FILE

138

Ohio | Public Utilities Commission

PUCO USE ONLY – Version 1.07		
Date Received	Case Number	Certification Number
	15-1777-GA-CRS	

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 be certified as: (check all that apply)

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

A-2 Applicant information:

Legal Name GDF SUEZ Retail Energy Solutions, LLC d/b/a Think Energy

Address 1990 Post Oak Blvd., Suite 1900, Houston, TX 77056

Telephone No. (866) 252-0078 Web site Address www.mythinkenergy.com

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

Name Think Energy

Address 1990 Post Oak Blvd., Suite 1900, Houston, TX 77056

Web site Address www.mythinkenergy.com Telephone No. (866) 252-0078

RECEIVED
OCT 22 2015
DOCKETING DIVISION
Public Utilities Commission of Ohio

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

GDF Suez Retail Energy Solutions Think Energy

A-5 Contact person for regulatory or emergency matters:

Name Julian Mithani Title Counsel

Business Address 1990 Post Oak Blvd., Suite 1900, Houston, TX 77056

Telephone No. (713) 636-1797 Fax No. (713) 636-1601 Email Address julian.mithani@gdfsuezna.com

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

Name Julian Mithani Title Counsel

Business address 1990 Post Oak Blvd., Suite 1900, Houston, TX 77056

Telephone No. (713) 636-1797 Fax No. (713) 636-1601 Email Address julian.mithani@gdfsuezna.com

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

Customer service address 1990 Post Oak Blvd., Suite 1900, Houston, TX 77056

Toll-Free Telephone No. (866) 252-0078 Fax No. (713) 636-1601 Email Address questions@mythinkenergy.c

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 Mary Beth Corron Title Sales Manager

Business address 1900 Polaris Parkway, Suite 450, Columbus, OH 43240

Telephone No. (614) 785-6428 Fax No. (614) 785-6496 Email Address marybeth.corron@gdfsuezna.com

A-9 Applicant's federal employer identification number 35-2408190

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.)

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

☐ **Dominion East 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**

☐ **Duke Energy 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**

☐ **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:

✓	**Columbia Gas of Ohio**	**Intended Start Date**	February 1, 2016
✓	**Dominion East Ohio**	**Intended Start Date**	February 1, 2016
✓	**Duke Energy Ohio**	**Intended Start Date**	February 1, 2016
✓	**Vectren Energy Delivery of Ohio**	**Intended Start Date**	February 1, 2016

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,"** if applicable, provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto.

A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is 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 to be certified to provide (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 it is seeking to be certified to provide.

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 within the past five years.

☑ **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.

☑ **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.

C-6 **<u>Exhibit C-6 "Credit Rating,"</u>** 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 **<u>Exhibit C-7 "Credit Report,"</u>** provide a copy of the applicant's current credit report from Experion, Dun and Bradstreet, or a similar organization.

C-8 **<u>Exhibit C-8 "Bankruptcy Information,"</u>** 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 **<u>Exhibit C-9 "Merger Information,"</u>** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application, or at any time as a participant in the Ohio Natural Gas Choice programs.

SECTION D – APPLICANT TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

D-1 **<u>Exhibit D-1 "Operations,"</u>** 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 **<u>Exhibit D-2 "Operations Expertise,"</u>** 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 **<u>Exhibit D-3 "Key Technical Personnel,"</u>** 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 John C. [signature], Senior Vice President

Sworn and subscribed before me this 21st **day of** October **Month** 2015 **Year**

Marsha Frost Griffin — Marsha Frost Griffin, Paralegal

Signature of official administering oath **Print Name and Title**

MARSHA FROST GRIFFIN
My Commission Expires
May 18, 2018

NOTARY PUBLIC STATE OF TEXAS

My commission expires on 05/18/2018

The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service
Affidavit Form
(Version 1.07)

In the Matter of the Application of)
GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy)
for a Certificate or Renewal Certificate to Provide)
Competitive Retail Natural Gas Service in Ohio.)

Case No. [ ]-[ ] **-GA-CRS**

County of HARRIS
State of TEXAS

JOHN HENDERSON, SENIOR VICE PRESIDENT [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 John C. H[signature], Senior Vice President

Sworn and subscribed before me this 21st **day of** October **Month** 2015 **Year**

Marsha Frost Griffin [signature]
Signature of Official Administering Oath

Marsha Frost Griffin, Paralegal
Print Name and Title

NOTARY PUBLIC STATE OF TEXAS
MARSHA FROST GRIFFIN
My Commission Expires
May 18, 2018

My commission expires on 05/18/2018

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

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.

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy is a wholly-owned subsidiary of GDF Suez Energy Resources NA, Inc. The officers of the parent company are:

Sam Henry
President & CEO
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: sam.henry@gdfsuezna.com

John Henderson
Senior Vice President, Small Customer Business
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: john.henderson@gdfsuezna.com

Patrick Gaussent
Vice President, CFO & Treasurer
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: patrick.gaussent@gdfsuezna.com

Ray Cunningham
Vice President, Assistant General Counsel & Secretary
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: ray.cunningham@gdfsuezna.com

Brenda Bayer
Vice President & Assistant Treasurer
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: brenda.bayer@gdfsuezna.com

Graham Leith
Vice President, Sales
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: graham.leith@gdfsuezna.com

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

Vikram Kulkarni
Vice President, Solar
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: vikram.kulkarni@gdfsuezna.com

William ("Bill") Jordan
Vice President, Supply
1990 Post Oak Blvd., Suite 1900
Houston, TX 77056
T: 713-636-1622
F: 713-636-1601
Email: bill.jordan@gdfsuezna.com

H. Joon Chun
Vice President, Operations
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: joon.chun@gdfsuezna.com

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

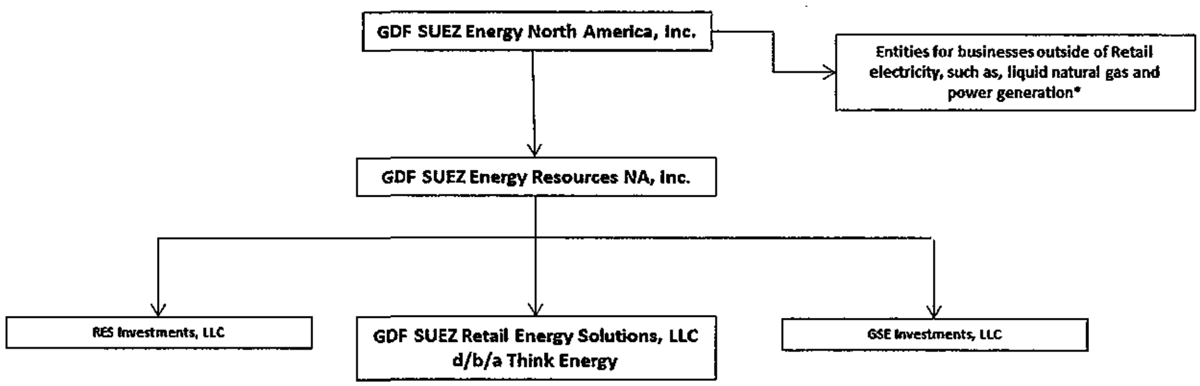
Rachel W. Kilpatrick
Vice President
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: rachel.kilpatrick@gdfsuezna.com

Ohio | Public Utilities Commission

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

<u>Exhibit A-15 – "Corporate Structure"</u>

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.



*This represents our general North America structure. Only GDF SUEZ Energy Resources NA, Inc. and GDF SUEZ Retail Energy Solutions, LLC d/b/a Think Energy are retail electricity suppliers.

GDF Suez Energy Resources NA, Inc.	Supplies Commercial & Industrial Retail Electricity
GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy	Supplies Residential & Small Commercial Retail Electricity

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

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

Applicant is a wholly-owned, sole member-managed subsidiary of GDF Suez Energy Resources NA, Inc. ("GSERNA"), which is a wholly-owned subsidiary of GDF Suez Energy North America, Inc. ("GSENA"). GSERNA, the parent company and sole managing member of Applicant, currently provides risk-managed electric energy supply to commercial and industrial customers as a licensed retail electric supplier in Ohio, licensed pursuant to Certificate No. 04-118, granted on July 25, 2004.

GSERNA is a licensed competitive retail electric supplier that serves approximately 4,500 businesses and 60,000 accounts in the United States in Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Jersey, New York, and Pennsylvania.

Applicant was formed to serve the small commercial and residential markets and is also a licensed retail electric supplier in Ohio, licensed pursuant to Certificate No. 11-407E(1), granted on November 17, 2011. Applicant wishes to serve all residential and small commercial customers in the natural gas industry in Ohio.

Exhibit A-17 – "Articles of Incorporation and Bylaws"

If applicable, provide the articles of incorporation filed with the state of jurisdiction in which the applicant is incorporated and any amendments thereto.

See attached.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "GDF SUEZ ENERGY SOLUTIONS, LLC", FILED IN THIS OFFICE ON THE EIGHTEENTH DAY OF APRIL, A.D. 2011, AT 11:51 O'CLOCK A.M.

SECRETARY OF STATE DELAWARE 1776 1976

Jeffrey W. Bullock, Secretary of State

4970172 8100

AUTHENTICATION: 8700231

110424850

DATE: 04-18-11

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:54 AM 04/18/2011
FILED 11:51 AM 04/18/2011
SRV 110424850 - 4970172 FILE

CERTIFICATE OF FORMATION

OF

GDF SUEZ ENERGY SOLUTIONS, LLC

1. The name of the limited liability company is GDF SUEZ Energy Solutions, LLC.

2. The address of its registered office in the State of Delaware is 615 South Dupont Highway, in the City of Dover, County of Kent. The name of its registered agent at such address is Capitol Services, Inc.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of GDF SUEZ Energy Solutions, LLC this 15th day of April, 2011.

GDF SUEZ ENERGY RESOURCES NA, INC.

By: Authorized Person
Name: Jason Austin, Vice President

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "GDF SUEZ ENERGY SOLUTIONS, LLC", CHANGING ITS NAME FROM "GDF SUEZ ENERGY SOLUTIONS, LLC" TO "GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF APRIL, A.D. 2011, AT 7:24 O'CLOCK P.M.

SECRETARY OF STATE
1776 DELAWARE 1976

Jeffrey W. Bullock, Secretary of State

4970172 8100

AUTHENTICATION: 8719331

110458301

DATE: 04-27-11

State of Delaware
Secretary of State
Division of Corporations
Delivered 07:26 PM 04/26/2011
FILED 07:24 PM 04/26/2011
SRV 110458301 - 4970172 FILE

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: GDF SUEZ Energy Solutions, LLC

2. The Certificate of Formation of the limited liability company is hereby amended as follows:

1. The name of the limited liability company is GDF SUEZ Retail Energy Solutions, LLC.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 26th day of April, A.D. 2011.

By: ______________________
Authorized Person(s)

Name: Jason Austin
Print or Type

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit A-18 – "Secretary of State"
Provide evidence that the applicant is currently registered with the Ohio Secretary of State.

See attached.

201112600156

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
05/06/2011	201112600156	REG. OF FOR. PROFIT LIM. LIAB. CO. (LFP)	125.00	100.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

UNISEARCH, INC.
4694 CEMETERY RD
PMB 217
HILLIARD, OH 43026

STATE OF OHIO
CERTIFICATE
Ohio Secretary of State, Jon Husted

2018277

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC

and, that said business records show the filing and recording of:

Document(s)	Document No(s):
REG. OF FOR. PROFIT LIM. LIAB. CO.	**201112600156**

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 4th day of May, A.D. 2011.

Jon Husted

Ohio Secretary of State

United States of America
State of Ohio
Office of the Secretary of State

Prescribed by:
The Ohio Secretary of State
Central Ohio: (614) 466-3910
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.sos.state.oh.us
e-mail: busserv@sos.state.oh.us

Expedite this Form: (Select One)	
Mail form to one of the following:	
⦿ Expedite Level 1	PO Box 1390 Columbus, OH 43216
*** Requires an additional fee of $100***	
○ Non Expedite	PO Box 670 Columbus, OH 43216

REGISTRATION OF A FOREIGN LIMITED LIABILITY COMPANY
Filing Fee $125.00

THE UNDERSIGNED DESIRING TO FILE A:

(CHECK ONLY ONE (1) BOX)

(1) ☒ Registration of a Foreign For-Profit Limited Liability Company (106-LFA) ORC 1705	(2) ☐ Registration of a Foreign Nonprofit Limited Liability Company (106-LFA) ORC 1705
State of Organization DELAWARE	State of Organization
Date of Formation 4/18/2011	Date of Formation

Name of limited liability company in its state of organization: GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC

Name under which the foreign limited liability company desires to transact business in Ohio (if different from its home-state name) is:

Name must include one of the following words or abbreviations: "limited liability company," "limited," "LLC," "L.L.C.," "ltd.," or "ltd"

☐ *Check here if additional provisions are attached*

The address to which interested persons may direct requests for copies of the limited liability company's operating agreement, bylaws, or other charter documents of the company is:

CLAUDIA SANTOS
Name

1990 POST OAK BLVD., STE. 1900
Street Address / P.O. Box Address

HOUSTON
City

TEXAS
State

77056
Zip code

The limited liability company hereby appoints the following as its agent upon whom process against the limited liability company may be served in the state of Ohio. The name and complete address of the agent is:

Capitol Corporate Services, Inc.
Name

4568 Mayfield Road, Suite 204
Mailing Address

Cleveland	Ohio	44121
City	State	Zip Code

☐ **If the agent is an individual and using a P.O. Box, check this box to certify the agent is a resident of the state of Ohio.**

The limited liability company irrevocably consents to service of process on the agent listed above as long as the authority of the agent continues, and to service of process upon the OHIO SECRETARY OF STATE if:

a. an agent is not appointed, or
b. *an agent is appointed but the authority of that agent has been revoked, or*
c. the agent cannot be found or served after the exercise of reasonable diligence.

REQUIRED
Articles and original appointment of agent must be **(signed)** by a member manager or other representative.

[signature]	4/28/2011
Signature	Date
GDF SUEZ ENERGY RESOURCES NA, INC.	
Print Name	
Signature	Date
Print Name	
Signature	Date
Print Name	

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRD DAY OF MAY, A.D. 2011.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC" WAS FORMED ON THE EIGHTEENTH DAY OF APRIL, A.D. 2011.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.

4970172 8300

110484206

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Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 8733870

DATE: 05-03-11

201122800104

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
08/16/2011	201122800104	FICTITIOUS NAME/ORIGINAL FILING (NFO)	50.00	100.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

UNISEARCH, INC.
4694 CEMETERY RD
PMB 217
HILLIARD, OH 43026

STATE OF OHIO

CERTIFICATE

Ohio Secretary of State, Jon Husted

2040658

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

THINK ENERGY

and, that said business records show the filing and recording of:

Document(s)	Document No(s):
FICTITIOUS NAME/ORIGINAL FILING	**201122800104**
Expiration Date: 08/15/2016	GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC 1990 POST OAK BLVD. SUITE 1900 HOUSTON, TX 77056

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 15th day of August, A.D. 2011.

Jon Husted

Ohio Secretary of State

United States of America
State of Ohio
Office of the Secretary of State

Form 534A Prescribed by the:
Ohio Secretary of State

Central Ohio: (614) 466-3910
Toll Free: (877) SOS-FILE (767-3453)

www.sos.state.oh.us
Busserv@sos.state.oh.us

Expedite this form: (select one)
Mail form to one of the following:

- [x] Expedite — PO Box 1390, Columbus, OH 43216
  Level 1
  *** Requires an additional fee of $100 ***
- [ ] Non Expedite — PO Box 670, Columbus, OH 43216

NAME REGISTRATION
Filing Fee $50

(CHECK ONLY ONE (1) BOX)

☐ Trade Name (167-RNO) Date of first use: ________	☒ Fictitious Name (169-NFO)

Name being registered or reported: THINK ENERGY

Name of the Registrant: GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC

NOTE: If the registrant is a foreign corporation licensed in Ohio under an assumed name, *provide the assumed name and the name as registered in its jurisdiction of formation.*

The Registrant is a(n): (Check only one (1) box)

- ☐ Individual
- ☐ Partnership
  Registration #, if any ________
- ☐ Limited Partnership
  Registration # ________
  If foreign, Jurisdiction of Formation ________
- ☐ Limited Liability Partnership
  Registration # ________
  If foreign, Jurisdiction of Formation ________
- ☒ Limited Liability Company
  Registration # 2018277
  If foreign, Jurisdiction of Formation Delaware
- ☐ Ohio Corporation
  Charter # ________
- ☐ Foreign Corporation
  Ohio license # ________
  Jurisdiction of Formation ________
- ☐ Unincorporated Association
- ☐ Professional Association
- ☐ Other

RECEIVED
SECRETARY OF STATE
2011 AUG 15 PM 1:32
CLIENT SERVICE CENTER

All registrants must complete the information in this section

Business address: 1990 Post Oak Blvd., Suite 1900

Mailing Address

City	State	Zip Code
Houston	TX	77056

The general nature of the business conducted by the registrant:

SALE OF RETAIL ENERGY

Complete the information in this section if registrant is a partnership not registered in Ohio

Provide the name and address of at least one general partner:

Name	Address

NOTE: Pursuant to OAG 89-081, if a general partner is a foreign corporation, it must be licensed to transact business in Ohio; if a general partner is a foreign corporation licensed in Ohio under an assumed name, please provide the assumed name and the name as registered in its jurisdiction of formation.

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

REQUIRED
Must be authenticated (signed) by the registrant or an authorized representative

Signature — Date: 8/10/2011

JASON AUSTIN
Print Name

Signature — Date

Print Name

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit B-1 – "Jurisdiction 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.*

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy

STATE OF LICENSE	LICENSE NO.	LICENSE ISSUE DATE
Connecticut	Docket #11-10-14	02/09/2012
Delaware	Docket #11-482	04/17/2012
District of Columbia	Case No. EA-11-28; Order #16630	12/02/2011
Illinois	ICC Certificate No. 11-0531	09/21/2011
Maine	Docket #2011-425	11/22/2011
Maryland	License #IR-2404	08/17/2011
Massachusetts	License #CS-087	08/09/2011
New Hampshire	*Tentative Submission of Application*	Q1 2016
New Jersey	License #ESL-1020	03/12/2012
New York	*NY Does Not Issue License Nos.*	09/16/2011
Pennsylvania	License #A-2011-2268361	12/16/2011
Texas	License #10204	08/26/2011
Rhode Island	*Application in Process*	*Submitted 08/07/2015*

GDF Suez Energy Resources NA, Inc.

STATE OF LICENSE	LICENSE NO.	LICENSE ISSUE DATE
Connecticut	Docket #04-06-11	02/09/2012
Delaware	Docket #04-325	04/17/2012
District of Columbia	Order #13472	12/02/2011
Illinois	ICC Certificate No. 05-0257	09/21/2011
Maine	Docket #2003-120	11/22/2011
Maryland	License #IR-605	08/17/2011
Massachusetts	License #CS-037	08/09/2011
New Hampshire	*Tentative Submission of Application*	Q1 2016
New Jersey	License #ESL-0061	03/12/2012
New York	*NY Does Not Issue License Nos.*	09/16/2011
Ohio	Certificate #04-118	07/25/2004
Pennsylvania	License #A-110156	12/16/2011
Texas	License #10053	08/26/2011
Rhode Island	Docket #96-6(P2)	10/25/2004

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 §4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

Applicant, GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy, will market to and sell natural gas in the competitive retail market to residential and small commercial customers in the State of Ohio, in the following utility territories: Columbia Gas of Ohio, Dominion East Ohio, Duke Energy Ohio and Vectren Energy Delivery of Ohio.

Applicant's parent company, GSERNA, is a licensed competitive retail electric supplier that serves approximately 5,000 businesses and 80,000 accounts in the United States in Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Jersey, New York, and Pennsylvania. Applicant was formed to manage the small commercial and residential markets for GSERNA. Applicant operates as a licensed competitive retail electric supplier in the states listed above and focuses on marketing to and serving the small commercial and residential markets in these states.

Applicant will offer a variety of natural gas supply products to customers including fixed-price products and index-based products.

Applicant's marketing initiative in the Ohio retail small commercial and residential markets will consist of a multi-channel strategy to reach customers through: (i) online direct enrollment; and (ii) non-dedicated sales channels such as consultants, aggregators, and brokers that function as a customer representative and solicit products and services from Applicant, as well as other supplies, on the customer's behalf.

Applicant uses PPL Solutions, Inc. ("PPL") as its outsourced billing, call center, and customer care group to provide customized billing services such as statement generation, and mailing and payment processing; customer care services including call center, inbound and outbound call management, call center consulting, error handling and resolutions, online customer service, contract management, customer enrollments, accounts services and customer management. Applicant also maintains an internal staff as follows: (i) operations and customer care staff to manage the day-to-day management of the PPL account (outsourced billing and customer care provider) and direct contact, as needed, with customers for customer care and billing matters; (ii) supply group to manage pricing analytics and portfolio management; (iii) a marketing team to manage all marketing functions, including strategic pricing, market planning, go-to-market strategies, new customer acquisition, and campaign management and analysis; (iv) an IT (information technology) team to manage the internal systems, databases, technical support, customer-facing applications, back-office applications, and system integration; and (v) a business control team to manage all financial control matters including, billing, revenue, accounting, and settlements. Applicant also offers e-services and after-hour services for 24/7 availability to customers.

Applicant also uses Energy Services Group ("EGS") for support of EDI, XML and other data translation, transmission, auditing, archiving, business rule validation, exception identification and resolution, transaction management services, market portal, and data exchange.

***Contracting**: In accordance with Section 4929.22 of the Revised Code, Applicant provides consumers with adequate, accurate, and understandable pricing and terms and conditions of service, including any switching fees, and with a document containing the terms and conditions of pricing and service before the consumer enters into the contract for service; and disclose the conditions under which a customer may rescind a contract without penalty.*

***Billing**: Applicant's customer bills, at a minimum, include (1) price disclosure and disclosures of total billing units for the billing period and historical annual usage; (2) to the maximum extent practicable, separate listing of each service component to enable a customer to re-calculate its bill for accuracy; (3) identification of the supplier of each service; (4) statement of where and how payment may be made and provision of a toll-free or local customer assistance and complaint number for the electric utility, electric services company, electric cooperative, or governmental aggregator, as well as a consumer assistance telephone number or numbers for state agencies, such as the Commission, the Office of the Consumer's Counsel, the Attorney General's office, with the available hours noted; and (5) other than for the first billing after the starting date of competitive retail electric service, highlighting and clear explanation of each customer bill, for two (2) consecutive billing periods, of any changes in the rates, terms and conditions of service.*

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

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 to be certified to provide (*e.g.*, number and types of customers served, utility service areas, volume of gas supplied, etc.).

Applicant, GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy, will market to and sell natural gas in the competitive retail market to residential and small commercial customers in the State of Ohio, in the following utility territories: Columbia Gas of Ohio, Dominion East Ohio, Duke Energy Ohio and Vectren Energy Delivery of Ohio.

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***Contracting**: In accordance with Section 4929.22 of the Revised Code, Applicant provides consumers with adequate, accurate, and understandable pricing and terms and conditions of service, including any switching fees, and with a document containing the terms and conditions of pricing and service before the consumer enters into the contract for service; and disclose the conditions under which a customer may rescind a contract without penalty.*

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GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

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 it is seeking to be certified to provide.

Customer	*Jurisdiction*	*Date Filed*	*Docket #*	*Nature of Complaint*	*Final Resolution Date*
Eric Alamo	*PA PUC*	*01/15/2015*	*C-2015-2462452*	*Slamming allegation from a SOP Customer intended to file against utility, but erroneously filed against Applicant.*	*02/02/2015*
William R. Cook d/b/a Dairy Queen	*PA PUC*	*09/03/2015*	*C-2015-2501743*	*Applicant enrolled the customer for July 2015 instead of July 2016 due to a system error. The customer notified Applicant. Applicant immediately requested copies of the ETF bills in order to issue a refund and make the customer whole. Applicant processed the refund request for both ETFs totaling $2,000.00. The customer received the check via FedEx as of 9/16/2015. A Certificate of Satisfaction was filed on 09/17/2015 resolving the case.*	*9/17/2015*

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit C-1 – "Annual Reports"

Provide the two (2) most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

Not Applicable. Applicant does not have shareholder Annual Reports. Applicant is a wholly-owned sole member-managed subsidiary of GDF Suez Energy Resources NA, Inc., which is a wholly-owned subsidiary of GDF Suez Energy North America, Inc. ("GSENA"). GSENA is a wholly-owned subsidiary of GDF SUEZ S.A. (now known as Engie S.A.). The two most recent Annual Reports to shareholders can be found at www.engie.com/en/shareholders-area.

