from creditors or any other form of bankruptcy filings. The same is true of the Officers of Direct Energy Services, LLC, referenced on Exhibit A-10.

Direct Energy Services, LLC

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Exhibit C-9
Merger Information

There have been no changes since last renewal that was submitted in 2012.

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Exhibit D-1
Operations

Direct Energy Services, LLC, part of the Direct Energy family, has operational backing with one of DE's affiliates in Direct Energy Upstream & Trading. To maximize our efficiency in providing high quality services to our customers, we have integrated all the key components in-house for natural gas. This includes the complete supply cycle of contracting the natural gas purchases for retail sales, nomination and scheduling of retail natural gas for delivery, and other components for producing, storing and supplying of natural gas. Energy America, LLC, who is the wholesale trading affiliate of Direct Energy for US trading, has the contractual relationships with outside parties and partners to provide energy supply to end use customers.

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Exhibit D-2
Operations Expertise

Centrica Energy Canada serves as Direct Energy's oil and gas development and production business in North America. Based in Alberta, Canada, we operate over 6,700 wells. The three main field sites are in North, South, Peace River Arch, Hanlan-Robb, and Foothills with the main office residing in Calgary. We have approximately 600 industry experts, and we expect to produce enough natural gas to produce approximately 430 mmcfs (million cubic feet) per day.

Based on recent organizational changes at the end of 2013, the supply and trading responsibilities is now part of Direct Energy Business. The current President of Direct Energy Business is John Schultz, who is located in our Woodbridge, New Jersey office. Mr. Schultz has 19 years of experience in the energy industry and has held various positions in the field including natural gas and electricity trading and operations, commercial and industrial sales and energy infrastructure development.

His team for natural gas is led by David Brast, Head of West Region, and Steve Dixon, Head of East Region.

David joined the company in August 2013. He is an experienced energy professional who previously held a role as Senior Vice President of Business Segments for NRG Energy. He has more than 20 years of experience specializing in risk management, power and gas trading and commercial operations. He has a Bachelor's degree in Accounting and Finance from Texas A&M University.

Steve is currently Head of East Region for Direct Energy Business. In this role, he is responsible for leading all aspects of our East Region Natural Gas and Power operations, sales, supply and trading for our commercial, industrial, and wholesale customer business.

ORIGINAL

Exhibit D-3
Key Technical Personnel

John Schultz, President – Direct Energy Business
John.schultz@directenergy.com
(732) 750-6197

Mr. Schultz has 19 years of experience in the energy industry and has held various positions in the field including natural gas and electricity trading and operations, commercial and industrial sales and energy infrastructure development. Mr. Schultz was previously the Senior Vice President of Hess Energy Marketing, LLC and has since been promoted to President of Direct Energy Business, LLC ("DEB").

Mr. Schultz is a graduate of Penn State University and has attended executive development programs at both the Fuqua School of Business at Duke University and Harvard Business School.

Steve Dixon, Head of East Region – Direct Energy Business
Steve.dixon@directenergy.com
(732) 750-6240

Steve is currently Head of East Region for Direct Energy Business. In this role, he is responsible for leading all aspects of our East Region Natural Gas and Power operations, sales, supply and trading for our commercial, industrial, and wholesale customer business.

Steve joined DEB as Head of the East Region Gas Operations in November 2013, and prior to that he was Vice President of Natural Gas Operations for Hess Corporation's Energy Marketing business. He joined Hess Corporation in 1998, after serving in positions at Resource Energy, Aquila Energy, and Phillips Petroleum Company (now ConocoPhillips). He has more than twenty seven years of experience in the energy industry in a variety of roles including operations, sales, marketing, and trading.

Steve is originally from Houston, TX and has a B.S. in Business Administration from Lyon College and a MBA from the Walton College at the University of Arkansas. He has also attended executive development programs at both Harvard Business School and Harvard Law School.

David Brast, Head of West Region – Direct Energy Business
David.brast@directenergy.com
(713) 877-3642

David is the Head of West Region where his responsibility is overseeing retail supply, trading, asset optimization and power generation.

David joined the company in August 2013. He is an experienced energy professional who previously held a role as Senior Vice President of Business Segments for NRG Energy. He has more than 20 years of experience specializing in risk management, power and gas trading and commercial operations. He has a Bachelor's degree in Accounting and Finance from Texas A&M University.