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

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.

Neither Applicant nor its parent company is required to file reports with the SEC because GDF Suez Energy North America, Inc. is a privately held corporation.

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit C-3 – "Financial Statements"

Provide copies of the applicant's two (2) 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.

Applicant is a wholly-owned sole member-managed subsidiary of GDF Suez Energy Resources NA, Inc., which is a wholly-owned subsidiary of GDF Suez Energy North America, Inc. ("GSENA"). GSENA's two (2) most recent years of financial statements are attached hereto.

GDF SUEZ Energy North America, Inc. and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended December 31, 2013 and 2012, and Independent Auditors' Report

Deloitte.

Deloitte & Touche LLP
1111 Bagby Street
Suite 4500
Houston, TX 77002-2591
USA

Tel: +1 713 982 2000
Fax: +1 713 982 2001
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of GDF SUEZ Energy North America, Inc., and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GDF SUEZ Energy North America, Inc. and its subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards published by International Accounting Standards Board and as adopted by the European Union.

Deloitte + Touche LLP

April 15, 2014

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

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

	Notes	2013	2012
ASSETS			
NONCURRENT ASSETS:			
Intangible assets — net	6	$ 41,976	$ 68,602
Goodwill	7	1,328,752	1,408,912
Property, plant, and equipment — net	8	5,541,156	7,607,601
Derivative instruments	14	199,662	195,678
Investments in associates	9	281,459	99,588
Loans and credits at amortized cost — net	13	76,035	90,074
Other noncurrent assets	12	56,462	59,962
Deferred tax assets	5	633	3,599
Total noncurrent assets		7,526,135	9,534,016
CURRENT ASSETS:			
Derivative instruments	14	276,344	236,081
Notes receivable	13	173,217	25,748
Trade and other receivables — net	13	452,746	651,303
Inventories	11	361,713	284,682
Other current assets	12	97,511	79,918
Cash and cash equivalents	13	38,258	119,108
Total current assets		1,399,789	1,396,840
TOTAL		$8,925,924	$10,930,856
LIABILITIES AND EQUITY			
EQUITY:			
Shareholder's equity		$4,078,305	$ 4,901,481
Non-controlling interests		9,622	187,451
Total equity		4,087,927	5,088,932
NONCURRENT LIABILITIES:			
Provisions	16	36,409	40,929
Long-term borrowings	13,15	2,522,870	3,688,542
Derivative instruments	14	203,970	106,440
Other noncurrent liabilities	16	127,523	191,727
Deferred tax liabilities	5	326,053	418,414
Total noncurrent liabilities		3,216,825	4,446,052
CURRENT LIABILITIES:			
Provisions	16	30,921	24,248
Short-term borrowings	13,15	756,025	585,071
Derivative instruments	14	299,705	251,617
Trade and other payables	13	360,171	346,394
Other current liabilities	16	174,350	188,542
Total current liabilities		1,621,172	1,395,872
TOTAL		$8,925,924	$10,930,856

See notes to consolidated financial statements.

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

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

	Notes	2013	2012
REVENUES	4	$ 5,606,308	$ 5,471,598
PURCHASES		(4,117,306)	(3,960,836)
PERSONNEL COSTS		(234,848)	(252,875)
DEPRECIATION, AMORTIZATION, AND PROVISIONS		(419,886)	(437,728)
OTHER OPERATING EXPENSES — Net		(249,544)	(230,205)
CURRENT OPERATING INCOME		584,724	589,954
MARK-TO-MARKET ON COMMODITY CONTRACTS OTHER THAN TRADING INSTRUMENTS	14	(170,273)	(4,587)
IMPAIRMENTS OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS	6, 7, 8	(558,888)	(56,942)
RESTRUCTURING COSTS	16	(7,812)	(3,995)
GAIN (LOSS) ON DISPOSAL OF SUBSIDIARIES	3	44,723	(26,895)
LOSS ON DISPOSAL OF ASSETS — Net	8	(31,274)	(28,213)
(LOSS) INCOME FROM OPERATING ACTIVITIES		(138,800)	469,322
FINANCIAL EXPENSES		(202,780)	(337,071)
FINANCIAL INCOME		5,479	50,968
NET FINANCIAL LOSS	14	(197,301)	(286,103)
NET (LOSS) INCOME BEFORE TAX AND INCOME OF ASSOCIATES		(336,101)	183,219
INCOME TAX BENEFIT (PROVISION)	5	91,952	(73,340)
SHARE IN NET (LOSS) INCOME OF ASSOCIATES	9	(1,084)	414
NET (LOSS) INCOME		$ (245,233)	$ 110,293
COMPANY SHARE		$ (249,653)	$ 107,519
NON-CONTROLLING INTERESTS		$ 4,420	$ 2,774

See notes to consolidated financial statements.

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

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

	Notes	2013	2012
NET (LOSS) INCOME		$(245,233)	$110,293
CASH FLOW HEDGES	14	(16,368)	21,641
COMMODITY CASH FLOW HEDGES	14	52,338	97,878
ACTUARIAL GAIN (LOSSES)		539	(6,947)
DEFERRED INCOME TAX	5	(11,793)	(49,469)
TRANSLATION ADJUSTMENTS		-	15,955
OTHER COMPREHENSIVE INCOME		24,716	79,058
TOTAL COMPREHENSIVE (LOSS) INCOME		$(220,517)	$189,351
COMPANY SHARE		$(224,937)	$186,577
NON-CONTROLLING INTERESTS		$ 4,420	$ 2,774

See notes to consolidated financial statements.

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands, except share amounts)**

	Number of Shares*	Share Capital	Additional Paid-In Capital	Consolidated Reserves and Net Income	Fair Value Adjustments and Other	Translation Adjustment	Total Shareholder's Equity	Non-controlling Interests	Total Equity
EQUITY — January 1, 2012	8,952	$ 9	$4,464,821	$ 362,351	$(98,028)	$(15,955)	$4,713,198	$ 187,630	$4,900,828
Other comprehensive income	-	-	-	-	63,103	15,955	79,058	-	79,058
Net income	-	-	-	107,519	-	-	107,519	2,774	110,293
Total comprehensive income	-	-	-	107,519	63,103	15,955	186,577	2,774	189,351
Employee share-based compensation	-	-	1,706	-	-	-	1,706	-	1,706
Distributions by the Company	-	-	-	-	-	-	-	(2,953)	(2,953)
EQUITY — December 31, 2012	8,952	9	4,466,527	469,870	(34,925)	-	4,901,481	187,451	5,088,932
Other comprehensive income	-	-	-	-	24,716	-	24,716	-	24,716
Net (loss) income	-	-	-	(249,653)	-	-	(249,653)	4,420	(245,233)
Total comprehensive (loss) income	-	-	-	(249,653)	24,716	-	(224,937)	4,420	(220,517)
Employee share-based compensation	-	-	1,761	-	-	-	1,761	-	1,761
Sale of Astoria non-controlling interest	-	-	-	-	-	-	-	(182,249)	(182,249)
Distributions by the Company	-	-	(600,000)	-	-	-	(600,000)	-	(600,000)
EQUITY — December 31, 2013	8,952	$ 9	$3,868,288	$ 220,217	$(10,209)	$ -	$4,078,305	$ 9,622	$4,087,927

* Common stock, $1 par value

See notes to consolidated financial statements.

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

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (245,233)	$ 110,293
Share in net income (loss) of associates	1,084	(414)
Dividends received from associates	9,299	8,600
Net depreciation, amortization, and provisions	419,886	437,728
Net capital loss on disposal	31,274	28,213
Mark-to-market on commodity contracts other than trading instruments	170,273	4,587
Impairment of property, plant, and equipment and intangibles assets	558,888	56,942
Restructuring charges	(7,812)	(5,650)
Gain (loss) on disposal of subsidiary	(44,723)	26,895
Distributions to non-controlling interests	-	(2,954)
Other items with no cash impact	2,012	13,321
Income tax (benefit) provision	(91,952)	73,340
Net financial loss	197,301	286,103
Cash generated from operations before income tax and working capital requirements	1,000,297	1,037,004
Tax paid	(4,278)	(8,910)
Change in working capital requirements	19,575	(235,395)
Net cash provided by operating activities	1,015,594	792,699
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property, plant, and equipment and intangible assets	(112,162)	(180,048)
Government grant proceeds for property, plant, and equipment	-	18,009
Disposals of entities net of cash and cash equivalents sold	88,164	94,511
Disposals of property, plant, and equipment and intangible assets	-	351,612
Contributions to associates	(2,951)	-
Change in restricted cash	71	(120)
Change in loans and receivables originated by the group and other	(147,703)	256,145
Net cash (used in) provided by investing activities	(174,581)	540,109
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(600,000)	-
Repayment of borrowings and debt	(92,322)	(1,733,870)
Interest paid	(229,093)	(240,781)
(Decrease) increase in borrowings and debt	(448)	570,071
Net cash used in financing activities	(921,863)	(1,404,580)
EFFECT OF CHANGES IN EXCHANGE RATES AND OTHER	-	1,259
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(80,850)	(70,513)
CASH AND CASH EQUIVALENTS — Beginning of year	119,108	189,621
CASH AND CASH EQUIVALENTS — End of year	$ 38,258	$ 119,108

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Index to Notes to Consolidated Financial Statements

1. DESCRIPTION OF BUSINESS

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

As GDF SUEZ owned a majority of the Parent in 2012 and all of the Parent in 2013, it is considered the Company's ultimate parent (the "Ultimate Controlling Party").

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

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

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

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

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

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

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

On April 15, 2014, the Company's management approved and authorized to issue the consolidated financial statements of the Company for the year ended December 31, 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

Index to Accounting Policies

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

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

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

IFRS Standards, Amendments, and International Financial Reporting Interpretations Committee (IFRIC) Interpretations applicable to the 2013 annual financial statements:

- IFRS 13 — Fair Value Measurement (IFRS 13) - New disclosures required by IFRS 13 about assets and liabilities fair value are located in Note 14 — Risk Management Activities

Amendments and interpretations applicable to the 2013 annual financial statements but have no material impacts on the Company's consolidated financial statements are:

- Amendment to IAS 12 — Income Taxes -Deferred Tax: Recovery of underlying assets
- Amendment to IFRS 7 — Disclosures: Transfer of Financials Assets
- Amendments to IAS 19 — Employee Benefits
- IFRIC 20 — Stripping Costs in the Production Phase of a Surface Mine. The Company is not affected by this interpretation.
- Annual improvements to IFRSs 2009-2011 These amendments have no impact for the Company.

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

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

Amendment effective in 2014 that the Company has elected to early adopt in 2013:

- Amendments to IAS 36 — Recoverable amount disclosures for nonfinancial assets

IFRS Standards and amendments applicable in 2014:

- IFRS 10 — Consolidation Financial Statements
- IFRS 11 — Joint Arrangements
- IFRS 12 — Disclosure of Interests in Other Entities
- Amendments to IAS 28 — Investments in Associates and Joint Ventures
- Amendments to IAS 32 — Offsetting Financials Assets and Financial Liabilities
- Amendments to IAS 39 — Novation of Derivatives and Continuation of Hedge Accounting

Amendments applicable after 2014:

- IFRS 9 — Financial Instruments: Classification and Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The measurement of provisions, particularly dismantling obligations, disputes, and postemployment benefit obligations
- Measurement of the recoverable amount of goodwill; intangible assets; and property, plant, and equipment

- Financial instrument and derivative valuation
- Measurement of capitalized tax loss carryforwards
- Unbilled revenue (see Note 2 M)
- Allowance for doubtful accounts

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

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

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

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

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

E.6 Allowance for Doubtful Accounts — The Company accrues an allowance for doubtful accounts based on estimates of uncollectible revenues after analyzing various factors, including accounts receivable agings, historical collections, and customer-specific circumstances. At December 31, 2013 and 2012, the Company maintained an allowance for doubtful accounts of $5.7 million and $6.4 million, respectively. The Company writes off accounts receivable balances against the allowance for doubtful accounts when a receivable is determined to be uncollectible.

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

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

Cash Pool Arrangement — The Company and its subsidiaries address cash flow needs by participating in a cash pool arrangement. The terms of the cash pool arrangement are determined by GDF SUEZ and provide for the Company's subsidiaries with excess funds to temporarily loan funds into the cash pool so that subsidiaries in need of funds can temporarily borrow from the pool. Pooling occurs first among the Company's subsidiaries and then with an affiliate of the Parent. Interest is earned at rates equivalent to third-party investment rates if the Company is a net lender to the pool, and at the London Interbank Offered Rate (LIBOR), plus 1.5% if the Company is a net borrower from the pool. The cash pool arrangement was renewed on December 31, 2013, for an additional one-year term.

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

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

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

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

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

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

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

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

c. Financial liabilities held primarily for trading purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Embedded derivatives that are separated from the host contract are recognized in the consolidated statements of financial position at fair value, with changes in fair value recognized in income (except when the embedded derivative is part of a designated hedging relationship). As of December 31, 2013, the Company had no embedded derivatives that required bifurcation recognized into the consolidated financial statements.

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

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

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

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

H.7 Derivative Instruments Not Qualifying for Hedge Accounting — These items mainly concern derivative instruments used in economic hedges that have not been, or are no longer, documented as hedging relationships for accounting purposes. When a derivative instrument does not qualify, or no longer qualifies, for hedge accounting, changes in fair value are recognized directly in earnings, under mark-to-market on commodity contracts other than trading instruments in the consolidated statements of income for derivative instruments with nonfinancial assets as the underlying, and in financial income or financial expenses for currency, interest rate, and equity derivatives. Derivative instruments used by the Company in connection with proprietary energy trading activities and energy trading on behalf of customers and other derivatives expiring in less than 12 months are recognized in the consolidated statements of financial position in current assets and current liabilities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R.1 Share Appreciation Rights — In 2007, GDF SUEZ began to grant employees in the United States share appreciation rights (SARs) instead of stock options. SARs are also granted with certain employee share purchase plans. SARs are settled in cash. Their fair value is expensed over the vesting period of the rights, with an offsetting entry recorded in employee-related liabilities. Changes in the fair value of the liability are charged to income for each period.

R.2 Shares Granted to Employees — The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividends are payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that GDF SUEZ will meet its performance targets. The fair value measurement also takes into account the nontransferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

R.3 Employee Share Purchase Plans — GDF SUEZ's corporate savings plans enable employees to subscribe to shares at a lower-than-market price. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on this discount awarded to employees and nontransferability period applicable to the shares subscribed. The cost of employee share purchase plans is recognized in full and offset against equity.

3. SIGNIFICANT EVENTS

Choctaw Generation (Red Hills) — Choctaw Generation LP (CGLP) was sold on February 28, 2013, for a nominal amount. As a result of the transaction, GSENA's indebtedness decreased by $348 million; property, plant, and equipment decreased by $243 million; other comprehensive income at the holding company decreased by $23 million; and the Company recognized a pretax gain on sale of $44 million.

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

Cash and cash equivalents	$ 23,382
Trade and other receivables	14,187
Inventory	184
Property, plant, and equipment — net	243,026
Total assets disposed	280,779
Trade and other payables	11,741
Financial liabilities	347,895
Provisions	1,384
Total liabilities disposed	361,020
Other comprehensive income disposed	(23,147)
Fees paid	(13,173)
Net assets disposed	(80,241)
Gain on sale	$ 43,921

Astoria Project Partners — On June 20, 2013, a Purchase and Sale Agreement (PSA) between MyPower Corp and Suez Energy Astoria, LLC (SEA) was signed, selling approximately 20.58% of the economic interest in Astoria Project Partners (APP) to MyPower Corp, a subsidiary of Mitsui and Co. SEA is a 100% owned subsidiary of GSENA. The sale was finalized on October 30, 2013, and resulted in the deconsolidation of APP with the retained interest of approximately 44.8% in APP accounted for using the equity method. Also, as a result of the sale, $80 million of GENCO goodwill was allocated to the assets sold using relative fair values.

Other than $80 million of goodwill allocated and impaired as a result of the disposal, there was no gain or loss on the sale, which was calculated in accordance with IAS 27.

Cash and cash equivalents	$ 1,596
Trade and other receivables	17,752
Property, plant, and equipment — net	1,046,717
Inventory	6,784
Other assets	5,173
Total assets disposed	1,078,022
Provisions	3,813
Trade and other payables	27,703
Financial liabilities	515,034
Other liabilities	6,949
Total liabilities disposed	553,499
Goodwill allocation based on relative fair values	80,160
Net book basis of assets disposed	604,683
Cash received	108,490
Interest retained	236,177
Non-controlling interest consideration	179,856
Impairment of goodwill and goodwill allocated to disposal	80,160
Gain (loss) on sale	$ -

Pepco Energy Services — Suez Thermal, LLC ("Pepco") — Washington Convention Center (WCC), the off-taker of the Pepco facility, exercised its option to purchase the Company's leasehold interests in the plant on June 29, 2013. WCC made a purchase/termination payment of $7.5 million into the restricted cash account, of which, $6.5 million was used to pay off the bonds that were called on September 3, 2013; the remaining balance in the restricted cash account was distributed to the partners on September 30, 2013. Because the contract with WCC was terminated, the associated assets and liabilities were written off and a loss on sale was recorded. Pepco is a proportionally consolidated entity, and the group share of the loss on sale was $0.9 million.

Neptune — In 2005, GSGNAH's subsidiary, Neptune LNG LLC ("Neptune") developed the Neptune Deepwater LNG port, an offshore LNG regasification project located in federal waters in Massachusetts Bay approximately 10 miles south of the city of Gloucester and 22 miles northeast of Boston, beginning in 2005. Given the significantly reduced dependency on natural gas imports in United States., resulting from the development of shale gas supply, the Company filed a request to suspend the license to operate its offshore regasification LNG terminal Neptune for a period of five years. The U.S. Maritime Administration approved this request in 2013. As a result, Neptune is no longer part of the overall Gas CGU, as such; a full impairment of these assets was recorded in December 2013 for $363 million.

Other — The FirstLight Connecticut Hydro System constitutes 11 generating facilities and the impact of current natural gas prices and their effect on initial discounted cash flows (DCF) valuation inputs during the annual goodwill impairment process resulted in a triggering event requiring a review for impairment. Based on the base case valuation view of December 31, 2013, which used an average of the

income and market approaches, the above facilities had fair value of $281 million compared to book value of $321 million resulting in an asset impairment of $40 million for the year ended December 31, 2013.

On May 1, 2010, the Northfield Mountain hydro facility began the drawdown of its upper reservoir as part of a planned dewatering outage that was scheduled to last 23 days. The cost estimates for the project was approximately $2.4 million. During the drawdown of Northfield's upper reservoir, a significant quantity of silt migrated to the intake channel and into the pressure shaft intake structure. The removal of the silt, especially from the tailrace, was more challenging than initially anticipated and total costs incurred were $47.7 million. The Company filed an insurance claim for business interruption insurance for lost revenue as well as a claim for property damage related to complications from the drawdown of its upper reservoir in 2010. During 2012, $26.8 million of insurance proceed has been received as part of a comprehensive settlement of all remaining issues associated with its claim. The Company recorded the proceeds as a reduction to other operating expenses on the consolidated statements of income.

On November 20, 2013, Trading Portfolio Management (TPM) exited proprietary trading. GSENA reevaluated its proprietary trading activity in light of support and regulatory costs as well as historical returns and current market conditions and determined that TPM's proprietary trading returns did not justify the added costs and risks associated with the trading activity. As a result, the Company incurred and recorded the restructuring cost of $3 million for the year ended December 31, 2013, on the consolidated statements of income (see Note 16).

In 2013, the Internal Revenue Service (IRS) closed the Company's income tax audits for 2008, 2009, and 2010 and advised no further IRS audits were planned at this time. The Company released provisions established under IAS 37 for these years. Amended state income tax returns filed for 2008, 2009, and 2010 reflects agreed-upon IRS adjustments.

4. REVENUES

The Company's revenues for the years ended December 31, 2013 and 2012, are as follows (in thousands):

	2013	2012
Revenue:		
Electricity and thermal	$3,961,306	$4,315,818
Natural gas	1,643,661	1,158,324
Gross margin from energy trading	1,341	(2,544)
Total revenue	$5,606,308	$5,471,598

5. INCOME TAXES

5.1.1 Breakdown of Income Tax Expense — Income tax expense for 2013 and 2012 consisted of the following (in thousands):

	2013	2012
Current	$ 9,232	$ 7,505
Deferred	(101,184)	65,835
(Benefit) provision for income taxes	$ (91,952)	$ 73,340

Current income tax expense (benefit) includes $1 million and $(3.6) million in net taxes relating to prior periods and $(0.8) million and $3.2 million relating to unrecognized tax benefits in 2013 and 2012, respectively. Deferred tax expense (benefit) includes $(18.2) million and $(4.9) million relating to prior periods; $(6.2) million and $(5.9) million relating to unrecognized tax benefits in 2013 and 2012, respectively. Included in deferred income tax expense is the tax benefit of the worthless stock deduction being claimed with respect to the Company's equity investment in TPI Choctaw Generation, Inc. (TPI) and Choctaw Generation, Inc. (CGI).

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

	2013	2012
Computed expected tax expense at 35%	$ (119,562)	$ 63,301
Increase (decrease) in income taxes resulting from:		
State and local income taxes — net of federal benefit	(236)	6,652
Change in unrecognized tax benefits related to net operating losses	9,794	(5,939)
Revisions in estimates of deferred taxes	9,661	3,179
Goodwill write-off	28,056	-
Impact of other permanent differences	(2,799)	2,291
Change in tax reserves	(16,835)	3,230
Other	(31)	626
(Benefit) provision for income taxes	$ (91,952)	$ 73,340

In 2013, the effective tax rate is higher than the standard rate primarily due to the unfavorable effect of Goodwill write off offset by the favorable change in tax reserves. In 2012, the effective tax rate is higher than the standard rate primarily due to state taxes and gain/loss differences on disposal of entities partially offset by a favorable change in unrecognized tax benefits related to net operating losses.

5.1.3 Deferred Tax Expense by Nature — Impacts on the consolidated statements of income for the years ended December 31, 2013 and 2012, are as follows (in thousands):

	2013	2012
Deferred tax assets:		
Loss carryforwards	$ 24,412	$ (176,349)
Accruals and allowances	(17,444)	31,634
Investments in partnerships	-	56,883
Tax credit carryforward, including FTC, AMT and Sec. 45 credits	(19,502)	(7,472)
Other	805	2,853
Deferred tax assets	(11,729)	(92,451)
Deferred tax liabilities:		
Depreciation and amortization	(41,079)	130,150
Derivative instruments	(37,913)	29,652
Investments in partnerships	(10,464)	-
Other	-	(1,516)
Deferred tax liabilities	(89,456)	158,286
Net deferred tax expense	$ (101,185)	$ 65,835

5.2 Income Taxes Recorded Directly into Equity — At December 31, 2013 and 2012, changes in deferred taxes recognized directly into equity resulted from cash flow hedges and net investment hedges are as follows:

	2013	2012	Change
Cash flow hedges	$ 12,944	$ 24,737	$ (11,793)
Net investment hedges	-	-	-
Total	$ 12,944	$ 24,737	$ (11,793)

5.3 Deferred Income Taxes — Analysis of the net deferred tax position recognized in the consolidated statements of financial position at December 31, 2013 and 2012 (before netting of deferred tax assets and liabilities by tax entity), by type of temporary difference is as follows (in thousands):

	2013	2012
Deferred tax assets:		
Loss carryforwards	$ 359,813	$ 384,225
Accruals and allowances	80,090	62,646
Derivative instruments	13,421	-
Tax credit carryforward, including FTC, AMT and Sec. 45 credits	34,069	14,567
Other	7,078	7,881
Gross deferred tax assets	494,471	469,319
Deferred tax liabilities:		
Depreciation and amortization	(783,655)	(824,734)
Derivative instruments	-	(12,699)
Investments in partnerships	(36,237)	(46,701)
Gross deferred tax liabilities	(819,892)	(884,134)
Net deferred tax liability	$(325,421)	$(414,815)

A total of $394 million in deferred tax assets were recognized in respect of tax losses and tax credit carryforwards at December 31, 2013. The Company estimates that these carryforwards will be utilized over the next 10 years. The Company also has $162.3 million of loss carryforwards, which are not recognized in the consolidated statement of financial position at December 31, 2013, due to uncertain tax positions and the expectation that the Company will not have taxable profits in certain state jurisdictions (see Note 5.4.1).

Deferred taxes are reported in the consolidated statements of financial position as of December 31, 2013 and 2012, as (in thousands):

	2013	2012
Noncurrent deferred income tax asset	$ 632	$ 3,599
Noncurrent deferred income tax liability	(326,053)	(418,414)
Net deferred tax liability	$(325,421)	$(414,815)

The 2013 net change in deferred tax liabilities is $89.4 million, which is $11.8 million higher than the reported net deferred tax benefit, is attributable to the deferred taxes recorded through equity.

5.4.1 Deductible Temporary Differences not Recognized in the Consolidated Statements of Financial Position — The Company had unrecognized tax benefits relating primarily to federal loss carryforwards, capital loss and foreign tax credit carryforwards, state loss carryforwards, and other deductible state temporary differences in the amount of $52.9 million and $168 million at December 31, 2013 and 2012, respectively, that, if recognized, would decrease the effective tax rate. The 2013 amount decreased due to the disposition of Choctaw Gas Generation LLC, CGLP, and Hot Springs Power Company LLC.

The expiration dates for the unrecognized tax benefits at December 31, 2013, are presented as follows (in thousands):

	Expiration Year					After 2019 or without Expiration	Total
	2014	2015	2016	2017	2018		
Foreign tax credit C/F	$ -	$ -	$ -	$ -	$ -	$ 4,636	$ 4,636
Capital loss C/F	-	-	-	-	6,558	-	6,558
NOL	6,448	2,129	812	233	-	29,525	39,147
Fixed assets	-	-	-	-	-	2,536	2,536
Total	$6,448	$2,129	$812	$233	$6,558	$36,697	$52,877

5.4.2 Uncertain Tax Positions — A reconciliation of the Company's uncertain tax positions as of December 31, 2013, is as follows (in thousands):

	Unrecognized Tax Benefits
Balance — January 1, 2013	$ 126,264
Decreases related to settlements with taxing authorities	(17,179)
Increases based on tax positions prior to 2013	325
Balance — December 31, 2013	$ 109,410

Tax contingency reserves for uncertain tax positions are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated. Uncertain tax positions of $7.9 million and $8.7 million are recorded in current provisions in the consolidated statements of financial position as of December 31, 2013 and 2012, respectively. The remaining uncertain tax position balance of $101.5 million and $117.5 million for December 31, 2013 and 2012, respectively, is included in deferred taxes due to the Company's federal net operating loss position.

6. INTANGIBLE ASSETS

The Company's intangible assets as of December 31, 2013 and 2012, were as follows (in thousands):

2013	Intangible Asset Gross	Accumulated Amortization	Carrying Amount
Power purchase agreements	$338,449	$(314,235)	$24,214
Fuel, administrative, operating, maintenance, and other contracts	10,015	(8,987)	1,028
Water rights and other	25,578	(8,844)	16,734
Total intangible assets	$374,042	$(332,066)	$41,976

2012	Intangible Asset Gross	Accumulated Amortization	Impairment	Carrying Amount
Power purchase agreements	$338,449	$(289,178)	$ -	$49,271
Fuel, administrative, operating, maintenance, and other contracts	10,015	(8,533)	-	1,482
Water rights and other	30,041	(7,805)	(4,387)	17,849
Total intangible assets	$378,505	$(305,516)	$(4,387)	$68,602

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

Changes during 2013 are attributable to amortization of power purchase agreements and fuel and other contracts, the removal of fully amortized expired contracts, and write-off of fully impaired other intangibles. The carrying amount for the remaining power purchase agreements for NELP and Oyster Creek joint ventures (see Note 24) are being amortized over the life of the contracts through 2016 and 2014, respectively. Amortization expense for intangible and other assets for the years ended December 31, 2013 and 2012, was $24.3 million and $37.4 million, respectively.

7. *GOODWILL*

Goodwill is the cost of a business combination over the Company's interest in the fair value of identifiable assets, liabilities, and contingent liabilities at the acquisition date. Goodwill is tested for impairment each year as of June 30, and as needed upon review of triggering events in the second half of the year. No impairment of goodwill has been recorded through December 31, 2013, as a result of annual goodwill impairment test. Reduction of $80 million of goodwill in 2013 is related to goodwill allocated to the partial sale of APP at relative fair value in 2013 and impairment as a result of disposal of those assets (see Note 3). Movement in the carrying amount of goodwill at December 31, 2013 and 2012, are as follows (in thousands):

At January 1, 2012	$1,440,336
Disposal of subsidiaries	(31,424)
At December 31, 2012	1,408,912
Impairment of goodwill and goodwill allocated to disposal	(80,160)
At December 31, 2013	$1,328,752

The 2012 disposal is from divestiture of our Mexican subsidiaries ($14.6 million), divestiture of Duke Energy Generation Services Holding Company, Inc. (DEGS) joint ventures ($13.7 million), and disposal of assets at Colorado Energy Nations ($3.2 million) (see Note 3). The 2013 impairment of goodwill of ($80.2 million) is from the partial disposal of APP (see Note 3).

All goodwill has been allocated to CGU and tested for impairment based on data as of June 30, 2013. The calculation of the recoverable amount of CGUs is determined using discounted cash flows and the carrying amount of the assets. The discounted cash flow method uses cash flow forecasts covering an explicit period of six years and resulting medium-term business plan approved by the corresponding business unit's business controllers and Chief Operating Officer. When the DCF method is used, value in use is calculated on the basis of three scenarios ("low," "medium," and "high"). The "medium" scenario, which management deems most probable, is usually preferred. The CGUs, as determined in accordance with IAS 36, are the primary subsidiaries listed in Note 1, with the exception of GSEMNA. GSEMNA is not considered a stand-alone CGU because it does not have separate assets and the only cash flow that GSEMNA will independently generate is related to trading and origination, which does not rely directly on physical assets.

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

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

Cash Generating Units	Amount of Goodwill	Measurement Method	Discount Rate
Gas	$ 245,449	DCF	7.3%
Generation	1,075,300	DCF	5.2% to 8.3%
Retail	8,003	DCF	9.0%

8. PROPERTY, PLANT, AND EQUIPMENT

8.1 Movements in Property, Plant, and Equipment — Movements in property, plant, and equipment at December 31, 2013 and 2012, are as follows (in thousands):

	Land	Plant and Equipment	Finance Leases	Construction In Progress	Total
Gross book value — January 1, 2012 — at cost	$150,495	$ 8,840,679	$ 487,485	$ 308,110	$ 9,786,769
Additions	-	25,468	-	162,813	188,281
Disposals	(73)	(91,949)	(760)	30	(92,752)
Transfers	-	286,784	1,904	(293,569)	(4,881)
Disposal of DEGS and Mexico entities	-	(44,720)	-	-	(44,720)
Gross book value — December 31, 2012 — at cost	150,422	9,016,262	488,629	177,384	9,832,697
Additions	-	6,495	-	109,873	116,368
Disposals	-	(81,760)	-	(22,303)	(104,063)
Transfers	18	104,116	-	(154,403)	(50,269)
Sale of APP	(40,300)	(1,128,220)	-	(100)	(1,168,620)
Sale of CGLP	-	(8,999)	(488,629)	-	(497,628)
Gross book value — December 31, 2013 — at cost	$110,140	$ 7,907,895	$ -	$ 110,451	$ 8,128,486
Accumulated depreciation and impairment — January 1, 2012	$ (228)	$(1,558,640)	$(228,190)	$ (36,434)	$(1,823,492)
Disposals	-	55,208	246	1	55,454
Impairment	-	(57,700)	-	-	(57,700)
Transfers	-	5,392	76	(586)	4,882
Disposal of Canadian subsidiary	-	-	-	-	-
Charge for the year	-	(394,578)	(9,661)	-	(404,239)
Accumulated depreciation and impairment — December 31, 2012	(228)	(1,950,318)	(237,530)	(37,019)	(2,225,095)
Disposals	-	64,525	-	-	64,525
Impairment	-	(478,728)	-	-	(478,728)
Transfers	-	52,459	-	-	52,459
Sale of APP	-	121,903	-	-	121,903
Sale of CGLP	-	15,047	238,848	707	254,602
Charge for the year	-	(375,677)	(1,318)	-	(376,995)
Accumulated depreciation and impairment — December 31, 2013	$ (228)	$(2,550,790)	$ 0	$ (36,312)	$(2,587,330)
Carrying amount:					
January 1, 2012	150,267	7,282,039	259,295	271,676	7,963,277
December 31, 2012	150,194	7,065,944	251,099	140,365	7,607,602
December 31, 2013	109,912	5,357,105	-	74,139	5,541,156

In 2013, the Company recorded impairment expense of $479 million related to property, plant, and equipment. The Company suspended its offshore LNG regasification project due to supply constraints and fully impaired the asset for $363 million (see Note 3). Depressed natural gas prices triggered asset impairment in 2013, resulting in $32 million at Mt. Tom, $40 million at CT Hydro, $31 million at NEPCO, $7 million at Fitchburg, and $4 million at Northumberland facility.

In 2013, loss on disposal of assets — net of $31.3 million is composed of losses related to outages and repairs at Astoria ($4.9 million) and Hays ($3.8 million). Other insignificant asset disposals ($2 million) at several other plants and a reversal of capitalized interest of ($20.6 million).

In 2012, $18 million in grants were received from the U.S. Treasury Department for capital investments made by the Company with respect to energy efficiency projects. As the grants received related to acquiring tangible fixed assets, the Company has elected to net these proceeds from the cost of the fixed assets to which they relate and depreciate over the life of those assets.

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

The Company accrued a total of $1 million and $1 million in construction costs for property, plant, and equipment in 2013 and 2012, respectively. The Company also transferred $3.2 million and $24.5 million from other current assets to property, plant, and equipment related to maintenance performed under long-term service agreements (LTSAs) in 2013 and 2012, respectively (see Note 2. I).

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

Development commitments at FirstLight	$ 11,886
Maintenance — LTSAs	1,019,390
Total	$1,031,276

FirstLight Power Services, Inc. ("FirstLight") started a construction project at its Northfield facility that will involve the overhaul of each of the motor-generator pump turbine units. The project includes strengthening of four rotors, three new turbines, four new generator windings, refurbished poles in existing units, and a new transformer. The project is expected to increase the rated capacity of each unit by 22 megawatts and also increase energy production efficiency and began in January 2011 with a planned completion date of May 2016.

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

Borrowing costs capitalized on construction-in-progress expenditures were $0.6 million and $1.1 million in 2013 and 2012, respectively.

9. INVESTMENTS IN ASSOCIATES

9.1 Breakdown of Investments in Associates — Breakdown of investments in associates as of December 31, 2013 and 2012, are as follows (in thousands):

	Percentage Interest	Carrying Amount of Investments in Associates December 31, 2013	Carrying Amount of Investments in Associates December 31, 2012	Share in Net Income (Loss) of Associates December 31, 2013	Share in Net Income (Loss) of Associates December 31, 2012
Astoria Project Partners LLC	44.79 %	$235,163	$ -	$ (1,015)	$-
Astoria Project Partners II LLC	27.75	44,637	97,583	(236)	(314)
SUEZ/VWNA/DEGS of Lansing LLC	39.2*	-	-	-	506
Shreveport Red River Utilities, LLC	39.20	1,659	2,005	167	222
Total		$281,459	$99,588	$ (1,084)	$ 414

* The Company sold its interest during 2012.

9.2 Key Figures of Associates — Key figures of associates as of December 31, 2013 and 2012, are as follows (in thousands):

2013	Percentage Interest	Total Assets	Liabilities	Revenue	Net Income
Astoria Project Partners LLC	44.79 %	$ 612,626	$ 562,607	$225,537	$ 9,067
Astoria Project Partners II LLC	27.75	1,173,550	1,137,061	137,553	2,986
Shreveport Red River Utilities, LLC	39.20	4,231	-	-	425
Total		$ 1,790,407	$1,699,668	$363,090	$ 12,478
2012	**Percentage Interest**	**Total Assets**	**Liabilities**	**Revenue**	**Net Income**
Astoria Project Partners II LLC	27.75 %	$ 1,216,920	$ 1,260,739	$133,218	$ 1,105
SUEZ/VWNA/DEGS of Lansing LLC	39.20	-	-	2,961	1,292
Shreveport Red River Utilities, LLC	39.20	5,766	-	-	566
Total		$ 1,222,686	$ 1,260,739	$136,179	$ 2,963

The Company adjusts its share of net income of associates for the depreciable portion of the premium paid for its investment and its portion of other comprehensive income in Astoria Project Partners II LLC.

10. INVESTMENTS IN JOINT VENTURES

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

	Consolidation Percentage		Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Revenue	Current Net Income (Loss)
At December 31, 2013:								
Northeast Energy LP	50 %		$33,498	$184,498	$ 9,856	$30,943	$ 80,645	$22,546
Winooski One Partnership	50		498	3,765	390	-	1,074	118
Pepco Energy Services — SUEZ Thermal, LLC	50	*	19	-	(6)	-	732	(583)
SUEZ-DEGS Solutions LLC	50	*	-	-	-	-	-	-
SUEZ-DEGS of Owings Mills LLC	51		3,887	-	1	-	-	149
Owings Mills Energy Equipment Leasing LLC	51		-	948	3,904	-	533	105
Freeport Power Limited	50		23,638	84,871	14,659	3,874	102,390	28,529

* The Company sold its interest during 2013.

	Consolidation Percentage		Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Revenue	Current Net Income (Loss)
At December 31, 2012:								
Northeast Energy LP	50 %		$28,929	$196,082	$ 4,944	$38,651	$ 75,766	$21,548
Winooski One Partnership	50		533	3,971	465	-	1,785	1,208
Pepco Energy Services — SUEZ Thermal, LLC	50		4,805	6,319	3,279	2,027	1,278	777
Delta Township Utilities, LLC	49	*	-	-	-	-	363	195
SUEZ-DEGS Solutions LLC	50		-	-	-	-	-	(464)
SUEZ-DEGS of Ashtabula, LLC	51	*	-	-	-	-	6,125	1,908
SUEZ-DEGS of Rochester, LLC	51	*	-	-	-	-	3,705	713
SUEZ-DEGS of Silver Grove LLC	51	*	-	-	-	-	77	232
SUEZ-DEGS of Owings Mills LLC	51		4,986	-	-	-	317	385
Owings Mills Energy Equipment Leasing LLC	51		-	1,196	4,258	-	533	89
SUEZ-DEGS of Tuscola, LLC	51	*	-	-	-	-	7,148	795
Freeport Power Limited	50		21,199	91,015	17,548	7,968	82,851	26,858

* The Company sold its interest during 2012.

After the sale of the DEGS assets in 2012 and 2013, the Company retained both SUEZ-DEGS of Owings Mills LLC and Owings Mills Energy Equipment Leasing LLC; each partner has 50% of the voting rights, but either 51% or 49% of the rights to the earnings and net assets of the venture.

11. INVENTORIES

Major classes of inventory at December 31, 2013 and 2012, were as follows (in thousands):

	2013	2012
LNG inventory	$ 84,030	$ 23,147
Natural gas and other fuel inventory	133,184	132,894
Spare parts	75,677	80,273
Green certificates	16,676	8,275
Greenhouse (emission allowances)	47,609	39,336
Other inventory	4,538	757
Total inventories	$361,714	$284,682

The Company had fair value adjustments of its natural gas inventory of $5.2 million and $1.4 million as of December 31, 2013 and 2012, respectively.

12. OTHER ASSETS

12.1 Other Noncurrent Assets — Other noncurrent assets at December 31, 2013 and 2012, were as follows (in thousands):

	2013	2012
Other noncurrent assets:		
Supplemental executive retirement plan cash surrender value	$ 7,330	$ 14,831
Rabbi trust	26,818	25,250
Prepaid broker fees	249	620
Other noncurrent assets	3,108	233
Long-term restricted cash	18,957	19,028
Total other noncurrent assets	$ 56,462	$ 59,962

12.2 Other Current Assets — Other current assets at December 31, 2013 and 2012, were as follows (in thousands):

	2013	2012
Other current assets:		
Prepaid expenses	$ 77,235	$ 55,412
Current taxes	-	8,589
Other current assets	14,388	10,617
Current portion of loan receivable	5,888	5,300
Total other current assets	*$ 97,511*	*$ 79,918*

13. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

13.1 Financial Assets — The Company's financial assets are classified under the following categories at December 31, 2013 and 2012 (in thousands):

	2013			2012
	Noncurrent	Current	Total	Total
Trade and other receivables — net	$ 76,035	$ 452,746	$ 528,781	$ 741,377
Short-term notes receivable from affiliates	-	173,217	173,217	25,748
Cash and cash equivalents	-	38,258	38,258	119,108
Total financial assets	$ 76,035	$ 664,221	$ 740,256	$ 886,233

13.1.1 Loans and Receivables Carried at Amortized Cost — Loans and receivables carried at amortized cost at December 31, 2013 and 2012, were as follows (in thousands):

	2013			2012
	Noncurrent	Current	Total	Total
Trade and other receivables — net:				
Trade debtors	$ -	$ 178,074	$ 178,074	$ 365,062
Trade debtors-related accounts	-	*53,757*	*53,757*	*74,405*
Unbilled revenue	-	*180,720*	*180,720*	*170,722*
Allowance for doubtful accounts	-	(5,685)	(5,685)	(6,383)
Loans and receivables carried at amortized cost — noncurrent	76,035	-	76,035	90,074
Collateral cash — asset	-	45,880	45,880	47,497
Total trade and other receivables — net	76,035	452,746	528,781	741,377
Notes receivable from *affiliates — cash pool*	-	173,217	173,217	25,748
Total	$ 76,035	$ 625,963	$ 701,998	$ 767,125

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

13.1.2. Cash and Cash Equivalents and Restricted Cash — The Company's financial risk management policy is described in Note 2 H. Cash and cash equivalents totaled $38.3 million and *$119.1 million at December 31, 2013 and 2012, respectively, which include restricted cash of* $1.3 million at December 31, 2013, and $12.2 million at December 31, 2012, and excludes noncurrent restricted cash of $18.9 million and $19.0 million at December 31, 2013 and 2012, respectively.

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

The Company's financial liabilities other than derivative instruments at December 31, 2013 and 2012, are as follows (in thousands):

	2013			2012
	Noncurrent	Current	Total	Total
Borrowings (Note 15)	$2,522,870	$ 756,025	$3,278,895	$4,273,613
Trade and other payables	-	360,171	360,171	346,394
Total	$2,522,870	$1,116,196	$3,639,066	$4,620,007

13.2.1 Trade and Other Payables — Trade and other payables at December 31, 2013 and 2012, were as follows (in thousands):

	2013			2012
	Noncurrent	Current	Total	Total
Trade accounts payable	$ -	$ 170,417	$ 170,417	$ 176,022
Accounts payable — related party	-	62,488	62,488	29,537
Collateral cash	-	1,050	1,050	4,151
Accrued expenses	-	126,216	126,216	136,684
Total	$ -	$360,171	$360,171	$346,394

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

At December 31, 2013 and 2012, the Company's carrying value and estimated fair values of long-term fixed-rate debt were as follows (in thousands):

	2013		2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term fixed-rate debt	$2,362,649	$2,548,657	$3,266,739	$3,516,243

14. RISK MANAGEMENT ACTIVITIES

14.1 Risk Management Activities — Trading — Through November 20, 2013, The Company employed various types of derivatives, including futures, forwards, swaps, options, and other physical and financial instruments for the purposes of risk management and trading activities. The trading activities included both exchange-traded and bilateral contracts. GSEMNA conducted those trading activities to generate profits on short-term differences in market prices. This trading activity was centered on commodities and geographical areas in which the Company has an asset presence, and was governed through the use of various limits, including value at risk (VaR), deal tenor, and location restrictions. This trading activity was terminated on November 20, 2013. GSEMNA now focuses on managing the forward commodity risk associated with the assets and commercial activities of GSENA.

In accordance with IAS 39, the Company accounts for all derivative-transacting activity at fair value under the mark-to-market method of accounting, with changes in the value of open positions recorded through income. Because GSEMNA previously conducted its trading activity to generate profit from short-term movements in market price, the assets and liabilities are recorded at market value, net of future physical delivery-related costs and reserves, as current assets and liabilities in the derivative instruments line items in the consolidated statements of financial position. Trading assets and liabilities recorded in the statements of financial position as of December 31, 2013, represent the forward positions remaining related to trading activities. Trading assets and liabilities will remain on the statement of financial position until settlement, but no open interest will be maintained once all trading positions executed prior to November 20, 2013, are closed.

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

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

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

As described in Note 21, the Company entered into warrant agreements under which it will receive cash to settle its liability incurred via stock appreciation rights issued to employees. The Company accounts for those warrants as derivatives under IAS 39. The fair value of the warrants as of December 31, 2013 and 2012, was $0.8 million and $0.9 million, respectively, which was included in the derivative instruments line items in the consolidated statements of financial position. The Company recognized the warrants' change in value in personnel costs. The counterparty to those warrants is an investment-grade entity, and those warrants will continue to settle in 2014 through 2015. Note 21 further discusses the warrants along with other share-based transactions.

Financial Risk Management Derivatives — The Company manages its exposure to fluctuations in foreign currency exchange rates and interest rates in its financial risk management activities. The Company uses interest-rate swap agreements to effectively convert a portion of its floating-rate debt to a fixed-rate basis, thus reducing the impact of interest rate changes on future income. These agreements involve the receipt of floating-rate amounts in exchange for fixed-rate interest payments over the life of the agreements without an exchange of the underlying principal amount. Certain interest-rate swaps are accounted for as cash flow hedges. In 2011, the cash flow relationship related to interest payments on outstanding debt at FirstLight was de-designated due to a possible refinancing on the associated debt. In 2012, the equity in the amount of $(15.8) million was reclassified to financial expense when the interest rate swaps were terminated. The debt that gave rise to the hedged forecasted interest rate payments was terminated concurrently with the interest rate swaps. See "*Accounting for the change in Risk Management Derivative Values*" below.

The Company limits its exposure to foreign currency fluctuations by entering into foreign currency swap agreements, which effectively fix the exchange rates of transactions required to be settled in currencies other than the U.S. dollar and cross-currency swaps to hedge investments in foreign currencies.

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

The Company uses commodity futures and swaps to hedge price risk exposure on future sales of vaporized LNG under a hedge program. In 2012, those hedges were designated as cash flow hedges under IAS 39, but the Company ceased cash flow hedge accounting in 2013. Under the futures and swaps, the Company receives a fixed price and pays a floating price, respectively, which effectively fixes the price the Company expects to receive for its future natural gas sales. The Company settles those swaps in cash, rather than by physical delivery of natural gas. The Company recognizes the realized gains and losses on its commodity swap contracts that qualify as cash flow hedges when the related vaporized LNG is sold.

The Company uses commodity futures and swaps to hedge price risk exposure on future sales of LNG under a designated cash flow hedge program. Under the futures and swaps, the Company receives a fixed price and pays a floating price, respectively, which effectively fixes the price the Company expects to receive for its future LNG sales. The Company settles those swaps in cash, rather than by physical delivery of natural gas. The hedged forecasted transactions are sales of LNG, the price of which is referenced to average natural gas prices from the year prior to physical delivery. The Company recognizes the realized gains and losses on its commodity swap contracts that qualify as cash flow hedges when the related LNG is sold. As of December 31, 2013 and 2012, $3.3 million and $8.1 million, respectively, of equity (net of deferred taxes) remained in the consolidated statements of financial position to be recognized when the LNG sales referencing the prior year gas prices are made.

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

The Company also owns certain transportation rights for gas in the northeastern portion of the United States. Because the Company has established a history of reselling portions of that transportation, the Company marked those transportation positions to market in 2013. See Note 14.6, Fair Value of Financial Instruments and Derivatives below.

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

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

The Company uses swaps and forward physicals to mitigate the exposure to forward electricity price changes on its forecasted electricity purchases necessary to satisfy its retail sales load under a designated cash flow hedge program. Under the swaps, the Company pays a fixed price and receives a floating price, which effectively fixes the price the Company pays for the electricity. Prior to 2013, the Company accounted for qualifying hedges of its forecasted electricity purchases as cash flow hedges.

As of May 1, 2013, the Company discontinued hedge accounting for the retail supply portfolio and the LNG vapor sales portfolio. Mark-to-market values recorded in equity for these previously designated hedges will be reclassified to earnings as the originally designated forecasted transactions impact earnings. The other comprehensive income net of deferred taxes remaining in equity related to de-designated hedges as of December 31, 2013, is $10.6 million and $1.7 million for the retail supply portfolio and LNG vapor sales portfolio, respectively. The full amount of the other comprehensive income related to the LNG vapor sales will be reclassified into earnings 2014, as well $8.6 million of the other comprehensive income related to retail supply. The remaining other comprehensive income related to retail supply will be reclassified into earnings through 2019.

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

Financial Position Treatment — The Company accounts for its nontrading derivatives at fair value on the consolidated statements of financial position in accordance with IAS 39. A summary of the Company's trading and nontrading derivative short-term and long-term assets and liabilities as of December 31, 2013 and 2012, is as follows (in thousands):

	2013			2012
	Current	Noncurrent	Total	Total
Derivative assets at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ 13,283	$ -	$ 13,283	$ 6,222
Derivative instruments (including commodity derivatives) — undesignated hedges	240,874	130,528	371,402	283,455
Derivative instruments — commercial contracts	17,892	66,832	84,724	97,986
Derivative instruments — undesignated financials hedges and warrants	1,862	2,302	4,164	2,636
Total derivative assets at fair value through income	273,911	199,662	473,573	390,299
Designated hedges — Commodity	2,433	-	2,433	41,460
Total derivative assets	$276,344	$199,662	$476,006	$431,759

	2013			2012
	Current	Noncurrent	Total	Total
Derivative liabilities at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ 22,881	$ -	$ 22,881	$ 22,014
Derivative instruments (including commodity derivatives) — undesignated hedges	259,871	138,167	398,038	183,030
Derivative instruments — commercial contracts	15,844	65,458	81,302	25,744
Total derivative liabilities at fair value through income	298,596	203,625	502,221	230,788
Designated hedges:				
Commodity	470	-	470	122,349
Financial	639	345	984	4,920
Total designated hedges	1,109	345	1,454	127,269
Total derivative liabilities	$299,705	$203,970	$503,675	$358,057

The Company's current and noncurrent derivative assets and liabilities at fair value by type as of December 31, 2013 and 2012, are as follows (in thousands):

	2013				2012			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Designated hedges:								
Natural gas:								
Forwards and futures	$ -	$ -	$ (470)	$-	$ -	$ -	$ (524)	$ -
Swap	2,433	-	-	-	7,569	2,723	(480)	-
Total natural gas	2,433	-	(470)	-	7,569	2,723	(1,004)	-
Electricity:								
Forwards and futures	-	-	-	-	14,194	10,813	(54,110)	(11,131)
Swap	-	-	-	-	6,355	3,932	(38,584)	(13,013)
Total electricity	-	-	-	-	20,549	14,745	(92,694)	(24,144)
Financial:								
Interest rate	-	-	(639)	(345)	-	-	(4,283)	(637)
Exchange	-	-	-	-	-	-	-	-
Total financial	-	-	(639)	(345)	-	-	(4,283)	(637)
Other	-	-	-	-	(2,264)	(1,862)	(4,233)	(274)
Total designated hedges	$2,433	$ -	$(1,109)	$(345)	$25,854	$15,606	$(102,214)	$(25,055)

	2013				2012			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Undesignated hedges:								
Natural gas:								
Forwards and futures	$ 12,234	$ 4,603	$ (88)	$ -	$ 21,977	$ 33,375	$ (4,638)	$ (6,289)
Options	-	-	-	-	23,471	-	-	-
Swap	111,162	63,783	(86,475)	(33,000)	76,520	29,358	(29,201)	(7,684)
Total natural gas	123,396	68,386	(86,563)	(33,000)	121,968	62,733	(33,839)	(13,973)
Electricity:								
Forwards and futures	76,326	37,430	(66,907)	(37,048)	41,620	29,855	(43,186)	(30,802)
Options	1,176	11	(173)	-	111	-	(684)	(85)
Swap	56,755	23,844	(99,539)	(64,367)	29,804	4,062	(42,329)	(11,864)
Total electricity	134,257	61,285	(166,619)	(101,415)	71,535	33,917	(86,199)	(42,751)
Crude:								
Options	-	-	(1,996)	(41)	-	-	-	-
Swap	-	-	(5,964)	(159)	-	-	-	-
Total crude	-	-	(7,960)	(200)	-	-	-	-
Warrants (Note 21)	415	402	-	-	415	567	-	-
Financial:								
Exchange	1,447	1,900	-	-	918	1,718	-	-
Interest rate	-	-	-	-	-	-	-	-
Total financial	1,447	1,900	-	-	918	1,718	-	-
Other	(16,779)	857	1,271	(3,552)	(6,951)	(729)	(1,238)	(5,030)
Trading assets and liabilities	13,283	-	(22,881)	-	6,222	-	(22,014)	-
Commercial contracts	17,892	66,832	(15,844)	(65,458)	16,120	81,866	(6,113)	(19,631)
Total undesignated derivatives	273,911	199,662	(298,596)	(203,625)	210,227	180,072	(149,403)	(81,385)
Grand total all derivatives	$276,344	$199,662	$(299,705)	$(203,970)	$236,081	$195,678	$(251,617)	$(106,440)

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

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

Accounting for the Change in Risk Management Derivative Values — For derivatives not designated as cash flow hedges, the Company immediately recognizes changes in the fair value of nonhedge derivatives in "Mark-to-market on commodity contracts other than trading instruments" line of the consolidated statements of income.

The Company recognizes the changes in fair values of derivatives appropriately documented as cash flow hedges of forecasted transactions in equity until the hedged transactions occur and are recognized in earnings. The following table shows the year in which the Company expects the derivatives that were designated as cash flow hedges as of December 31, 2013, to affect earnings. The first table discloses the notional amount of the commodity hedged forecasted transaction (in gigawatt hours (GWh)) and the second table discloses the notional amount of the financial instrument hedged forecasted transactions (in thousands):

	Year of Earnings Impact (GWh)				
	2014	2015	2016	2017+	Total
Commodity — LNG	(1,966)	(787)	-	-	(2,753)
Total commodity hedges	(1,966)	(787)	-	-	(2,753)

	Year of Earnings Impact (in thousands)				
	2014	2015	2016	2017+	Total
Financial hedges — expected swap settlements	$ 1,113	$1,026	$ -	$ -	$ 2,139
Total financial hedges	$ 1,113	$1,026	$ -	$ -	$ 2,139

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

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

The movements in other comprehensive income (loss) resulting from the Company's cash flow hedge activity, including the recognition of ineffectiveness in earnings as of December 31, 2013 and 2012, are as follows (in thousands):

	2013	2012
Other comprehensive income (loss) movements:		
Gains (loss) recognized in equity — effective portion of the hedge	$ 80,636	$ (65,073)
(Loss) gain reclassified from equity into income — settlement	(44,666)	189,161
Profit and loss — gain recognized for hedge ineffectiveness	*63*	*1,681*

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

Accounting for the Settlement of Risk Management Derivatives — When the Company realizes its mark-to-market assets and liabilities related to its nontrading risk management activities, it records that settled result in operating earnings. The Company reflects electricity and steam sales as revenue and records the cost of purchasing fuel commodities to satisfy those sales in purchases in the consolidated statements of income. For the years ended December 31, 2013 and 2012, the Company recorded $40.7 million and $(148.4) million, respectively, in gross margin for the settlement of risk management derivatives, including both designated and undesignated hedges.

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

The Company's trading and nontrading financial and commodity derivative results as of December 31, 2013 and 2012, are as follows (in thousands):

	2013			2012		
	Expenses	Income	Net	Expenses	Income	Net
Finance cost on borrowings:						
Interest on gross borrowings, including guarantee and other fees	$ -	$ -	$ -	$(273,853)	$ 5,084	$(268,769)
Bank and other interest income	(197,604)	775	(196,829)	(8,310)	13,922	5,612
(Loss) gain on hedges of borrowings	(473)	-	(473)	(54,908)	31,962	(22,946)
Financial (expense) income	(198,077)	775	(197,302)	(337,071)	50,968	(286,103)
Commodity derivative (loss) income:						
Unrealized change in undesignated hedges	(98,538)	-	(98,538)	-	36,706	36,706
Designated hedge ineffectiveness	-	63	63	-	1,681	1,681
Unrealized change in value of commercial contracts mark to market	(89,634)	17,836	(71,798)	(45,995)	3,021	(42,974)
Mark to market on commodity contracts other than trading instruments	(188,172)	17,899	(170,273)	(45,995)	41,408	(4,587)
Gross margin from energy trading (Note 4)	-	1,341	1,341	(2,544)	-	(2,544)
Total financial (expense) income	$(386,249)	$20,015	$(366,234)	$(385,610)	$92,376	$(293,234)

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

The Company's VaR measurements for its trading portfolio as of December 31, 2013 and 2012, are as follows (in millions):

	Trading
Opening VaR:	
January 1, 2013	$ 0.18
January 1, 2012	0.18
Closing VaR:	
December 31, 2013	0.25
December 31, 2012	0.18
Average VaR:	
December 31, 2013	0.72
December 31, 2012	0.58
Maximum VaR:	
December 31, 2013	1.78
December 31, 2012	1.50
Minimum VaR:	
December 31, 2013	0.06
December 31, 2012	0.16

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

		2013		2012	
Sensitivity Analysis	**Price Movements**	**Pretax Impact on Income**	**Pretax Impact on Equity**	**Pretax Impact on Income**	**Pretax Impact on Equity**
Fuels (oil)	$10/bbl	$ (8,827)	$ -	$ (14,616)	$ -
Natural gas	$4/MWh	(47,554)	(2,139)	(42,017)	(9,657)
Electricity	$7/MWh	11,952	-	(84,296)	161,611
Emissions rights	$3/ton	250	-	278	-
Electrical capacity	$7/MW	1,023	-	(4,199)	-
Transport capacity	$.02/mmbtu	5,123	-	-	-
Foreign exchange	$.02/$CAD	1,541	-	2,172	-

In addition to the commodity risks listed in the above table, the Company is also exposed to movements in equity balances that are sensitive to changes in forward interest rates. As of December 31, 2013 and 2012, the Company has two outstanding interest rate hedges that effectively fix the interest payments under variable rate debt. The interest rate hedges are fully designated as cash flow hedges and are highly effective, thus changes in forward interest rates only impact equity balances. Due to the limited duration of the swaps and the current low interest rate environment, a 10% movement in the forward rates would impact equity by less than $0.3 million.

14.4 Liquidity Risk — Because the Company's risk management activities contractually obligate it to exchange commodities and cash flows based on commodity prices at future dates, the Company is exposed to the risk that it will not be able to purchase or sell commodities at those dates to fulfill its obligations. That liquidity risk can limit the Company's ability to mitigate its market price risk exposure. The Company applies a valuation reserve to adjust the fair value of its mark-to-market commodity assets and liabilities to fair value. That reserve is more fully explained in the fair value of financial instruments and derivatives section below. The undiscounted cash flows on debt by maturity are shown in Note 15.5 and the undiscounted cash flows on leases by maturity are shown in Note 17. The undiscounted cash flows on derivatives that the Company expects to receive or pay by the year of expected payment on its derivative contracts as of December 31, 2013 and 2012, are as follows (in millions):

	Less than 1 Year	2 Years	3 Years	4 Years	5+ Years	Total
December 31, 2013:						
Derivative financial liabilities	$(296.6)	$(114.7)	$(39.8)	$(12.4)	$(38.6)	$(502.1)
Derivative financial assets	284.2	127.1	38.7	15.1	26.8	491.9
Total December 31, 2013	$ (12.4)	$ 12.4	$ (1.1)	$ 2.7	$(11.8)	$ (10.2)
December 31, 2012:						
Derivative financial liabilities	$(243.5)	$ (67.0)	$(20.6)	$ (6.4)	$(10.4)	$(347.9)
Derivative financial assets	242.9	102.4	39.8	17.4	43.4	445.9
Total December 31, 2012	$ (0.6)	$ 35.4	$ 19.2	$ 11.0	$ 33.0	$ 98.0

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

14.5 Major Customers and Concentrations of Credit Risk — Credit risk relates to the risk of loss associated with nonperformance by counterparties. The Company maintains credit risk policies that govern the management of credit risk. These policies require an evaluation of a potential counterparty's financial condition, credit rating, and other quantitative and qualitative criteria; this evaluation results in establishing credit limits or collateral requirements prior to entering into an agreement with a counterparty. Additionally, the Company has established controls to determine and monitor the appropriateness of these limits on an ongoing basis. Risk mitigation tools include, but are not limited to, the use of standardized master contracts and agreements that allow for netting of exposures across commodities, rights to margin, and termination upon the occurrence of certain events of default. Financial assets and liabilities are presented in accordance with the standard netting agreements present in GSENA's commodity contracts, which allow GSENA to settle accounts receivable and payable from counterparties on a net basis by counterparty, by contract. The right to set off across commodities exists only in the event of a default by one of the parties to the contract. Credit enhancements, such as parental guarantees, letters of credit, and margin deposits, are also utilized. The impact of credit enhancements held by the Company to its overall credit exposure is equal to $71.1 million. Credit exposure is monitored daily and the financial condition of counterparties is reviewed periodically. As of December 31, 2013 and 2012, respectively, the Company held $5.8 million and $5.5 million of cash collateral and posted $0.3 million and $2.9 million of cash collateral with counterparties. As of December 31, 2013 and 2012, the Company's broker margin was $45.7 million and $47.3 million,

respectively. Cash collateral provided to counterparties is included in the trade and other receivables item on the consolidate statements of financial position, and cash collateral held is included in the trade and other payables balance.

Other than cash collateral held, there were no instances in which the Company took possession of collateral held as security during 2013 and 2012.

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

The Company considers an unaffiliated counterparty a potential concentration risk if any one counterparty accounts for 50% of either sales revenues or unsecured accounts receivable of any business unit of the Company as of the end of a reporting period. As of December 31, 2013, Constellation Mystic represented 64% of GSGNAH's sales revenue. As of December 31, 2013, GSEMNA's two largest unaffiliated receivable balances represented 44% of GSEMNA's total receivables, and GSGNA's two largest receivable balances represented 43% of GSGNAH's total receivables. Of the two GSGNAH receivable balances, no individual customer represents 50% of GSGNAH's total receivables. As of December 31, 2012, GSEMNA's two largest unaffiliated receivable balances represented 57% of GSEMNA's total receivables, and GSGNAH's two largest receivable balances represented 72% of GSGNAH's total receivables. Of the two GSGNAH receivable balances, one unaffiliated balance represented 50% of the GSGNAH's total receivables. GSERNA systematically reserves a percentage of its outstanding receivable balances based on the age of that balance. GSERNA requires collateral, in the form of cash and letters of credit, from customers determined to be high risk for delinquency or default. Additionally, GSERNA carries an insurance policy that pays a portion of its uncollectible amounts.

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

The following table shows the Company's gross and net forward exposures to counterparties, exclusive of accounts receivables. The forward exposure table does not include own-use contracts. In addition, the table specifies the exposure to its investment grade counterparties. "Investment Grade" corresponds to transactions with counterparties with a minimum rating of BBB- by Standard & Poor's, Baa3 by Moody's, or an equivalent by Dun and Bradstreet taking into account the existence of collateral, letters of credit, and parent company guarantees (in millions):

	2013		2012	
	Investment Grade	Total	Investment Grade	Total
Counterparty exposure:				
Gross exposure	$ 454.1	$ 476.0	$ 429.0	$ 431.4
Net exposure	111.1	111.4	214.1	214.1

The aging of the Company's trade receivable exposure without considering the impact of collateral or other credit enhancements, if any, held by the Company securing those receivables as of December 31, 2013 and 2012, is as follows (in thousands):

	Total Account Receivables	Current	Past Due	Allowance	Past Due Aging			
					1–3 Months	3–6 Months	6–12 Months	More than 1 Year
2013	$452,746	$442,002	$16,428	$(5,684)	$11,902	$3,032	$ 681	$ 813
2012	$651,303	$642,536	$15,149	$(6,382)	$ 9,442	$1,804	$1,646	$2,257

The following tables demonstrate the impacts of offsetting recognized assets and liabilities as permitted when the ability and intent to settle assets and liabilities on a net basis exists. Further, the impacts of cash collateral arrangements as well as other credit enhancements is shown on the total outstanding assets and liabilities. Cash collateral and margin held and posted is recognized in the consolidated statements of financial position under trade and other receivables, Note 13. Guarantees and letters of credit are not recognized in the consolidated statements of financial position. The "cash collateral agreements" line includes the netting impact of brokerage agreements. All assets and liabilities related to contracts held at brokers are removed from gross assets and liabilities as they are fully collateralized in cash.

	December 31, 2013			
	Risk Management		Trading Activities	
(In thousands of USD)	Assets	Liabilities	Assets	Liabilities
Gross derivatives balance	$ 438,002	$(456,073)	$ 265,532	$(275,130)
Impact of netting agreements	24,721	(24,721)	(252,249)	252,249
Net derivatives	462,723	(480,794)	13,283	(22,881)
Cash collateral agreements	(167,810)	149,217	(5,890)	10,211
Net derivatives after cash collateral impact	294,913	(331,577)	7,393	(12,670)
Guarantees and letters of credit	(125,402)	281,142	(5,971)	10,764
Total net derivatives	$ 169,511	$ (50,435)	$ 1,422	$ (1,906)

	December 31, 2012			
	Risk Management		Trading Activities	
(In thousands of USD)	Assets	Liabilities	Assets	Liabilities
Gross derivatives balance	$ 452,077	$(362,583)	$ 182,117	$(197,909)
Impact of netting agreements	(26,540)	26,540	(175,895)	175,895
Net derivatives	425,537	(336,043)	6,222	(22,014)
Cash collateral agreements	(132,298)	63,766	(483)	16,905
Net derivatives after cash collateral impact	293,239	(272,277)	5,739	(5,109)
Guarantees, letters of credit and other collateral	(99,882)	155,342	(5,739)	5,109
Total net derivatives	$ 193,357	$(116,935)	$ -	$ -

The Company computes an obligation reserve for its financial liabilities based upon the expected occurrence of default using the credits ratings of GSENA and GDF SUEZ. This obligation reserve is insignificant in comparison to the Company's carrying amount of financial liabilities. The carrying amounts of the Company's financial liabilities are representative of the obligation to the counterparty at maturity.

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

The Company determines the fair value of these contracts using quoted prices, forecasted market prices, and if those sources are unavailable, valuation models available from industry sources, and appropriate valuation adjustment methodologies. Certain valuation models include as inputs forward commodity and basis prices, which extend beyond the period for which liquid market pricing is available. In those cases, the Company extrapolates forward price curves incorporating assumptions about seasonality and volatility of prices and other factors specific to individual commodities and markets. For liabilities measured at fair value, the Company considers the existence of inseparable third-party credit enhancements in the fair value measurement of the liability. As of December 31, 2013 the Company had no inseparable third-party credit enhancements.

The Company classifies the fair value measurements in its consolidated financial statements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy splits measurements in three levels. Level 1 includes only those fair value measurements that are taken directly from unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable either directly or indirectly. Finally, Level 3 inputs are those that are not based on observable market data. The Company's fair value measurements by level as of December 31, 2013 and 2012, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Fair value by level as of December 31, 2013:				
Portfolio management:				
Derivative assets	$ 206,698	$ 153,053	$ 77,511	$ 437,262
Derivative liabilities	(188,322)	(199,130)	(67,881)	(455,333)
Trading activities:				
Derivative assets	232,462	33,281	-	265,743
Derivative liabilities	(236,783)	(38,558)	-	(275,341)
Fair value by level as of December 31, 2013	$ 14,055	$ (51,354)	$ 9,630	$ (27,669)

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

Assets and liabilities in the table above reflect the total fair value for all maturities of individual financial instruments and derivatives, and are calculated based on the fair value of each contract. Contracts values are not presented on a net basis by counterparty as on the statement of financial position. The movement of Level 3 values between December 31, 2013 and 2012, are as follows (in thousands):

	Assets	Liabilities
Level 3 fair value — December 31, 2012	$ 104,609	$ (27,954)
Loss recorded through earnings	(12,332)	(5,732)
Issues	-	(43,038)
Reclass to Level 2 from Level 3	(1,033)	1,377
Reclass to Level 3 from Level 2	575	-
Settlements	(14,308)	7,466
Level 3 fair value — December 31, 2013	$ 77,511	$ (67,881)
Total loss for the period recorded through income statement for derivatives held at December 31, 2013	$ (11,499)	$ (4,926)
Level 3 fair value — December 31, 2011	98,809	(7,012)
Gains (loss) recorded through earnings	20,861	(26,375)
Issues	-	-
Settlements	(15,061)	5,433
Level 3 fair value — December 31, 2012	$ 104,609	$ (27,954)
Total loss for the period recorded through income statement for derivatives held at December 31, 2012	$ (21,337)	$ (27,499)

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

The issuances of Level 3 liabilities in the schedule above are related to transportation capacity contracts in the northeast United States. The longest term of the contracts is through 2022, and the delivery and injection points of the contract are both at unobservable locations. The contracts were executed in previous accounting periods, but were marked to market in 2013 as the contracts no longer met the requirements of the own-use exemption from IAS 39 due to net settlement of portions of the capacity that were released to the open market. The liabilities associated with these contracts are included as Level 3 liabilities at December 31, 2013. A 15% increase in the capacity price would decrease the liability value of this contract by $5.1 million.

Transfers between Levels 2 and 3 in 2013 occur due to changes in the observable period of various market curves. Periodically throughout the year, the Company reviews the availability of third-party quotes and other market data for each of the price curves used in forward deal valuation. In cases where *deals with locations and tenors that were previously deemed observable become unobservable, the value* of the deals at the time the market data is deemed unobservable is transferred from Level 2 to Level 3. In cases were deals with locations and tenors that were previously deemed unobservable become observable, the value of the deals at the time of review is transferred from Level 3 to Level 2. There were no transfers into or out of Level 1 in 2012 or 2013.

Level 3 valuations are developed, maintained, and validated by the Company's Risk Control group according to established policies and procedures. These valuations include the use of unobservable inputs. Unobservable inputs, which are related to observable inputs, such as illiquid portions of forward price or volatility curves, are updated monthly, using industry standard techniques, such as extrapolation, combining observable forward inputs supplemented by historical market and other relevant data.

The Level 3 fair values include a long-term sale of Locational Fixed Reserve Margin (LFRM). The LFRM contract is a financial swap that exists to fix the price that the Company will receive for providing an ancillary service from a combined cycle-generating facilities to the New England ISO *(NEPOOL). LFRM is a load-balancing product whereby the company must stand ready to deliver* energy in cases of load or congestion in the NEPOOL market. The contract term is through 2019, and forward prices are not available for the LFRM market. The price is set in seasonal auctions, and the most current seasonal prices are used to value all contract periods. A 10% increase in the capacity price would increase the asset value of this contract by $2.1 million.

The significant unobservable inputs used in the valuation of GSENA's contracts categorized as Level 3 of the fair value hierarchy at December 31, 2013, are as follows:

Commodity	Contract Type	Fair Value as of December 31, 2013 Assets	Liabilities	Total	Valuation Technique	Significant Unobservable Input	Range
Electric capacity	Forward Contract	$59,280	$ -	$ 59,280	Discounted cash flow	Forward price	$1–$8/MWh
Electricity	Electric Swaps	912	-	912	Discounted cash flow	Illiquid pricing in unobservable period	$31–$134/MWh
Gas and transport	Forward Contract	-	(47,122)	(47,122)	Discounted cash flow	Illiquid pricing in unobservable period	$0.10–$0.11/MMBtu
Gas and transport	Forward Contract	5,508	(5,398)	110	Discounted cash flow	Illiquid pricing in unobservable period	$4–$5/MMBtu
Gas and transport and storage	Forward Contract	11,811	(8,422)	3,389	Discounted cash flow	Illiquid pricing in unobservable period	$2–$22/MMBtu
Gas	Gas Option	-	(6,939)	(6,939)	Discounted cash flow	Illiquid pricing in unobservable period	$4–$22/MMBtu
	Total	$77,311	$(67,881)	$ 9,630			

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

long-term assets and liabilities from its trading and nontrading risk management activities based upon the proportion of each short-term and long-term asset and liability in relation to the total portfolio value.

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

The change in Company's inception valuation reserves for the years ended December 31, 2013 and 2012, is as follows (in thousands):

	2013	2012
Inception reserves:		
Beginning unamortized balance	$ 12,101	$ 14,863
Deferral on new transactions	(622)	8,286
Amortization	(8,551)	(10,507)
Reserve reversal due to inputs becoming observable	(2,383)	(541)
Inception reserves — ending balance	$ 545	$ 12,101

Nonrecurring Fair Value Measurements — GSENA tests long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In 2013, market value indications suggested that the carrying value of certain GSENA assets could be impaired. GSENA performed a fair value analysis and concluded that an impairment charge related to property, plant, and equipment was necessary. The fair value analysis was primarily based on the income approach using significant unobservable inputs (Level 3), including revenue and generation forecasts, projected capital and maintenance expenditures, commodity prices, and discount rates. As a result, long-lived assets held and used with a carrying amount of approximately $390 million were written down to their fair value of $312 million, resulting in an impairment charge of $78 million.

15. FINANCIAL DEBT AND BORROWINGS

	Maturity	Rate at December 31, 2013	Rate at December 31, 2012	2013	2012
Affiliated debt:					
Revolving line of credit	2015–2024	1.67%–4.02%	1.81%–4.16%	$ 512,760	$ 512,760
Line of credit related to GSGNAH	2015	6.45	6.45	225,000	225,000
Term loan related to FirstLight	*2017*	*4.37*	*4.37*	*444,454*	*453,618*
Term loan related to Waterbury	2017	4.37	4.37	74,986	83,862
Term loan related to GSGNAH	2014	2.49	2.49	250,000	250,000
Term loan related to GSENA	2018	1.56	1.91	40,759	48,200
Term loan related to Viking	2015	1.99	2.06	6,563	7,613
Term loan related to Ennis	2015	1.70	1.76	52,568	60,656
Term loan related to GENCO	2015	2.78	1.87	46,435	53,068
Term loan related to GSENA	2015	1.80	1.86	86,375	100,195
Term loan related to GSENA	2014	4.15	4.48	114,853	114,853
Term loan related to GSENA	2014	2.08	2.16	24,655	24,655
Term loan related to Coleto Creek	2016	4.11	4.11	783,750	800,250
Term loan related to IPA Central	2016	3.98	3.98	308,750	315,250
Total affiliated debt		0.00		2,971,908	3,049,980
Project financing:					
Lease financing obligation — Choctaw Generation LP	2047	-	7.23	-	334,567
Term loan Series A Viking Energy Corp	2012	-	-	-	-
Term loan Series B Viking Energy Corp	2015	-	-	-	-
Senior Secured Bonds Series related to FirstLight	2026	8.81	8.81	271,250	276,250
Revenue bonds — Pepco Energy Services	2022	-	0.23	-	3,252
Astoria Partners LLC (CDPQ Investments)	2015	-	14.00	-	43,860
Astoria Energy LLC LOC	2013	-	1.99	-	5,000
Astoria Energy LLC 2nd Lien Debt-bullet maturity	2021	-	10.20	-	217,157
Astoria Energy LLC 1 First Lien Loan	2016	-	7.10	-	259,732
Freeport Power Limited	2014	8.66	8.66	5,415	16,576
Total project financing				276,665	1,156,394
Total borrowings before accrued interest and deferred financing costs				3,248,573	4,206,374
Accrued interest				26,691	71,145
Deferred financing costs				3,631	(3,906)
Total borrowings				3,278,895	4,273,613
Less current portion of borrowings				*756,025*	*585,071*
Total long-term borrowings				$2,522,870	$3,688,542

15.1 Notes Payable to Affiliate — The Company has a line of credit with an affiliate of GDF SUEZ for up to $1 billion at December 31, 2013. The majority of the outstanding borrowings under the line of credit bear interest at London InterBank Offered Rate, plus 1.5% to 3.85%. The Company had advances under this line of credit, of $0.7 billion outstanding and $0.3 billion available at December 31, 2013. The amounts outstanding under the credit lines are included in long-term borrowings and short-term borrowings at December 31, 2013 and 2012, respectively, as appropriate.

15.2 Project Financing — All outstanding project financing is secured by subsidiaries' assets. Certain of the Company's credit agreements contain restrictive covenants and place restrictions on the amount of cash that can be used for making debt payments and maintenance and repair expenditures for plant *facilities. The Company believes it is in compliance with all such covenants, except for the technical* event of default that occurred under the FirstLight Senior Secured Bond Series ("Bonds") as a result of the failure of the Issuer, FirstLight Hydro Generating Company ("FirstLight Hydro"), a wholly owned subsidiary of the Company, to provide certain quarterly (unaudited) and annual (audited) financial

information of FirstLight Power Resources Management, LLC (the Power Purchaser under its PPA with FirstLight Hydro) to the Bonds holders. As a result, the Bonds meet the classification of a current liability at December 31, 2013. Subsequent to year-end, the FirstLight Hydro provided the required historical financial information which remedied the technical event of default and expects to provide the required financial information going forward.

15.3 *Interest Rate Swaps* — *The Company and certain subsidiaries have entered into interest-rate swap* agreements for notional principal amounts aggregating to $271 million and $277 million at December 31, 2013 and 2012, respectively. These agreements effectively change the variable interest rate to fixed rates ranging from 2.57% to 2.78% at December 31, 2013 and 1.22% to 5.3% at December 31, 2012, on the portion of the debt covered by the notional amounts. The agreements expire at various dates through December 2019.

The Company was exposed to interest rate fluctuations on approximately $0.4 billion and $0.6 billion of variable rate debt at December 31, 2013 and 2012, respectively. In the event of default by the counterparties on the interest rate swap agreements discussed above, the Company would be exposed to fluctuations in the interest rates. The Company does not anticipate nonperformance by the counterparties.

15.4 Letters of Credit — At December 31, 2013 and 2012, the Company had $700 million and *$900 million available to obtain letters of credit for operational obligations for its subsidiaries* and affiliates, respectively. The Company had issued letters of credit of $384 million and $304 million under these available lines at December 31, 2013 and 2012, respectively.

15.5 Scheduled Maturities — Scheduled maturities of borrowings as of December 31, 2013, are as follows (in thousands):

Years Ending December 31	Maturities
2014	$ 730,288
2015	656,974
2016	1,066,024
2017	486,804
2018	38,823
Thereafter	269,660
Total borrowings with accrued interest and deferred financing costs	$3,248,573

16. PROVISIONS AND OTHER LIABILITIES

16.1 Provisions — Provisions for the years ended December 31, 2013 and 2012, were as follows (in thousands):

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

	December 31, 2012	Additions	Amounts Used	Disposal	December 31, 2013
Noncurrent provisions:					
Asset retirement obligations	$13,364	$ 864	$ -	$ (5,725)	$ 8,503
Provision for pensions	10,097	1,023	-	-	11,120
APBO — retiree medical	5,119	234	-	-	5,353
Reserves — environmental	12,349	-	(916)	-	11,433
Total noncurrent provisions	40,929	2,121	(916)	(5,725)	36,409
Current provisions:					
Restructuring costs	14,100	-	-	(12,506)	1,594
Provision for tax contingencies	8,728	325	(1,146)	-	7,907
Provision for litigations	-	20,000	-	-	20,000
Provision for contingency losses	1,420	-	-	-	1,420
Total current provisions	24,248	20,325	(1,146)	(12,506)	30,921
Total provisions	$65,177	$22,446	$ (2,062)	$(18,231)	$67,330

16.1.1 Asset Retirement Obligation — Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities, and LNG terminals, have to be dismantled at the end of their operational lives. This obligation is the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit commitment. The related liability is calculated using the most appropriate technical and budget estimates. Upon initial recognition, the Company records a provision for the present value of the expected obligation at the decommission date and recognizes a dismantling asset. The amount of the provision is adjusted each year to reflect the impact of unwinding the discount or adjustments in the expected obligation based on new or updated information. The additions in 2013 composed of amounts related to several plants at

GENCO. The disposal of $5.7 million is from the disposal of Choctaw Generation LP, anticipated sale of Syracuse, and partial sale of Astoria. (see Note 3 and 23).

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

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

16.1.4 Provision for Litigation — See discussion of litigation in Note 19.

16.1.5 Pensions — See discussion of pensions in Note 20.

16.1.6 Restructuring Costs — Costs related to the restructuring of Syracuse's power purchase agreement of $14.2 million were accrued at December 31, 2012. As of December 31, 2013, GSENA has remaining $1.6 million in current provisions related to the restructuring cost due to final payment of $13 million to RockTenn. Restructuring costs of $8 million in 2013 includes $3 million related to Company exiting the trading business and $5 million related to termination costs due to restructuring of the organization.

16.2 Other Liabilities — Other liabilities for the years ended December 31, 2013 and 2012, were as follows (in thousands):

	2013	2012
Other noncurrent liabilities:		
Deferred revenue	$ 84,144	$113,573
Employee benefit-related liabilities	35,117	39,574
Other liabilities — noncurrent	8,262	38,580
Total other noncurrent liabilities	127,523	191,727
Other current liabilities:		
Other taxes payable	45,315	66,903
Deferred revenue and other operating payables	56,831	44,935
Employee benefit-related payables	72,204	76,704
Total other current liabilities	174,350	188,542
Total other liabilities	$301,873	$380,269

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

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

17. LEASES — FINANCE AND OPERATING

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

Noncancelable Finance Leases for which the Company Acts as the Lessee — The Company leased CGLP facility under a financing lease in previous years. On February 28, 2013, the Company sold of 100% interest in TPI and CGI, which combined held a 100% interest in CGLP. As a result of this sale, the Company was released from its finance lease obligation in its entirety.

Operating Leases for which the Company Acts as Lessee — The Company has two main lease types: (i) the Company leases its office facilities under operating lease agreements, and (ii) the Company has entered into "bare-boat" charter agreements for LNG carrier ships. The Company has a 20-year and a two-year charter agreement on two LNG carrier ships. In addition to the base charter cost, the Company is required to reimburse the carrier operator for all costs incurred in the operation of the ships. Specific to the "bare-boat" charter, only the base charter cost is included in the schedule below. These leases contain renewal options and escalation clauses.

Total lease expense for 2013 and 2012 was approximately $93.1 million and $91.7 million, respectively.

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

	2013	2012
Year one	$ 31,974	$ 29,353
Years two to five inclusive	89,022	90,372
Beyond year five	64,940	86,414
Total future minimum lease payments at present value	$185,936	$206,139

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

	2013	2012
Year one	$ 57,665	$ 201,313
Years two to five inclusive	35,318	635,156
Beyond year five	20,226	1,449,397
Total future minimum lease payments	$113,209	$2,285,866

18. *CONTRACTUAL COMMITMENTS*

In the ordinary course of its activities, the Company enters into long-term contracts, some of which include "take-or-pay" clauses. These consist of firm commitments to purchase (sell) specified quantities of natural gas, electricity, and steam and related services, in exchange for a firm commitment from the other party to deliver (purchase) said quantities and services. These contracts are outside the scope of IAS 39. The main future commitments arising from contracts entered into by the Company at December 31, 2013 and 2012, are as follows (in GWh's):

	2013	Within 1 Year	1 to 5 Years	More than 5 Years	2012
Total commitments given (purchases)	343,227	64,364	226,335	52,528	601,719
Total commitments received (sales)	357,304	59,109	131,988	166,207	412,025

19. CONTINGENCIES AND LEGAL PROCEEDINGS

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

The Company and certain of its subsidiaries are defendants in various lawsuits and proceedings. The outcome of these lawsuits and proceedings cannot be predicted with certainty and could possibly have a material adverse effect on the Company's consolidated financial position, results of operations, and cash flows. The Company and/or its subsidiaries believe they have meritorious defenses to these matters and intend to contest all such claims, and thus the timing of potential outflows from the Company cannot be predicted with any certainty due to both the nature of legal proceedings in general, and the procedural status of such matters specifically. The Company has not assumed that it will be reimbursed for any potential outflows related to contingencies.

20. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans — The Company maintains a defined contribution retirement plan (the "401(k) Plan") for its employees. Under the 401(k) Plan, each participant may elect to defer taxation on a portion of his or her eligible earnings, as defined by the 401(k) Plan, by directing the Company to withhold a percentage of such earnings. The Company contributes 3% of each employee's defined compensation and also matches 50% of the first 6% of each employee's compensation contributed, subject to a cap of $200,000. The employees vest immediately in the Company's contributions. The Company's contribution expenses were $9 million and $9.3 million for the years ended December 31, 2013 and 2012, respectively.

Deferred Compensation Plan — The Company has a senior management deferred compensation plan, under which certain key employees may elect to defer any percentage or dollar amount of his or her compensation, bonus, or incentive compensation and instead have that amount credited to his or her deferral account. The Company does not match contributions to this plan. The amount owed to employees under this plan at December 31, 2013 and 2012, was $26.8 million and $25.2 million, respectively, and is included in other noncurrent obligations in the consolidated statements of financial position. Such amounts are invested in securities through a trust and are included in other noncurrent assets. The securities held by the trust are considered available for sale, with the income earned and changes in market value adjusting the asset and corresponding liability by equal amounts.

Performance Unit Plan — The Company has a performance unit plan (the "Plan") that provides incentive awards based on the Company's performance on selected financial performance measures over a three-year performance cycle. Under this program, new performance cycles begin every year and end three years later. The program is subject to renewal annually for each cycle. Payouts under the Plan are made after the completion of a given cycle and are made in cash. The Company recognized expense of $17.6 million and $22.1 million for amounts awarded under the program during 2013 and 2012, respectively.

Pension and Other Postretirement Plans — The Company provides a retiree medical plan to employees upon retirement provided that, at the time of their termination, they are covered under the Company's medical plan, are at least 55 years of age, have completed 10 years of service, and are not a member of a collective bargaining unit. The retiree and his or her eligible spouse will be entitled to substantially the same medical and dental benefits as those available to active employees under the pension and other postretirement plan option. The cost for retiree coverage will be primarily covered by premiums paid by the retirees. Amounts expensed in 2013 and 2012 related to the costs of this plan were $0.8 million and $0.3 million, respectively. Under IAS 19, a liability for the accumulated postretirement benefit obligation of $5.4 million and $5.1 million at December 31, 2013 and 2012, respectively, has been recorded in noncurrent provisions in the consolidated statements of financial position, with an unearned portion $0.5 million recorded in 2012 equity. The increase in the obligation during 2013 is due to ongoing plan accruals, offset by a reduction in the discount rate.

The Company has an unfunded Supplemental Executive Retirement Plan, which provides retirement benefits to certain officers. This plan is a nonqualified defined contribution plan and does not have a minimum funding requirement. For the years ended December 31, 2013 and 2012, the Company expensed $0.9 million and $1.4 million, respectively, related to this plan.

Certain former employees of FirstLight continue to participate in two defined benefit pension plans. The plan benefits are generally based on years of service and compensation and are generally noncontributory. Effective December 31, 2009, the pension plan for a portion of the FirstLight nonbargaining employees was amended to cease the accrual of additional benefits. This plan was terminated on February 28, 2011, and the Company is in the process of settling the liabilities under this plan. In December 2010, the plan covering bargaining employees was amended to cease the accrual of additional benefits. Under IAS 19, a liability for accumulated postretirement benefit obligation of $8.3 million and $10.1 million has been recorded in provisions in the consolidated statements of financial position at December 31, 2013 and 2012, respectively. The increase in the obligation during 2013 is due primarily to changes in actuarial assumptions, including a reduction in the discount rate and the valuation being performed on a plan termination basis.

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

	2013	2012
Benefit obligation (beginning of the plan year)	$16,155	$16,591
Service cost	377	467
Interest cost	562	713
Benefit payments	(394)	(5,397)
Changes in assumptions	(675)	1,671
Actuarial (gain) loss	(1,269)	283
Effect of settlement	293	1,827
Benefit obligation (end of the plan year)	$15,049	$16,155
Change in plan assets:		
Fair value of plan assets (beginning of the plan year)	$ 6,058	$10,448
Employer contributions	342	361
Benefit payments	(394)	(5,397)
Actuarial gain	486	-
Actual return on plan assets	211	646
Fair value of plan assets (end of the plan year)	$ 6,703	$ 6,058
Information for pension plans with an accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	$15,049	$16,155
Fair value of plan assets	6,703	6,058
Accumulated postretirement benefit obligation	$ 8,346	$10,097

21. SHARE-BASED COMPENSATION

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

		Expense for the Year	
	Settlement	2013	2012
Stock option plans	Equity	$ -	$ 27
SARs (stock option replacements)	Cash	109	35
Bonus and performance share plans	Equity	1,652	1,644
SARs (employee share purchase leverage)	Cash	85	(358)
Hedge of stock warrants	Cash	166	1,129

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

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

Employees of the Company are eligible to participate in the GDF SUEZ Company corporate savings plans. They may subscribe to GDF SUEZ shares at a discount. The discount is expensed immediately as compensation expense, offset to additional paid-in capital, as shares purchased are GDF SUEZ shares. The plan also entitles the employees to benefit from the positive performance of GDF SUEZ shares at the end of the mandatory holding period through SARs. The impact of these cash-settled SARs consists of recognizing a payable to the employee over the five-year vesting period of the rights, with the corresponding adjustment recorded to compensation expense. At December 31, 2013 and 2012, the fair value of the liability related to these awards was $0.5 million, which was determined using the Black-Scholes model. The Company and GDF SUEZ have entered into warrant agreements under which cash needed to settle the SAR liabilities will be received from a third party. The cost of these agreements has been paid by GDF SUEZ, and their fair value has been recorded as administrative expense and additional paid-in capital by the Company. Compensation expense related to the SARs was taken on a straight-line basis over the vesting term. Unrealized loss from the change in the fair value of the warrant agreements was $(0.2) million and $(1.1) million in 2013 and 2012, respectively. Over the five-year term of the SARs and warrant agreements, the net income statement impact will be zero.

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

22. RELATED-PARTY TRANSACTIONS

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

Parent and Ultimate Controlling Party — The Company pays certain expenses on behalf of its Parent and affiliates. At December 31, 2013 and 2012, the Company had outstanding balances of $5.4 million and $5.9 million, respectively, due from its Parent included in accounts receivable in the consolidated statements of financial position.

The Company receives certain services from its Parent, as well as certain financial guarantees. Expenses incurred during 2013 and 2012 related to these services and guarantees were $10.6 million and $17.3 million, respectively, recorded in financial expense and other operating expense in the consolidated statements of income.

GSGNAH entered into a subcharter lease of one LNG carrier with its Parent from April 2009 with a novation intent, which was actualized in 2010. The Company recognized expenses of $0 and $8.3 million in 2013 and 2012, respectively, related to these transactions. GSGNAH also entered into a subcharter lease for another LNG carrier in 2009, which was reassigned to an affiliate in 2010. The subcharter lease required that GSGNAH sought reimbursement for some of these expenses as they were incurred by the Parent Company during the lease period. The Company recognized $0.4 million and $7.5 million of reimbursement income for 2013 and 2012, respectively, related to these transactions.

GSGNAH receives services from its Parent. The Company recognized consulting expense of $0.7 million and $0.7 million for 2013 and 2012, respectively. Consequently, at December 31, 2013 and 2012, the payable was $0.8 million and $0.7 million, respectively, related to these transactions.

GSGNAH sells LNG cargos to its Parent. The Company recognized revenue of $336.9 million and $237.5 million in 2013 and 2012, respectively, from its Parent. December 31, 2013 and 2012, the receivable was $0 and $31.4 million, respectively, related to these transactions.

GSGNAH purchases LNG cargos from its Parent. The Company recognized expense of $0.8 million and $1.8 million in 2013 and 2012, respectively, related to these transactions.

Other Related Parties — GSGNAH sells LNG cargos to affiliated companies. The Company recognized revenue of $796 million and $435.4 million in 2013 and 2012, respectively. The related-party receivable related to these cargo sales was $43.6 million and $30.3 million at December 31, 2013 and 2012, respectively.

GSGNAH is under long-term charters with affiliated companies. The Company recognized expenses of $43 million and $56.2 million in 2013 and 2012, respectively, related to these transactions. GSGNAH also reassigned a charter to an affiliate in 2010. The Company recognized income of $26.3 million and $32.2 million in 2013 and 2012, respectively, related to these transactions. GSGNAH entered a Contract of Affreightment agreement with an affiliate in 2010. The Company recognized expenses of $14.4 million and $9.9 million in 2013 and 2012, respectively, related to these transactions.

GSGNAH purchases LNG cargos from affiliates. The Company recognized expense of $424.2 million and $189.3 million for 2013 and 2012, respectively. The payable related to these transactions at December 31, 2013 and 2012, was $50.2 million and $25.7 million, respectively.

The Company and its subsidiaries receive certain services from its affiliates. At December 31, 2013 and 2012, the accrued related-party expense was $0.1 million and $4 million, respectively.

The Company and its subsidiaries enter into certain pass-through deals on behalf of its Parent and affiliates. At December 31, 2013 and 2012, the Company had losses of $0 and $0.7 million, respectively, which were offset by the third-party gains on these related deals, included in gross margin from energy-trading activities in the consolidated statements of income.

A subsidiary of the Company provides services to its associate, Suez Energy Astoria II (SEA II). The Company recognized fees of $2.1 million for the years ended December 31, 2013 and 2012, relating to a project construction oversight agreement between SEA II and Astoria II.

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

Key Management Personnel — The Company's key management personnel is composed of the members of the executive committee. Their compensation breakdown as of December 31, 2013 and 2012, is as follows (in thousands):

	2013	2012
Short-term benefits	$ 11,325	$ 11,773
Postemployment benefits	1,082	1,376
Share-based payments	485	399
Total	$ 12,892	$ 13,548

23. SUBSEQUENT EVENTS

On January 9, 2014, GENCO sold certain assets of Syracuse Energy Corporation to DMI Acquisitions Syracuse, LLC for $3 million. As the assets had previously been fully impaired; the transaction resulted in the reversal of impairment of $3 million and the subsequent write-off of the net assets sold. The sale is final with no contingent consideration.

24. LIST OF THE MAIN CONSOLIDATED COMPANIES

Company Name	Percentage Interest December 2013	Percentage Interest December 2012	Percentage Control December 2013	Percentage Control December 2012	Consolidation Method December 2013	Consolidation Method December 2012
Business units:						
GDF SUEZ Energy Generation North America, Inc.	100.0 %	100.0 %	100.0 %	100.0 %	FC	FC
GDF SUEZ Gas NA Holdings LLC	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Energy Resources NA, Inc.	100.0	100.0	100.0	100.0	FC	FC
GDF SUEZ Energy Marketing North America, Inc.	100.0	100.0	100.0	100.0	FC	FC
Generation entities:						
Astoria Project Partners II, LLC	27.8	27.8	27.8	27.8	EM	EM
Astoria Project Partners, LLC	44.8	58.5	44.8	58.5	EM	FC
Freeport Power Limited	50.0	50.0	50.0	50.0	PC	PC
Northeast Energy LP	50.0	50.0	50.0	50.0	PC	PC
Pepco Energy Services — SUEZ Thermal, LLC	-	50.0	-	50.0	-	PC
Ryegate Associates	66.9	66.9	66.9	66.9	FC	FC
Shreveport Red River Utilities, LLC	39.2	39.2	39.2	39.2	EM	EM
SUEZ-DEGS of Owings Mills, LLC	51.0	51.0	51.0	50.0	PC	PC
Winooski One Partnership	50.0	50.0	50.0	50.0	PC	PC
Alabama-Decatur Energy Corporation	100.0	100.0	100.0	100.0	FC	FC
ANP Bellingham Energy Company, LLC	100.0	100.0	100.0	100.0	FC	FC
ANP Blackstone Energy company, LLC	100.0	100.0	100.0	100.0	FC	FC
ANP Fuel Services, Inc.	100.0	100.0	100.0	100.0	FC	FC
ANP Funding I, LLC	100.0	100.0	100.0	100.0	FC	FC
Armstrong Energy Limited Partnership, LLP	100.0	100.0	100.0	100.0	FC	FC
Calumet Energy Team, LLC	100.0	100.0	100.0	100.0	FC	FC
Choctaw Generation Limited Partnership	-	100.0	-	100.0	-	FC
Coleto Creek Power, LP	100.0	100.0	100.0	100.0	FC	FC
College Park Energy, LLC	100.0	100.0	100.0	100.0	FC	FC
Colorado Energy Nations Company, LLLP	100.0	100.0	100.0	100.0	FC	FC
Ennis Power Company, LLC	100.0	100.0	100.0	100.0	FC	FC
FirstLight Hydro Generating Company	100.0	100.0	100.0	100.0	FC	FC
FirstLight Power Resources, Inc.	100.0	100.0	100.0	100.0	FC	FC
Hawkins Point Energy, LLC	100.0	100.0	100.0	100.0	FC	FC
Hays Energy Limited Partnership	100.0	100.0	100.0	100.0	FC	FC
Hopewell Cogeneration Limited Partnership	100.0	100.0	100.0	100.0	FC	FC
IPA Central, LLC	100.0	100.0	100.0	100.0	FC	FC
IPA Operations, Inc.	100.0	100.0	100.0	100.0	FC	FC
IPA Services, Inc.	100.0	100.0	100.0	100.0	FC	FC
IPA Trading, LLC	100.0	100.0	100.0	100.0	FC	FC
IPA Wind Development, LLC	100.0	100.0	100.0	100.0	FC	FC
Midlothian Energy Limited Partnership	100.0	100.0	100.0	100.0	FC	FC
Milford Power Limited Partnership	100.0	100.0	100.0	100.0	FC	FC
Mt Tom Generating Company LLC	100.0	100.0	100.0	100.0	FC	FC
Nassau Energy Corporation	100.0	100.0	100.0	100.0	FC	FC
Northeastern Power Company	100.0	100.0	100.0	100.0	FC	FC
Pinetree Power, Inc.	100.0	100.0	100.0	100.0	FC	FC
Pinetree Power-Fitchburg, Inc.	100.0	100.0	100.0	100.0	FC	FC
Pinetree Power-Tamworth, Inc.	100.0	100.0	100.0	100.0	FC	FC
Pleasants Energy, LLC	100.0	100.0	100.0	100.0	FC	FC
SUEZ Denver Metro, LLC	100.0	100.0	100.0	100.0	FC	FC
Syracuse Energy Corporation	100.0	100.0	100.0	100.0	FC	FC
Troy Energy, LLC	100.0	100.0	100.0	100.0	FC	FC
Viking Energy of Lincoln, LLC	100.0	100.0	100.0	100.0	FC	FC
Viking Energy of McBain, LLC	100.0	100.0	100.0	100.0	FC	FC
Viking Energy of Northumberland LLC	100.0	100.0	100.0	100.0	FC	FC
Waterbury Generation, LLC	100.0	100.0	100.0	100.0	FC	FC
Wharton County Generation LLC	100.0	100.0	100.0	100.0	FC	FC
Wise County Power Company, LLC	100.0	100.0	100.0	100.0	FC	FC

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

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

* * * * * *

GDF SUEZ Energy North America, Inc. and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended December 31, 2014 and 2013, and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of GDF SUEZ Energy North America, Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GDF SUEZ Energy North America, Inc. and its subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as published by International Accounting Standards Board and as adopted by the European Union.

Adoption of IFRS 11- Joint Arrangements

As discussed in Note 23 to the consolidated financial statements for the year ended December 31, 2014, the Company adopted International Financial Reporting Standard 11, Joint Arrangements. The resulting changes in presentation have been applied retrospectively to all periods presented.

Deloitte + Touche LLP

April 27, 2015

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 AND 2013
(In thousands)

	Notes	2014	2013 (1)
ASSETS			
NONCURRENT ASSETS:			
Intangible assets — net	6	$ 15,991	$ 17,260
Goodwill	7	1,297,644	1,297,644
Property, plant, and equipment — net	8	5,235,539	5,311,425
Derivative instruments	13	84,057	181,640
Available-for-sale securities	12	4,610	2,951
Equity method investments	9	365,768	512,745
Loans and credits at amortized cost — net	12	69,869	76,024
Other noncurrent assets	11	80,295	53,506
Deferred tax assets	5	2,304	633
Total noncurrent assets		7,156,077	7,453,828
CURRENT ASSETS:			
Derivative instruments	13	306,691	269,106
Notes receivable	12	5,457	173,217
Trade and other receivables — net	12	575,487	427,957
Inventories	10	277,607	352,253
Other current assets	11	140,231	96,824
Cash and cash equivalents	12	34,233	15,587
Total current assets		1,339,706	1,334,944
TOTAL		$8,495,783	$ 8,788,772
LIABILITIES AND EQUITY			
EQUITY:			
Shareholder's equity		$3,646,206	$ 4,028,260
Non-controlling interests		9,309	9,622
Total equity		3,655,515	4,037,882
NONCURRENT LIABILITIES:			
Provisions	15	65,808	33,261
Long-term borrowings	12, 14	2,500,566	2,522,534
Derivative instruments	13	149,790	183,691
Other noncurrent liabilities	15	110,281	98,760
Deferred tax liabilities	5	412,373	321,045
Total noncurrent liabilities		3,238,818	3,159,291
CURRENT LIABILITIES:			
Provisions	15	29,968	30,921
Short-term borrowings	12, 14	693,028	751,567
Derivative instruments	13	379,433	295,361
Trade and other payables	12	337,582	340,856
Other current liabilities	15	161,439	172,894
Total current liabilities		1,601,450	1,591,599
TOTAL		$8,495,783	$ 8,788,772

See notes to consolidated financial statements.

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands)

	Notes	2014	2013 (1)
Revenues	4	$ 5,972,147	$ 5,419,725
Purchases		(4,674,168)	(4,033,809)
Personnel costs		(226,325)	(231,261)
Depreciation, amortization, and provisions		(334,289)	(379,442)
Other operating expenses - net		(208,113)	(227,633)
CURRENT OPERATING INCOME		529,252	547,580
Mark-to-market on commodity contracts other than trading instruments	13	(100,691)	(185,421)
Impairments of property, plant, and equipment and intangible assets	6, 7, 8	(54,920)	(550,441)
Restructuring costs	15	(1,301)	(7,812)
(Loss) gain on disposal of subsidiaries	3	-	44,723
Loss on disposal of assets — net	8	(8,202)	(30,367)
INCOME (LOSS) FROM OPERATING ACTIVITIES		364,138	(181,738)
Financial expenses		(142,942)	(204,484)
Financial income		114	6,286
NET FINANCIAL LOSS	13	(142,828)	(198,198)
Net income (loss) before tax and equity method investment income		221,310	(379,936)
Income tax (provision) benefit	5	(99,126)	91,952
Share in net income of equity method investments	9	120,184	51,198
NET INCOME (LOSS)		$ 242,368	$ (236,786)
Company share		$ 241,986	$ (241,206)
Non-controlling interests		$ 382	$ 4,420

See notes to consolidated financial statements.

(1) Comparative data at December 31, *2013 have been recast due to the application of standards of consolidation* (Note 23) and to the presentation changes in the consolidated statements of income (Note 2).

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands)

	Notes	2014	2013 (1)
NET INCOME (LOSS)		$ 242,368	$ (236,786)
Cash flow hedges	13	(20,523)	(16,368)
Commodity cash flow hedges	13	(22,627)	52,338
Actuarial gains		4,400	539
Available-for-sale financial assets	12	(6,331)	-
Deferred income tax	5	17,301	(11,793)
Other Comprehensive (loss) income		(27,780)	24,716
TOTAL COMPREHENSIVE INCOME (LOSS)		$ 214,588	$ (212,070)
Company Share		$ 214,206	$ (216,490)
Non-controlling interests		$ 382	$ 4,420

See notes to consolidated financial statements.

(1) *Comparative data at December* 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands, except share amounts)

	Number of Shares*	Share Capital	Additional Paid-in Capital	Consolidated Reserves and Net Income	Fair Value Adjustments and Other	Total Shareholder's Equity	Non-controlling Interests	Total Equity
EQUITY — December 31, 2012	8,952	9	4,466,527	469,870	(34,925)	4,901,481	187,451	5,088,932
Impact of IFRS 11 Implementation (Note 23)	-	-	-	(58,492)	-	(58,492)	-	(58,492)
EQUITY — January 1, 2013 [1]	8,952	9	4,466,527	411,378	(34,925)	4,842,989	187,451	5,030,440
Other comprehensive income	-	-	-	-	24,716	24,716	-	24,716
Net loss [1]	-	-	-	(241,206)	-	(241,206)	4,420	(236,786)
Total comprehensive income [1]	-	-	-	(241,206)	24,716	(216,490)	4,420	(212,070)
Employee share-based compensation	-	-	1,763	-	-	1,761	-	1,761
Sale of Astoria non-controlling interest	-	-	-	-	-	-	(182,249)	(182,249)
Distributions by the Company	-	-	(600,000)	-	-	(600,000)	-	(600,000)
EQUITY — December 31, 2013 [1]	8,952	$ 9	$3,868,288	$ 170,172	$(10,209)	$4,028,260	$ 9,622	$4,037,882
Other comprehensive loss	-	-	-	-	(27,780)	(27,780)	-	(27,780)
Net income	-	-	-	241,986	-	241,986	382	242,368
Total comprehensive income (loss)	-	-	-	241,986	(27,780)	214,206	382	214,588
Employee share-based compensation	-	-	3,740	-	-	3,740	-	3,740
Distributions by the Company	-	-	(187,842)	(412,158)	-	(600,000)	(695)	(600,695)
EQUITY — December 31, 2014	8,952	$ 9	$3,684,186	$ -	$(37,989)	$3,646,206	$ 9,309	$3,655,515

* Common stock, $1 par value

See notes to consolidated financial statements.

(1) Comparative data at January 1, 2013 and December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In thousands)

	2014	2013 [1]
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 242,368	$ (236,786)
Share in net (income) of equity method investments	(120,184)	(51,198)
Dividends received from associates	246,287	9,299
Net depreciation, amortization, and provisions	334,289	379,442
Net loss on disposal	8,202	30,367
Mark-to-market on commodity contracts other than trading instruments	100,691	185,421
Impairment of property, plant, and equipment and intangibles assets	54,920	550,441
Restructuring charges	1,301	(7,812)
Loss (gain) on disposal of subsidiary	-	(44,723)
Distributions to non-controlling interests	(695)	-
Other items with no cash impact	8,672	2,130
Income tax provision (benefit)	99,126	(91,952)
Net financial loss	141,260	196,204
Cash generated from operations before income tax and working capital requirements	1,116,237	920,833
Tax paid, net	(2,443)	(4,028)
Change in working capital requirements	(273,811)	84,758
Net cash provided by operating activities	839,983	1,001,563
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property, plant, and equipment and intangible assets	(185,298)	(108,759)
Disposals of entities net of cash and cash equivalents sold	3,065	92,812
Contributions to associates	(2,990)	(2,951)
Change in restricted cash	86	71
Change in loans and receivables originated by the group and other	173,160	(147,703)
Net cash used in investing activities	(11,977)	(166,530)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(600,000)	(600,000)
Repayment of borrowings and debt	(465,872)	(82,744)
Interest paid	(132,135)	(228,297)
Increase (decrease) in borrowings and debt	388,647	(448)
Net cash used in financing activities	(809,360)	(911,489)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	18,646	(76,456)
CASH AND CASH EQUIVALENTS — Beginning of year	15,587	92,043
CASH AND CASH EQUIVALENTS — End of year	$ 34,233	$ 15,587

See notes to consolidated financial statements.

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Index to Notes to Consolidated Financial Statements

1. DESCRIPTION OF BUSINESS

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

As GDF SUEZ owns a majority of the Parent in both 2013 and 2014, it is considered the Company's ultimate parent (the "Ultimate Controlling Party").

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

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

GDF SUEZ Energy Generation NA, Inc. (GSEGNA or Generation) — engaged in owning and operating retail, industrial, and nonutility wholesale power-generating facilities.

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

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

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

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

On April 27, 2015, the Company's management approved and authorized to issue the consolidated financial statements of the Company for the year ended December 31, 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

Index to Accounting Policies

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

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

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

IFRS Standards, Amendments, and International Financial Reporting Interpretations Committee (IFRIC) Interpretations applicable in 2014:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- IFRS 12 – Disclosure of Interests in Other Entities
- Amendments to IAS 36 — Impairment of Assets – Recoverable amount disclosures for non-financial assets

Amendments and interpretations applicable to the 2014 financials but have no material impacts on the Company's consolidated financial statements are:

- Amendments to IAS 32 – Financial instruments: presentation – Offsetting financial assets and liabilities
- Amendment to IAS 39 – Financial instruments: recognition and measurement – Novation of derivatives and continuation of hedge accounting

IFRS standards, amendments, and interpretations effective in 2015 that the Company has elected not to early adopt:

- Annual Improvements to IFRSs 2011-2013
- IFRIC 21 – Levies

IFRS standards and amendments applicable after 2015:

- IFRS 9 — Financial Instruments
- IFRS 15 – Revenue from Contracts with Customers
- Amendments to IFRS 11 – Joint Arrangements
- Amendments to IAS 16 – Property, plant and equipment
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IAS 1 – Disclosure initiative
- Amendments to IAS 19 – Employee benefits

- Annual Improvements to IFRSs 2010-2012
- Annual Improvements to IFRSs 2012-2014

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

B. Principles of Consolidation — The consolidation methods used by the Company consist of the full consolidation method and the equity method. The Company assesses the extent of its control of or influence over each of its investee's operating and financing policies, taking into account the guidance contained in IFRS 10, *Consolidated Financial Statements;* IAS 28, *Investments in Associates;* IFRS 11, *Joint Arrangements;* and IFRS 12, *Disclosure of Interests in Other Entities*.

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

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

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

B.2 Associates and Joint Ventures — The equity method is used for all associate companies over which the Company exercises significant influence or joint ventures over which the Company shares joint control. In accordance with this method, the Company recognizes its proportionate share of the investee's net income or loss on a separate line of the consolidated statements of income under Share in net income of equity method investments.

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

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

C. Business Combinations — For business combinations carried out since January 1, 2010, the Company applies the acquisition method as defined in IFRS 3, *Business Combinations* (revised) allowing a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition either at fair value or at the non-controlling interests' share of recognized identifiable net assets of the acquirer. The recognition and subsequent accounting requirements for contingent consideration are measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognized against the cost of the acquisition only to the extent

that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognized in profit or loss. This change also requires the recognition of a settlement gain or loss when the business combination in effect settles a preexisting relationship between the Company and the acquiree. Acquisitions after January 1, 2010, require related costs to be accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

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

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

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

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

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

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

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

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

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

E.6 Allowance for Doubtful Accounts — The Company accrues an allowance for doubtful accounts based on estimates of uncollectible revenues after analyzing various factors, including accounts receivable aging, historical collections, and customer-specific circumstances. At December 31, 2014 and 2013, the Company maintained an allowance for doubtful accounts of $3.8 million and $5.7 million, respectively. The Company writes off accounts receivable balances against the allowance for doubtful accounts when a receivable is determined to be uncollectible.

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

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

Cash Pool Arrangement — The Company and its subsidiaries address cash flow needs by participating in a cash pool arrangement. The terms of the cash pool arrangement are determined by GDF SUEZ and provide for the Company's subsidiaries with excess funds to temporarily loan funds into the cash pool so that subsidiaries in need of funds can temporarily borrow from the pool. Pooling occurs first among the Company's subsidiaries and then with an affiliate of the Parent. Interest is earned at the London Interbank Offered Rate (LIBOR), plus nine basis points (bps) if the Company is a net lender to the pool, and paid at LIBOR, plus 37 bps if the Company is a net borrower from the pool. The cash pool arrangement has a maturity date of December 31, 2016.

G. **Inventories** — Inventories are measured at the lower of cost or net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Liquefied natural gas (LNG) inventory is determined using the first-in, first-out method, and natural gas and other fuel inventories are determined using the first-in, first-out method or weighted-average cost method. Inventory that is not expected to be used in one year is shown as property, plant and equipment.

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

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

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

H.1 Financial Assets — Financial assets are composed of available for sale securities, loans and receivables carried at amortized cost, including trade and other receivables, and financial assets measured at fair value through income, including derivative financial instruments (see Note 13). Financial assets are broken down into current and non-current assets in the consolidated statement of financial position.

H.2 Financial Liabilities — Financial liabilities include borrowings, trade and other payables, derivative financial instruments, capital renewal and replacement obligations, and other financial liabilities. Financial liabilities are broken down into current and non-current liabilities in the consolidated statements of financial position (see Notes 12 and 13). Current financial liabilities primarily include:

- Financial liabilities with a settlement or maturity date within 12 months of the consolidated statements of financial position date
- Financial liabilities in respect of which the Company does not have an unconditional right to defer settlement for at least 12 months after the consolidated statements of financial position date
- Financial liabilities held primarily for trading purposes
- Derivative financial instruments qualifying as fair value and cash flow hedges where the underlying is classified as a current item
- All commodity derivatives not qualifying as hedges with a settlement or maturity date within 12 months of the consolidated statements of financial position date

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

H.3 Derivatives and Hedge Accounting — The Company uses derivative instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates, and commodity prices, mainly for natural gas and electricity (see Note 13).

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

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

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

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

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

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

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

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

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

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

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

Embedded derivatives that are separated from the host contract are recognized in the consolidated statements of financial position at fair value, with changes in fair value recognized in income (except when the embedded derivative is part of a designated hedging relationship). As of December 31, 2014, the Company had no embedded derivatives that required bifurcation recognized into the consolidated financial statements.

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

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

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

H.7 Derivative Instruments Not Qualifying for Hedge Accounting — These items mainly concern derivative instruments used in economic hedges that have not been, or are no longer, documented as hedging relationships for accounting purposes. When a derivative instrument does not qualify, or no longer qualifies, for hedge accounting, changes in fair value are recognized directly in earnings, under mark-to-market on commodity contracts other than trading instruments in the consolidated statements of income for derivative instruments with nonfinancial assets as the underlying, and in financial income or financial expenses for currency, interest rate, and equity derivatives. Derivative instruments used by the Company in connection with proprietary energy trading activities and energy trading on behalf of customers and other derivatives expiring in less than 12 months are recognized in the consolidated statements of financial position in current assets and current liabilities.

H.8 Fair Value of Financial Instruments and Derivatives — The Company's nontrading financial instruments and derivatives consist primarily of cash and cash equivalents, trade receivables, accounts payable, debt instruments, interest-rate swap agreements, currency swap agreements, and commodity instruments. The book values of cash and cash equivalents, trade receivables, and accounts payable are representative of their respective fair values due to the short-term nature of these instruments. The fair value of debt, related-party receivables and payables, interest-rate swap agreements, currency swap agreements, and commodity instruments are discussed in Note 13.

I. Available-for-sale Securities — "Available-for-sale securities" include the Company's investments in non-consolidated companies and equity or debt instruments that do not satisfy the criteria for classification in another category. Cost is determined using the weighted average cost formula. These items are measured at fair value on initial recognition, which generally corresponds to the acquisition cost plus transaction costs.

At each reporting date, available-for-sale securities are measured at fair value. For listed securities, fair value is determined based on the quoted market price at the reporting date. For unlisted securities, fair value is measured using valuation models based primarily on recent market transactions, discounted dividends, and future cash flows or net asset value. Changes in fair value are recorded directly in other comprehensive income, except when the decline in the value of the investment below its historical acquisition cost is judged significant or prolonged enough to require and impairment loss to be recognized. In this case, the loss is recognized in income under "Impairment losses". Only impairment losses recognized on debt instruments (debt securities/bonds) may be reversed through income.

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

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

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

	Main Depreciation Period (Years)	
	Minimum	Maximum
Plant and equipment:		
Generating plants and equipment:		
General component (engineering, steam turbines and boiler, gas turbines, etc.)	15	50
Turbine and rotor blades	4	30
LNG equipment:		
Processing terminal	20	50
Vessel	18	40
IT equipment	3	5
Transportation	2	10
Foundation and structures	20	99
Other property, plant, and equipment	2	30

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

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

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

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

If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. An asset's recoverable amount is the higher of its fair value, less costs to sell, or its value in use. Value in use is primarily determined based on the present value of future operating cash flows and a terminal value. Standard valuation techniques are used, including:

- Discount rates based on the specific characteristics of the operating entities concerned; and

- The terminal values in line with the available market data specific to the operating segments concerned and growth rates associated with these terminal values, not to exceed the inflation rate.

Discount rates are determined on a post-tax basis and applied to post-tax cash flows. The recoverable amounts calculated on the basis of these discount rates are the same as the amounts obtained by applying the pre-tax discount rates to cash flows estimated on a pre-tax basis, as required by IAS 36.

Upon recognition of an impairment loss, the depreciable amount, and possibly the useful life of the property, plant, and equipment item, is revised. Impairment losses are recorded in the impairment of property, plant, and equipment and intangible assets line in the consolidated statements of income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Q.1 Asset Retirement Obligations — The Company accounts for asset retirement obligations in accordance with IAS 16, and IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (IAS 37). In accordance with IAS 37, the Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation for the retirement of tangible long-lived assets, coupled with a corresponding asset that is depreciated over the life of the asset. In accordance with IFRIC 1, *Changes in Decommissioning, Restoration and Similar Liabilities*, after the initial measurement of the asset retirement obligation, the liability will be adjusted, or accreted, during each reporting period to reflect changes in the estimated future cash flows underlying the obligation (see Note 15).

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

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

R.1 Share Appreciation Rights — In 2007, GDF SUEZ began to grant employees in the United States share appreciation rights (SARs) instead of stock options. SARs are also granted with certain employee share purchase plans. SARs are settled in cash. Their fair value is expensed over the vesting period of the rights, with an offsetting entry recorded in employee-related liabilities. Changes in the fair value of the liability are charged to income for each period.

R.2 Shares Granted to Employees — The fair value of bonus share plans is estimated by reference to the share price at the grant date, taking into account the fact that no dividends are payable over the vesting period, and based on the estimated turnover rate for the employees concerned and the probability that GDF SUEZ will meet its performance targets. The fair value measurement also takes into account the non-transferability period associated with these instruments. The cost of shares granted to employees is expensed over the vesting period of the rights and offset against equity.

R.3 Employee Share Purchase Plans — GDF SUEZ's corporate savings plans enable employees to subscribe to shares at a lower-than-market price. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on this discount awarded to employees and nontransferability period applicable to the shares subscribed. The cost of employee share purchase plans is recognized in full and offset against equity.

S. Consolidated Statement of Cash Flows — The consolidated statement of cash flows is prepared using the indirect method starting from net income. "Interest received on non-current assets" is classified within investing activities because it represents a return on investments. "Interest received on cash and cash equivalents" is shown as a component of financing activities because the interest can be used to reduce borrowing costs. This classification is consistent with the Company's internal organization, where debt and cash are managed centrally by the treasury department. As impairment losses on current assets are considered definitive losses, changes in current assets are presented net of impairment. Cash flows relating to the payment of income tax are presented on a separate line of the consolidated statement of cash flows.

3. SIGNIFICANT EVENTS

Syracuse Energy Corporation—On January 9, 2014, Syracuse Energy Corporation (Syracuse) sold all of its assets to DMI Acquisitions Syracuse, LLC for $3 million. In 2011, Syracuse assets were fully impaired due to the termination of its steam agreement. The Company recorded the sale including the reversal of $3 million of impairment, resulting in no gain or loss on sale.

Mt. Tom Generating Company, LLC— On January 9, 2014, Mt. Tom Generating Company LLC (Mt. Tom) ceased operation. The Company mothballed the plant in October 2014 and the coal inventory balance of $8.2 million was impaired by $4.1 million to its net realizable value. Mt. Tom property, plant, and equipment was fully impaired in 2013.

Mt. Tom had $8.0 million and $19.5 million of *Title IV* "SOx" credits (emission allowances) recorded as inventory on the consolidated statement of financial position at December 31, 2014 and 2013, respectively. Under the *Clean Air Interstate Rule* (CAIR) for every ton of SOx emitted, qualifying generators were required to retire one credit for its Title IV obligation and an additional credit under the CAIR rule. As of January 1, 2015, the Cross-State Air Pollution Rule (CSAPR) program replaced the CAIR program. The CSAPR program does not use the same *Title IV* credits used by CAIR and are half of what was needed under the CAIR program. An analysis of net realizable value based on forecasted usage of these SOx credits was performed and an impairment of $11.4 million was recorded in 2014.

Leo Holding Company, LLC— On June 25, 2014, the Company acquired 100% of the membership interest in Leo Holding Company LLC (Leo Holding) from *Suez Environnement North America Inc.*, an affiliated company, for a nominal amount. Leo Holding has a $25 million prepaid asset and liability relating to a lease and sublease for a property and a contingency tax reserve of $2.9 million (see Notes 11 and 16).

SUEZ-DEGS of Owing Mills, LLC— On January 30, 2014, *Owings Mills Energy* Equipment Leasing, LLC (Owings Mills) terminated its Lease Agreement with Solo Cup Company Inc. (formerly Sweetheart Holdings Inc.). The Company recognized a pre-tax loss of $0.9 million on the sale. As Owings Mills was accounted for as an equity method investment, the loss was reflected in the proportionate share of Owing Mill's net income as recorded in the consolidated statement of income under Share in net income of equity method investments.

Winooski One Partnership— The City of Burlington exercised its right to purchase the Winooski hydro plant, which was 50% owned by the Company through its investments in Winooksi One Partnership (Winooski). The sale closed on August 31, 2014, and the Company recognized a pre-tax gain of $3.1 million on the sale. As Winooski was accounted for as an equity method investment, the gain was reflected in the proportionate share of Winooski's net income as recorded in the consolidated statement of income under Share in net income of equity method investments.

Neptune LNG LLC— In 2005, GSGNAH's subsidiary, Neptune LNG LLC (Neptune) developed the Neptune Deepwater LNG port (LNG terminal), an offshore LNG regasification project located in federal waters in Massachusetts Bay approximately ten miles south of the city of Gloucester and 22 miles northeast of Boston, beginning in 2005. In 2007, the U.S. Department of Transportation issued a license to own, construct, and operate Neptune. The license term was for indefinite amount of time unless terminated/revoked.

In 2013, the U.S. Maritime Administration approved a request by the Company to suspend the license to operate the LNG terminal port for a period of five years due to the impact of changes resulting from the development of shale gas on gas demand and supply. Neptune was removed from the overall Gas CGU and a full impairment of these assets was recorded in 2013 for $363 million.

Prior to 2014, an asset retirement obligation (ARO) could not be reliably estimated due to the asset having an indeterminate useful life. In 2014, the Company performed a comprehensive assessment of the costs to maintain the LNG terminal. From this analysis, the Company reevaluated its view and it became more likely that Neptune would be decommissioned at some point in the near future. Therefore, the Company recorded an ARO and dismantling asset for $38 million in 2014. Upon recording, the asset was tested for impairment and as there are no associated future cash flows forecasted, an impairment for the full amount of $38 million was recorded in 2014.

Choctaw Generation (Red Hills) — Choctaw Generation LP (CGLP) was sold on February 28, 2013, for a nominal amount. As a result of the transaction, GSENA's indebtedness decreased by $348 million; property, plant and equipment decreased by $243 million; other comprehensive income at the holding company decreased by $23 million; and the Company recognized a pretax gain on sale of $44 million.

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

Cash and cash equivalents	$ 23,382
Trade and other receivable	14,187
Inventories	184
Property, plant, and equipment	243,026
Total assets disposed	280,779
Trade and other payable	11,741
Financial liabilities	347,895
Provisions	1,384
Total liabilities disposed	361,020
Contributed Capital	(23,147)
Fees paid	(13,173)
Net assets disposed	(80,241)
Gain on sale	$ 43,921

Astoria Project Partners — On June 20, 2013, a Purchase and Sale Agreement (PSA) between MyPower Corp and Suez Energy Astoria, LLC (SEA) was signed, selling approximately 20.58% of the economic interest in Astoria Project Partners (APP) to MyPower Corp, a subsidiary of Mitsui and Co. SEA is a 100% owned subsidiary of GSENA. The sale was finalized on October 30, 2013, and resulted in the deconsolidation of APP with the retained interest of approximately 37.96% in APP accounted for using the equity method. As a result of the sale, $72 million of GSEGNA goodwill was allocated to the assets sold using relative fair values. Other than $72 million of goodwill allocated and impaired, there was no gain or loss on the sale.

The components of the gain (loss) on sale are as follows (in thousands):

Cash and cash equivalents	$ 1,596
Trade and other receivable	17,752
Property, plant, and equipment — net	1,046,717
Inventory	6,784
Other assets	5,173
Total assets disposed	1,078,022
Provisions	3,813
Trade and other payable	27,703
Financial liabilities	515,034
Other liabilities	6,949
Total liabilities disposed	553,499
Goodwill allocation based on relative fair values	71,713
Net book basis of assets disposed	596,236
Cash received	108,490
Interest retained	236,177
Non-controlling interest consideration	179,856
Impairment of goodwill and goodwill allocated to disposal	71,713
Gain (loss) on sale	$ 0

Pepco Energy Services — Suez Thermal, LLC — Washington Convention Center ("WCC"), the off-taker of the Pepco facility, exercised its option to purchase the Company's leasehold interests in the plant on June 29, 2013. WCC made a purchase/termination payment of $7.5 million into the restricted cash account, of which, $6.5 million was used to pay off the bonds that were called on September 3, 2013; the remaining balance in the restricted cash account was distributed to the partners on September 30, 2013. Because the contract with WCC was terminated, the associated assets and liabilities were written off and a loss of $0.9 million on sale was recorded. Due to IFRS 11, Pepco transitioned from proportional consolidation to equity method consolidation accounting as of January 1, 2013. All applicable figures have been recast (see Note 23).

Other — The FirstLight Connecticut Hydro System constitutes 11 generating facilities and the impact of current gas prices and their effect on initial discounted cash flows (DCF) valuation inputs during the annual goodwill impairment process resulted in a triggering event requiring a review for impairment. Based on the base case valuation view of December 31, 2013, which used an average of the income and market approaches, the above facilities had fair value of $281 million compared to book value of $321 million for the year ended December 31, 2013. This resulted in an asset impairment of $40 million for the year ended December 31, 2013.

On November 20, 2013, Trading Portfolio Management (TPM) exited proprietary trading. GSENA reevaluated its proprietary trading activity in light of support and regulatory costs as well as historical returns and current market conditions and determined that TPM's proprietary trading returns did not *justify the added costs and risks associated with the trading activity. As a result, the Company incurred* and recorded the restructuring cost of $3 million for the year ended December 31, 2013, on the consolidated statements of income (see Note 15).

In 2013, GSENA closed Internal Revenue Service (IRS) audits for 2008, 2009, and 2010. In 2014, GSENA completed filing required amended state income tax returns for 2008, 2009, and 2010 that report related IRS adjustments. The IRS adjustments resulted in $4 million in state refund claims of which $2.5 million have been received. Tax liabilities arising from the amended state income tax returns were minimal.

4. REVENUES

The Company's revenues for the years ended December 31, 2014 and 2013, are as follows (in thousands):

	2014	2013 [1]
Revenues:		
Electricity and thermal	$3,805,455	$3,774,723
Natural gas	2,169,020	1,643,661
Gross margin from energy trading	(2,327)	1,341
Total revenues	$5,972,147	$5,419,725

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation *standards (see Notes 2 and 23).*

5. INCOME TAXES

5.1.1. Breakdown of Income Tax Expense — Income tax expense for 2014 and 2013 consisted of the following (in thousands):

	2014	2013
Current	$ (7,829)	$ 9,232
Deferred	106,955	(101,184)
Provision (benefit) for income taxes	$ 99,126	$ (91,952)

Current income tax expense (benefit) includes $(14.7) million and $1 million in net taxes relating to prior periods and $9.0 million and $(0.8) million relating to unrecognized tax benefits in 2014 and 2013, respectively. Deferred tax expense (benefit) includes $(9.9) million and $(18.2) million relating to prior periods; $(9.3) million and $(6.2) million relating to unrecognized tax benefits in 2014 and 2013, respectively. Included in deferred income tax expense is the tax benefit of the New York state (NYS) regime change to unitary method.

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

	2014	2013 (1)
Computed "expected" tax expense at 35%	$ 119,390	$ (116,606)
Increase (decrease) in income taxes resulting from:		
State and local income taxes — net of federal benefit	(3,872)	(236)
Change in unrecognized tax benefits, related to net operating losses	(9,257)	9,794
Revisions in estimates of deferred taxes	5,474	9,661
Goodwill write-off	544	25,100
NYS regime change	(5,219)	-
Impact of other permanent differences	1,643	(2,799)
State unrecognized benefits from amended state returns and IRS audit	(5,049)	-
Change in tax reserves	(3,947)	(16,835)
Other	(581)	(31)
Provision (benefit) for income taxes	$ 99,126	$ (91,952)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards *(see Notes 2 and 23)*

In 2014, the effective tax rate is lower than the statutory rate primarily due to unrecognized state benefits from amended state returns and Internal Revenue Service adjustments, and favorable changes in unrecognized tax benefits related to net operating losses, driven primarily by recognition of New York net operating losses with the regime change. This is partially offset by an unfavorable effect of the state rate revaluation and release of contingency reserves. In 2013, the effective tax rate is higher than the standard rate primarily due to the unfavorable effect of Goodwill write off offset by the favorable change in tax reserves.

5.1.3 Deferred Tax Expense by Nature — Impacts on the consolidated statements of income for the years ended December 31, 2014 and 2013, are as follows (in thousands):

	2014	2013
Deferred tax assets:		
Loss carryforwards	$ 65,074	$ 24,412
Accruals and allowances	(78)	(17,444)
Tax credit carryforward, including FTC, AMT and Sec. 45 credits	1,902	(19,501)
Other	7,197	805
Deferred tax assets	74,095	(11,728)
Deferred tax liabilities:		
Depreciation and amortization	53,565	(41,079)
Derivative Instruments	(55,607)	(37,913)
Investments in partnerships	34,902	(10,464)
Deferred tax liabilities	32,860	(89,456)
Net deferred tax expense	$ 106,955	$(101,184)

5.2 Income Taxes Recorded Directly into Equity — At December 31, 2014 and 2013, changes in deferred taxes recognized directly into equity resulted from cash flow hedges, available for sale financial assets and other actuarial gains are as follows:

	2014	2013	Change
Other Comprehensive Income	$ 30,245	$ 12,944	$ 17,301
Total	$ 30,245	$ 12,944	$ 17,301

5.3 Deferred Income Taxes — Analysis of the net deferred tax position recognized in the consolidated statements of financial position at December 31, 2014 and 2013 (before netting of deferred tax assets and liabilities by tax entity), by type of temporary difference is as follows (in thousands):

	2014	2013 (1)
Deferred tax assets:		
Loss carryforwards	$ 294,739	$ 359,813
Accruals and allowances	80,168	80,090
Derivative instruments	86,329	13,421
Tax credit carryforward, including FTC, AMT and Sec. 45 credits	32,167	34,069
Other	-	7,079
Gross deferred tax assets	493,403	494,472
Deferred tax liabilities:		
Depreciation and amortization	(837,220)	(783,655)
Investments in partnerships	(66,131)	(31,229)
Other	(121)	-
Gross deferred tax liabilities	(903,472)	(814,884)
Net deferred tax liability	$(410,069)	$(320,412)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23)

A total of $326.9 million in deferred tax assets were recognized in respect of tax losses and tax credit carryforwards at December 31, 2014. The Company estimates that these carryforwards will be utilized over the next ten years. The Company also has $132.9 million of loss carryforwards, which are not recognized in the statement of financial position at December 31, 2014 due to uncertain tax positions and the expectation that the Company will not have taxable profits in certain state jurisdictions (see Note 5.4.1).

Deferred taxes are reported in the consolidated statements of financial position as of December 31, 2014 and 2013, as (in thousands):

	2014	2013 (1)
Noncurrent deferred income tax asset	$ 2,304	$ 633
Noncurrent deferred income tax liability	(412,373)	(321,045)
Net deferred tax liability	$(410,069)	$(320,412)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23)

The 2014 net change in deferred tax liabilities is $89.7 million, which is $17.3 million lower than the reported net deferred tax benefit, is attributable to the deferred taxes recorded through equity.

5.4.1 Deductible Temporary Differences not Recognized in the Consolidated Statements of financial position — The Company had unrecognized tax benefits relating primarily to federal loss carryforwards, capital loss and foreign tax credit carryforwards, state loss carryforwards and other deductible state temporary differences in the amount of $31.4 million and $52.9 million at December 31, 2014 and 2013, respectively, that, if recognized, would decrease the effective tax rate. The 2014 amount decreased primarily due to the recognition of New York net operating losses as a result of the change in the NYS filing regime to unitary.

The expiration dates for the unrecognized tax benefits at December 31, 2014, are presented as follows (in thousands):

Expiration Year	2015	2016	2017	2018	2019	After 2020 or w/o Expiration	Total
Foreign Tax Credit C/F	$ -	$ -	$ -	$ -	$ 4,167	$ -	$ 4,167
Capital Loss C/F	-	-	-	-	2,278	-	2,278
NOL	232	525	-	-	-	23,513	24,270
Fixed assets	-	-	-	-	-	719	719
Total	$ 232	$ 525	$ -	$ -	$ 6,445	$ 24,232	$ 31,434

5.4.2 Uncertain Tax Positions — A reconciliation of the Company's uncertain tax positions as of December 31, 2014, is as follows (in thousands):

	Tax Benefits
Balance — January 1, 2014	$ 109,410
Decreases related to settlements with taxing authorities	(5,523)
Increases based on tax positions prior to 2013	1,576
Increase from scope change	2,890
Balance — December 31, 2014	$ 108,353

Tax contingency reserves for uncertain tax positions are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated. In 2014, the Company acquired Leo Holding, which has a contingency tax reserve of $2.9 million (see Note 3). Uncertain tax positions of $6.9 million and $7.9 million are recorded in current provisions in the consolidated statements of financial position as of December 31, 2014 and 2013, respectively. The remaining uncertain tax position balance of $101.5 million for December 31, 2014 and 2013 is included in deferred taxes due to the Company's federal net operating loss position.

6. INTANGIBLE ASSETS

The Company's intangible assets as of December 31, 2014 and 2013, were as follows (in thousands):

2014	Intangible Asset Gross	Accumulated Amortization	Impairment	Carrying Amounts
Fuel, administrative, operating and maintenance, and other contracts	$ 10,015	$ (9,441)	$ -	$ 574
Water rights and other	23,667	(8,207)	(43)	15,417
Total intangible assets	$ 33,682	$ (17,648)	$ (43)	$ 15,991

2013 (1)	Intangible Asset Gross	Accumulated Amortization	Impairment	Carrying Amounts
Fuel, administrative, operating and maintenance, and other contracts	$ 10,015	$ (8,990)	$ -	$ 1,025
Water rights and other	23,667	(7,432)	-	16,235
Total intangible assets	$ 33,682	$ (16,422)	$ -	$17,260

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The majority of the Company's intangible assets have finite lives as they are related primarily to contracts, and are amortized on a straight-line basis over the terms of the respective contracts, which range from 15 to 30 years. The Company has intangible assets of $13.6 million related to water rights with indefinite lives, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

Changes during 2014 are attributable to amortization of fuel and other contracts, the removal of fully amortized expired contracts and write-off of fully impaired other intangibles. Amortization expense for intangible and other assets for the years ended December 31, 2014 and 2013, was $1.2 million and $1.5 million, respectively. Impairment is related to Northeastern Power Company (NEPCO) (See Note 8).

7. GOODWILL

Goodwill is the cost of a business combination over the Company's interest in the fair value of identifiable assets, liabilities, and contingent liabilities at the acquisition date. Goodwill is tested for impairment each year as of June 30, and as needed upon review of triggering events in the second half of the year. No impairment of goodwill has been recorded through December 31, 2014, as a result of the annual goodwill impairment test.

Goodwill was recast to $1.4 billion at January 1, 2013 and $1.3 billion at December 31, 2013 due to the application of consolidation standards (see Notes 2 and 23). Goodwill was reduced in 2013 by $71.7 million due to the partial disposal of Astoria Project Partners (see Note 3). At December 31, 2014, goodwill remained unchanged at $1.3 billion.

All goodwill has been allocated to the CGUs and tested for impairment based on data as of June 30, 2014. The calculation of the recoverable amount of CGUs is determined by reference to a value-in-use that is calculated using the discounted cash flow (DCF) method. Cash flow projections are drawn from the 2015 budget and from the medium-term 2016-2020 business plan, as approved by the Executive Committee and on extrapolated cash flows beyond that time frame.

Cash flow projections are drawn up on the basis of macroeconomic assumptions (inflation, exchange rates and growth rates) and price forecasts resulting from the Company's reference scenario for 2015-2035. The forecasts that feature in the reference scenario were approved by the Executive Committee. The forecasts and projections included in the reference scenario were determined on the basis of the following inputs:

- Forward market prices over the liquidity period for fuel (coal, oil, and gas) and electricity on different markets;
- Beyond this period, medium- and long-term energy prices were determined by the Company based on macroeconomic assumptions and fundamental supply and demand equilibrium models. More specifically, medium-and long-term electricity prices were determined by the Company using electricity demand forecasting models, medium- and long-term forecasts of fuel prices, and expected trends in installed capacity and in the technology mix of the production assets within each power generation system.

The CGUs, as determined in accordance with IAS 36, are the primary subsidiaries listed in Note 1, with the exception of GSEMNA. GSEMNA is not considered a stand-alone CGU because it does not have separate assets and independently identifiable cash flows.

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

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

Cash Generating Units	Amount of Goodwill	Measurement Method	Discount Rate
Gas	$ 245,449	DCF	7.0%
Generation	1,044,192	DCF	5.0% to 7.9%
Retail	8,003	DCF	8.5%

8. PROPERTY, PLANT, AND EQUIPMENT

8.1 Movements in Property, Plant, and Equipment — Movements in property, plant, and equipment at December 31, 2014 and 2013, are as follows (in thousands):

	Land	Plant and Equipment	Finance Leases	Construction in Progress	Total
Gross book value — January 1, 2013 — at cost [1]	$ 147,934	$ 8,619,739	$ 488,629	$ 176,674	$ 9,432,976
Additions	-	4,442	-	110,284	114,726
Disposals	-	(81,760)	-	(22,303)	(104,063)
Transfers	18	104,116	-	(154,403)	(50,269)
Sale of Astoria	(40,300)	(1,128,219)	-	(100)	(1,168,619)
Sale of CGLP	-	(8,999)	(488,629)	-	(497,628)
Gross book value — December 31, 2013 — at cost [1]	107,652	7,509,319	-	110,152	7,727,123
Additions	1,125	83,794	-	164,771	249,690
Disposals	-	(60,414)	-	(62)	(60,476)
Transfers	-	158,398	-	(101,102)	57,296
Sale of Syracuse	(850)	(58,875)	-	355	(59,370)
Gross book value — December 31, 2014 — at cost	$ 107,927	$ 7,632,222	$ -	$ 174,114	$ 7,914,263
Accumulated depreciation and impairment — January 1, 2013 [1]	$ (228)	$ (1,792,279)	$ (237,530)	$ (37,019)	$ (2,067,056)
Disposals	-	64,525	-	-	64,525
Impairment	-	(478,728)	-	-	(478,728)
Transfers	-	52,459	-	-	52,459
Sale of Astoria	-	121,903	-	-	121,903
Sale of CGLP	-	15,047	238,848	707	254,602
Charge for the year	-	(362,085)	(1,318)	-	(363,403)
Accumulated depreciation and impairment — December 31, 2013 [1]	(228)	(2,379,158)	-	(36,312)	(2,415,698)
Disposals	-	51,834	-	-	51,834
Impairment	-	(54,877)	-	-	(54,877)
Transfers	-	(2,899)	-	-	(2,899)
Charge for the year	-	(313,454)	-	-	(313,454)
Sale of Syracuse	-	56,370	-	-	56,370
Accumulated depreciation and impairment — December 31, 2014	$ (228)	$ (2,642,184)	$ -	$ (36,312)	$ (2,678,724)
Carrying amount:					
January 1, 2013 [1]	$ 147,706	$ 6,827,460	$ 251,099	$ 139,655	$ 7,365,920
December 31, 2013 [1]	107,424	5,130,161	-	73,840	5,311,425
December 31, 2014	107,699	4,990,038	-	137,802	5,235,539

(1) Comparative data at January 1, 2013 and December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

In 2014, the Company recorded net impairment expense of $54.9 million related to property, plant, and equipment, primarily related to recording and impairing an ARO for the Neptune LNG asset and Mt. Tom plant for the amount of $38 million and $1.3 million, respectively (See Note 3). Depressed natural gas prices triggered asset impairment of $18.6 million at the NEPCO facility in 2014. Subsequent to the sale of Syracuse, the Company reversed the impairment by $3 million, the purchase price, and wrote-off the net assets sold (see Note 3).

In 2014, loss on disposal of assets - net of $8.2 million is composed of losses related to major outages and repairs at Wise County Power Company LLC ($2.8 million) and Midlothian Energy Limited Partnership ($2.8 million). The Company recorded other insignificant asset disposals ($2.6 million) at several other plants.

In 2014, long-term spare parts inventory of $54.4 million was reclassified into property, plant, and equipment and is included in 2014 transfers (See Note 2 G).

In 2013, the Company recorded net impairment expense of $479 million related to property, plant, and equipment. The Company suspended its offshore LNG regasification project due to supply constraints and fully impaired the asset for $363 million. Depressed gas prices triggered asset impairment in 2013, resulting $32 million at Mt.Tom, $40 million at CT.Hydro, $31 million at NEPCO facility, $7 million at Fitchburg, and $4 million at Northumberland facility.

In 2013, loss on disposal of assets - net of $31.3 million is composed of losses related to outages and repairs at Astoria ($4.9 million) and Hays ($3.8 million). Other insignificant asset disposals ($2 million) at several other plants and a reversal of capitalized interest of ($20.6 million).

The Company accrued a total of $0.3 million and $1 million in construction costs for property, plant, and equipment in 2014 and 2013, respectively. The Company also transferred $32.8 million and $3.2 million from other current assets to property, plant, and equipment related to maintenance performed under long-term service agreements (LTSAs) in 2014 and 2013, respectively. $30.6 million was transferred from other payables to property, plant, and equipment in 2014 related to maintenance performed under long-term warranty agreements (LTWAs) (see Note 2 J).

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

Development commitments at FirstLight	$ 7,131
Maintenance — LTSAs	919,585
Total	$ 926,716

FirstLight Power Services, Inc ("FirstLight") started a construction project at its Northfield facility that will involve the overhaul of each of the motor-generator pump turbine units. The project includes strengthening of four rotors, three new turbines, four new generator windings, refurbished poles in existing units, and a new transformer. The project is expected to increase the rated capacity of each unit by 22 megawatts and also increase energy production efficiency and began in January 2011 with a planned completion date of May 2016.

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

Borrowing costs capitalized on construction-in-progress expenditures were $1 million and $0.6 million in 2014 and 2013, respectively.

9. EQUITY METHOD INVESTMENTS

The Company accounts for its interest in investments in associates and joint ventures using the equity method. The respective contributions of associates and joint ventures at December 31, 2014 and December 31, 2013 are as follows (in thousands):

	2014	2013 (1)
Consolidated statement of financial position		
Investments in associates	155,216	281,459
Investments in joint ventures	210,552	231,286
Equity method investments	365,768	512,745
Consolidated statement of income		
Share in net (loss) of associates	(21,959)	(1,084)
Share in net income of joint ventures	142,143	52,282
Share in net income of equity method investments	120,184	51,198

(1) Comparative data at January 1, 2013 and December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

9.1 Investments in Associates — Investments in associates breakdown as of December 31, 2014 and 2013, are as follows:

Name of the entity	Nature of relationship with the Group	Principal place of business/Country of incorporation	% of economic interest 2014	% of economic interest 2013	% of voting rights 2014	% of voting rights 2013	% of legal ownership interest 2014	% of legal ownership interest 2013
Astoria Project Partners LLC	Generation	USA	44.79%	44.79%	37.96%	37.96%	37.96%	37.96%
Astoria Project Partners II LLC	Generation	USA	27.75%	27.75%	20.00%	20.00%	27.75%	27.75%
Shreveport Red River Utilities, LLC	Generation	USA	39.20%	39.20%	39.20%	39.20%	39.20%	39.20%

9.1.1 Key Figures of Associates — Key figures of associates are presented on a 100% basis, in accordance with IFRS 12. As of December 31, 2014 and 2013, the figures are as follows (in thousands):

	Astoria Project Partners LLC 2014	Astoria Project Partners LLC 2013	Astoria Project Partners II LLC 2014	Astoria Project Partners II LLC 2013	Shreveport Red River Utilities, LLC 2014	Shreveport Red River Utilities, LLC 2013	Total 2014	Total 2013
Revenue	294,721	225,536	138,491	137,553	-	-	433,212	363,089
Net (loss) income	(34,133)	9,067	4,865	2,987	341	425	(28,927)	12,479
Other comprehensive (loss)	-	-	(227,155)	(158,285)	-	-	(227,155)	(158,285)
Total comprehensive income (loss)	(34,133)	9,067	(222,290)	(155,298)	341	425	(256,082)	(145,806)
Current Assets	36,339	36,981	17,898	15,994	1,080	991	55,317	53,966
Non-Current Assets	567,953	575,645	1,137,146	1,157,556	2,192	3,240	1,707,291	1,736,442
Current Liabilities	35,415	81,208	83,970	62,961	-	-	119,385	144,168
Non-Current Liabilities	693,000	481,397	1,179,064	1,074,100	-	-	1,872,064	1,555,497
Total Equity	(123,123)	50,019	(107,990)	36,489	3,272	4,231	(227,841)	90,739
% of economic interest	44.79%	44.79%	27.75%	27.75%	39.20%	39.20%		
Investment in associate	(56,748)	22,294	(30,173)	10,126	1,283	1,659	(85,638)	34,079

9.1.2 Reconciliation of carrying value of associates – The reconciliation of the carrying value of associates as of December 31, 2014 and 2013, are as follows (in thousands):

	Astoria Project Partness LLC 2014	Astoria Project Partness LLC 2013	Astoria Project Partners II LLC 2014	Astoria Project Partners II LLC 2013	Shrevport Red River Utilities LLC 2014	Shrevport Red River Utilities LLC 2013	Total 2014	Total 2013
Investment in associate	(56,748)	22,294	(30,173)	10,126	1,283	1,659	(85,638)	34,079
Goodwill/Premium Amort	207,264	212,869	33,591	34,511	-	-	240,855	247,380
Carrying value of Group's Interest	150,515	235,163	3,418	44,637	1,283	1,659	155,216	281,459
Dividend Received from Associate	62,331	-	22,332	8,785	510	768	85,172	9,553
Share in net income (loss) of Associate	(22,317)	(1,015)	224	(236)	134	167	(21,959)	(1,084)

The Company adjusts its share of the carrying value of associates for the amortized portion of the premium paid for its investment and its portion of other comprehensive income in Astoria Project Partners LLC and Astoria Project Partners II LLC.

9.2 Investments in Joint Ventures — Breakdown of investments in joint ventures as of December 31, 2014 and 2013, are as follows:

Name of the entity	Nature of relationship with the Group	Principal place of business/Country of incorporation	% of equity interest 2014	% of equity interest 2013	% of voting rights 2014	% of voting rights 2013	% of legal ownership interest 2014	% of legal ownership interest 2013
Northeast Energy, LP	Generation	USA	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Freeport Power Limited	Generation	USA	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Winooski One Partnership	Generation	USA	50.00% *	50.00%	50.00% *	50.00%	50.00% *	50.00%
SUEZ-DEGS of Owings Mills, LLC	Generation	USA	51.00% *	51.00%	51.00% *	51.00%	51.00% *	51.00%
Owings Mills Energy Equipment Leasing LLC	Generation	USA	51.00% *	51.00%	51.00% *	51.00%	51.00% *	51.00%
Pepco Energy Services -Suez Thermal, LLC	Generation	USA	0.00%	50.00% **	0.00%	50.00% **	0.00%	50.00% **

*The Company sold its interest during 2014.
** The Company sold its interest during 2013.

9.2.1 Key Figures of Joint Ventures — Key figures of joint ventures are presented on a 100% basis, in accordance with IFRS 12. As of December 31, 2014 and 2013, the figures are as follows (in thousands):

	Freeport Power Limited 2014	Freeport Power Limited 2013	Northeast Energy LP 2014	Northeast Energy LP 2013	Other Joint Ventures 2014	Other Joint Ventures 2013	Total 2014	Total 2013
Revenue	192,553	204,779	166,825	161,289	5,441	4,658	364,818	370,726
Depreciation/Amortization	(12,288)	(12,288)	(30,353)	(30,204)	(417)	(898)	(43,058)	(43,390)
Interest Income	22	19	3	3	359	691	383	713
Income Expense	(4,050)	(1,529)	(1,231)	(1,210)	354	(603)	(4,927)	(3,341)
Income tax expense	(458)	(548)	-	-	-	-	(458)	(548)
Net income (loss)	46,104	57,058	156,048	45,093	13,542	(431)	215,694	101,719
Other comprehensive income (loss)	(3,233)	-	-	-	-	-	(3,233)	-
Total comprehensive income (loss)	42,871	57,058	156,048	45,093	13,542	(431)	212,461	101,719
Total Non-Current Asset	162,852	169,742	460,730	368,777	-	9,389	623,582	547,908
Cash and cash equivalent	18,710	28,962	35,215	15,931	-	450	53,925	45,343
Total current asset	21,509	47,276	131,286	66,997	(9)	8,657	152,786	122,930
Non-current financial liabilities	181,496	-	-	-	-	-	181,496	-
Total Non-Current liabilities	190,251	7,747	90,207	61,886	-	-	280,458	69,633
Current financial liabilities	15,522	8,951	-	-	-	-	15,522	8,951
Total Current liabilities	19,640	29,317	35,408	19,713	-	8,427	55,048	57,457
Total Equity	(25,529)	179,955	466,400	354,175	(8)	9,617	440,863	543,747
% of economic interest	50.00%	50.00%	50.00%	50.00%	Various	Various		
Investment in Joint Ventures	(12,765)	89,978	233,200	177,087	(4)	4,826	220,431	271,891

9.2.2 Reconciliation of carrying value of Joint Ventures – The reconciliation of the carrying value of joint ventures as of December 31, 2014 and 2013, are as follows (in thousands):

	Freeport Power Limited		Northeast Energy LP		Other Joint Ventures		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Investment in Joint Ventures	(12,765)	89,978	233,200	177,087	(4)	4,826	220,431	271,891
Goodwill/Other Adjustments	47,621	11,951	(57,500)	(54,111)	-	1,555	(9,879)	(40,605)
Carrying value of Group's Interest	34,856	101,929	175,700	122,976	(4)	6,381	210,552	231,286
Dividend Received from Joint Ventures	124,177	25,250	25,300	26,875	11,637	6,744	161,115	58,869
Share in net income (loss) of Joint Ventures	58,861	12,110	78,025	40,382	5,257	(210)	142,143	52,282

10. INVENTORIES

Major classes of inventory at December 31, 2014 and 2013 were as follows (in thousands):

	2014	2013 (1)
LNG inventory	$ 90,402	$ 84,030
Natural gas and other fuel inventory	112,215	129,786
Spare parts	6,207	70,023
Green certificates	22,006	16,267
Greenhouse (emission allowances)	37,422	47,609
Other inventory	9,355	4,538
Total inventories	$277,607	$352,253

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The Company had fair value adjustments of $21.5 million as of December 31, 2014 and $5.2 as of 2013, respectively. The 2014 adjustments consisted of LNG inventory of $6 million, coal inventory of $4.1 million and Greenhouse (emission allowances) of $11.4 million. The 2013 adjustment was related to natural gas inventory.

In 2014, $54.4 million of long-term spare parts inventory was reclassified into property, plant, and equipment (see Note 2 G).

11. OTHER ASSETS

11.1 Other Non-current Assets — Other non-current assets at December 31, 2014 and 2013, were as follows (in thousands):

	2014	2013 (1)
Other noncurrent assets:		
Supplemental executive retirement plan cash surrender value	$ 8,403	$ 7,330
Rabbi trust	26,792	26,819
Prepaid broker fees	780	249
Other noncurrent assets	25,449	151
Long-term restricted cash	18,871	18,957
Total other noncurrent assets	$80,295	$53,506

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The prepaid asset of $25.4 million related to the Leo Holding lease and sublease is included in Other non-current assets (see Notes 3 and 16).

11.2 Other Current Assets — Other current assets at December 31, 2014 and 2013, were as follows (in thousands):

	2014	2013 (1)
Other current assets:		
Prepaid expenses	$ 122,327	$ 76,548
Current taxes	2,458	-
Other current assets	9,607	14,388
Current portion of loan receivable	5,839	5,888
Total other current assets	$ 140,231	$ 96,824

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

12. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

12.1 Financial Assets — The Company's financial assets are classified under the following categories at December 31, 2014 and 2013 (in thousands):

	2014 Noncurrent	2014 Current	2014 Total	2013 (1) Total
Available-for-sale securities	$ 4,610	$ -	$ 4,610	$ 2,951
Trade and other receivables — net	69,869	575,487	645,356	503,981
Short-term notes receivable from affiliates	-	5,457	5,457	173,217
Cash and cash equivalents	-	34,233	34,233	15,587
Total financial assets	$69,869	$615,177	$685,046	$692,785

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

12.1.1 Available-for-sale Securities — The Company's available-for-sale securities amounted to $4.6 million and $3.0 million at December 31, 2014 and 2013, respectively.

At January 1, 2013	$ -
Acquisitions	2,951
At December 31, 2013	2,951
Acquisitions	7,990
Changes in fair value recorded in equity	(6,331)
At December 31, 2014	$ 4,610

In 2013, the Company acquired an interest in Choose Energy, a privately held entity. In 2014, the Company acquired stock in One Roof Energy (One Roof), a publicly traded company. The change in fair value in 2014 is recorded in the consolidated statement of comprehensive income.

12.1.2 Loans and Receivables Carried at Amortized Cost — Loans and receivables carried at amortized cost at December 31, 2014 and 2013, were as follows (in thousands):

	2014 Noncurrent	2014 Current	2014 Total	2013 (1) Total
Trade and other receivables — net:				
Trade debtors	$ -	$ 159,204	$ 159,204	$ 153,286
Trade-debtors-related accounts	-	80,746	80,746	53,756
Unbilled revenue	-	184,098	184,098	180,720
Allowance for doubtful accounts	-	(3,787)	(3,787)	(5,685)
Loans and receivables carried at amortized cost — NC	69,869	-	69,869	76,024
Collateral cash — asset	-	155,226	155,226	45,880
Total trade and other receivables — net	69,869	575,487	645,356	503,981
Notes receivable from affiliates — cash pool	-	5,457	5,457	173,217
Total	$69,869	$580,944	$650,813	$677,198

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

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

12.1.3 Cash and Cash Equivalents and Restricted Cash — The Company's financial risk management policy is described in Note 2 H. Cash and cash equivalents totaled $34.2 million and $15.6 million at December 31, 2014 and 2013, respectively, which includes restricted cash of $3.3 million at December 31, 2014, and $1.3 million at December 31, 2013, and excludes noncurrent restricted cash of $18.9 million at December 31, 2014 and $19.0 million at December 31, 2013.

12.2 Financial Liabilities — The Company's financial liabilities at December 31, 2014 and 2013 are as follows (in thousands):

	2014 Noncurrent	2014 Current	2014 Total	2013 (1) Total
Borrowings (Note 14, financial debt and borrowings)	$2,500,566	$ 693,028	$3,193,594	$3,274,101
Trade and other payables	-	337,582	337,582	340,856
Total	$2,500,566	$1,030,610	$3,531,176	$3,614,957

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

12.2.1 Trade and Other Payables — Trade and other payables at December 31, 2014 and 2013, were as follows (in thousands):

	2014			2013 (1)
	Noncurrent	Current	Total	Total
Trade accounts payable	$ -	$ 148,237	$ 148,237	$ 163,378
Accounts payable — related party	-	71,659	71,659	62,488
Collateral cash	-	3,100	3,100	1,050
Accrued expenses	-	114,586	114,586	113,940
Total	$ -	$337,582	$337,582	$340,856

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

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

At December 31, 2014 and 2013, the Company's carrying value of long-term fixed-rate debt and estimated fair values of long-term fixed-rate debt were as follows (in thousands):

	2014		2013 (1)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term fixed-rate debt	$ 2,336,555	$ 2,465,472	$ 2,358,190	$ 2,544,201

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

13. RISK MANAGEMENT ACTIVITIES

13.1 Risk Management Activities—Trading—Through November 20, 2013, the Company employed various types of instruments, including futures, forwards, swaps, options, and other physical and financial instruments for the purposes of risk management and trading activities. The trading activities included both exchange-traded and bilateral contracts. GSEMNA conducted those trading activities to generate profits on short-term differences in market prices. This trading activity was centered on commodities and geographical areas in which the Company has an asset presence, and was governed through the use of various limits, including value at risk (VaR), deal tenor, and location restrictions. This trading activity was terminated on November 20, 2013. GSEMNA now focuses on managing the forward commodity risk associated with the assets and commercial activities of GSENA. See Note 13.2, Risk Management Activities – Nontrading below.

Through March 31, 2014, the Company's hedging activity related to its gas storage was considered a trading activity. The Company included the fair value of its hedges of gas inventory held for trading purposes in the derivative instruments line items in the consolidated statements of financial position. The measurement of the gas inventory was in accordance with the broker-trader exemption under IAS 2. The Company ceased its use of this exemption on March 31, 2014 and no longer considers the hedging of gas

storage a trading activity. GSEMNA focuses on utilizing the storage and associated inventory to support GSENA's generation facilities rather than for trading purposes.

In accordance with IAS 39, the Company accounts for all trading activity at fair value under the mark-to-market method of accounting, with changes in the value of open positions recorded through income. Because GSEMNA previously conducted its trading activity to generate profit from short-term movements in market price, the assets and liabilities are recorded at market value, net of future physical delivery-related costs and reserves, as current assets and liabilities in the derivative instruments line items in the consolidated statements of financial position. Trading assets and liabilities recorded in the statements of financial position as of December 31, 2014, represent the forward positions remaining related to trading activities. Trading assets and liabilities will remain on the statement of financial position until settlement, but all trading positions executed prior to November 20, 2013, have been closed.

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

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

Financial Risk Management Derivatives—The Company manages its exposure to fluctuations in foreign currency exchange rates and interest rates in its financial risk management activities. The Company uses interest-rate swap agreements to effectively convert a portion of its floating-rate debt to a fixed-rate basis, thus reducing the impact of interest rate changes on future income. These agreements involve the receipt of floating-rate amounts in exchange for fixed-rate interest payments over the life of the agreements without an exchange of the underlying principal amount. Certain interest-rate swaps are accounted for as *cash flow hedges*.

The Company limits its exposure to foreign currency fluctuations by entering into foreign currency swap agreements, which effectively fix the exchange rates of transactions required to be settled in currencies other than the U.S. dollar, and cross-currency swaps to hedge investments in foreign currencies.

As described in Note 20, the Company entered into warrant agreements under which it will receive cash to settle its liability incurred via stock appreciation rights issued to employees. The Company accounts for those warrants as derivatives under IAS 39. The fair value of the warrants as of December 31, 2014 and 2013, was $3.1 million and $0.8 million, respectively, which was included in the derivative instruments *line items in the consolidated statements of financial position. The Company recognized the warrants'* change in value in personnel costs. The counterparty to those warrants is an investment-grade entity, and those warrants will continue to settle in 2015. Note 20 further discusses the warrants along with other share-based transactions.

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

The Company uses commodity futures and swaps to hedge price risk exposure on future sales of vaporized LNG under a hedge program. *However, the Company ceased cash flow hedge accounting for its LNG* vapor sales portfolio in 2013. Under the futures and swaps, the Company receives a fixed price and pays a floating price, respectively, which effectively fixes the price the Company expects to receive for its future natural gas sales. The Company settles those swaps in cash, rather than by physical delivery of natural gas.

The Company also uses commodity futures and swaps to hedge price risk exposure on future sales of LNG. Certain of the swaps are designated as cash flow hedges while commodity futures and swaps for other sales of LNG are not designated as cash flow hedges. Under the futures and swaps, the Company receives a fixed price and pays a floating price, respectively, which effectively fixes the price the Company expects to receive for its future LNG sales. The Company settles those swaps in cash, rather than by physical delivery of natural gas. For the swaps designated as cash flow hedges, the hedged forecasted transactions are sales of LNG, the price of which is referenced to average natural gas prices from the year prior to physical delivery. The Company recognizes the realized gains and losses on its commodity swap contracts that qualify as cash flow hedges when the related LNG is sold. As of December 31, 2014 and 2013, gains of $0.1 million and $3.3 million, respectively, remained in equity (net of deferred taxes) to be recognized when the LNG sales referencing the prior year gas prices are made.

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

The Company also owns certain transportation rights for gas in the northeastern portion of the United States. Because the Company has established a history of reselling portions of that transportation, the Company marked those transportation positions to market in 2013. See Note 13.6, Fair Value of Financial Instruments and Derivatives below.

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

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

The Company uses swaps and forward physicals to mitigate the exposure to forward electricity price changes on its forecasted electricity purchases necessary to satisfy its retail sales load. Under the swaps, the Company pays a fixed price and receives a floating price, which effectively fixes the price the Company pays for the electricity. Prior to 2013, the Company accounted for qualifying hedges of its forecasted electricity purchases as cash flow hedges.

As of May 1, 2013, the Company discontinued hedge accounting for the retail supply portfolio and the LNG vapor sales portfolio. Mark-to-market values recorded in equity for these previously designated hedges will be reclassified to earnings as the originally designated forecasted transactions impact earnings. The other comprehensive income, net of deferred taxes, remaining in equity related to de-designated hedges as of December 31, 2014, is a gain of $2.2 million and relates solely to the retail supply portfolio. During 2014, gains of $1.7 million related to the LNG vapor sales and gains of $8.6 million related to the retail supply portfolio were reclassified into earnings. The remaining other comprehensive income related to the retail supply portfolio will be reclassified into earnings through 2019.

During the reporting period, no forecasted transactions in the Company's various commodity cash flow hedging programs were considered probable of not occurring.

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

Financial Position Treatment—The Company accounts for its nontrading derivatives at fair value on the consolidated statements of financial position in accordance with IAS 39. A summary of the Company's trading and nontrading derivative short-term and long-term assets and liabilities as of December 31, 2014 and 2013, is as follows (in thousands):

	2014			2013 (1)
	Current	Non-Current	Total	Total
Derivative assets at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ 3,689	$ -	$ 3,689	$ 13,283
Derivative instruments (including commodity derivatives) — undesignated hedges	264,018	63,033	327,051	371,284
Derivative instruments — commercial contracts	34,096	17,739	51,835	59,582
Derivative instruments — undesignated Financials Hedges and warrants	4,888	3,285	8,173	4,164
Total derivative assets at fair value through income	306,691	84,057	390,748	448,313
Designated hedges — Commodity	-	-	-	2,433
Total designated hedges	-	-	-	2,433
Total derivative assets	$306,691	$ 84,057	$390,748	$450,746

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

	2014			2013 (1)
	Current	Non-Current	Total	Total
Derivative liabilities at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ 7,710	$ -	$ 7,710	$ 22,831
Derivative instruments (including commodity derivatives) — undesignated hedges	362,243	128,993	491,236	395,391
Derivative instruments — commercial contracts	9,065	20,797	29,862	59,326
Total derivative liabilities at fair value through income	379,018	149,790	528,808	477,598
Designated hedges:				
Commodity	-	-	-	470
Financial	415	-	415	984
Total designated hedges	415	-	415	1,454
Total derivative liabilities	$ 379,433	$ 149,790	$ 529,223	$ 479,052

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The Company's current and noncurrent derivative assets and liabilities at fair value by type as of December 31, 2014 and 2013, are as follows (in thousands):

	2014				2013			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Designated hedges:								
Natural gas:								
Forwards/futures	$ -	$ -	$ -	$-	$ -	$ -	$ (470)	$ -
Swap	-	-	-	-	2,433	-	-	-
Total natural gas	-	-	-	-	2,433	-	(470)	-
Electricity:								
Forwards/futures	-	-	-	-	-	-	-	-
Swap	-	-	-	-	-	-	-	-
Total electricity	-	-	-	-	-	-	-	-
Financial:								
Interest rate	-	-	(415)	-	-	-	(639)	(345)
Exchange	-	-	-	-	-	-	-	-
Total financial	-	-	(415)	-	-	-	(639)	(345)
Other	-	-	-	-	-	-	-	-
Total designated hedges	$ -	$ -	$ (415)	$-	$ 2,433	$ -	$ (1,109)	$ (345)

	2014				2013 (1)			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Undesignated hedges:								
Natural gas:								
Forwards/futures	$ 17,372	$ -	$ (379)	$ (83)	$ 12,234	$ 4,603	$ (88)	$ -
Options	3,703	-	-	-	-	-	-	-
Swap	138,467	20,898	(85,292)	(19,361)	111,044	63,783	(86,005)	(30,823)
Total natural gas	159,542	20,898	(85,671)	(19,444)	123,278	68,386	(86,093)	(30,823)
Electricity:								
Forwards/futures	40,641	18,067	(67,159)	(45,784)	76,326	37,430	(66,907)	(37,048)
Options	160	-	(3,423)	-	1,176	11	(173)	-
Swap	52,228	29,259	(177,378)	(62,403)	56,755	23,844	(99,539)	(64,367)
Total electricity	93,029	47,326	(247,960)	(108,187)	134,257	61,285	(166,619)	(101,415)
Crude:								
Options	-	-	-	-	-	-	(1,996)	(41)
Swap	-	-	-	-	-	-	(5,964)	(159)
Total crude	-	-	-	-	-	-	(7,960)	(200)
Warrants (Note 20)	415	2,735	-	-	415	402	-	-
Financial:								
Exchange	4,473	550	-	-	1,447	1,900	-	-
Interest rate	-	-	-	-	-	-	-	-
Total financial	4,473	550	-	-	1,447	1,900	-	-
Other	11,447	(5,191)	(28,612)	(1,362)	(16,779)	857	1,271	(3,552)
Trading assets and liabilities	3,689	-	(7,710)	-	13,283	-	(22,881)	-
Commercial contracts	34,096	17,739	(9,065)	(20,797)	10,772	48,810	(11,970)	(47,356)
Total undesignated derivatives	$ 306,691	$ 84,057	$ (379,018)	$ (149,790)	$ 266,673	$181,640	$ (294,252)	$ (183,346)
Grand total all derivatives	$ 306,691	$ 84,057	$ (379,433)	$ (149,790)	$ 269,106	$181,640	$ (295,361)	$ (183,691)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

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

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

Accounting for the Change in Risk Management Derivative Values—For derivatives not designated as cash flow hedges, the Company immediately recognizes changes in the fair value of nonhedge derivatives in the "Mark-to-market on commodity contracts other than trading instruments" line of the consolidated statements of income.

The Company recognizes the effective portion of changes in fair values of derivatives appropriately documented as cash flow hedges of forecasted transactions in equity until the hedged transactions occur and are recognized in earnings. The following table shows the year in which the Company expects the derivatives that were designated as cash flow hedges as of December 31, 2014, to affect earnings. Impacts from other comprehensive income balances of equity method investees are excluded. The first table discloses the notional amount of the commodity hedged forecasted transaction (in gigawatt hours (GWh)) and the second table discloses the notional amount of the financial instrument hedged forecasted transactions (in thousands):

	Year of Earnings Impact (GWh)				
	2015	2016	2017	2018+	Total
Commodity — LNG	(787)	-	-	-	(787)
Total commodity hedges	(787)	-	-	-	(787)

	Year of Earnings Impact (in thousands)				
	2015	2016	2017	2018+	Total
Financial hedges — expected swap settlements	$ 1,011	-	-	-	$ 1,011
Total financial hedges	$ 1,011	-	-	-	$ 1,011

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

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

The movements in other comprehensive income (loss) resulting from the Company's cash flow hedge activity and the Company's share of equity method investees' other comprehensive income, including the recognition of ineffectiveness in earnings as of December 31, 2014 and 2013, are as follows (in thousands):

	2014	2013
Other comprehensive income (loss) movements:		
(Loss) gain recognized in equity — effective portion of the hedge	$ (32,998)	$ 80,636
(Loss) in equity from reclasses to income — settlement	(10,152)	(44,666)
Profit and loss — gains recognized for hedge ineffectiveness	7	63

Accounting for the Settlement of Risk Management Derivatives—When the Company realizes its mark-to-market assets and liabilities related to its nontrading risk management activities, it records that settled result in operating earnings. The Company reflects electricity and steam sales as revenue and records the cost of purchasing fuel commodities to satisfy those sales in purchases in the consolidated statements of income. For the years ended December 31, 2014 and 2013, the Company recorded $205 million and $40.7 million, respectively, in gross margin for the settlement of risk management derivatives, including both designated and undesignated hedges.

The Company's trading and nontrading financial and commodity derivative results as of December 31, 2014 and 2013, are as follows (in thousands):

	2014			2013 (1)		
	Expenses	Income	Net	Expenses	Income	Net
Finance cost on borrowings:						
Interest on gross borrowings, including guarantee and other fees	$ -	$ -	$ -	$ -	$ -	$ -
Bank and other interest income	(142,942)	114	(142,828)	(199,308)	1,583	(197,725)
Gains and losses on hedges of borrowings	-	-	-	(473)	-	(473)
Financial (expense) income	(142,942)	114	(142,828)	(199,781)	1,583	(198,198)
Commodity derivative (loss) income:						
Unrealized change in undesignated hedges	(122,533)	-	(122,533)	(96,073)	-	(96,073)
Designated hedge ineffectiveness	-	7	7	-	63	63
Unrealized change in value of commercial contracts marked to market	(34,997)	56,832	21,835	(89,411)	-	(89,411)
Mark to market on commodity contracts other than trading instruments	(157,530)	56,839	(100,691)	(185,484)	63	(185,421)
Gross margin from energy trading (Note 4)	(2,327)	-	(2,327)	-	1,341	1,341
Total financial (expense) income	$(302,799)	$56,953	$(245,846)	$(385,265)	$ 2,987	$(382,278)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

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

The Company's VaR measurements for its trading portfolio as of December 31, 2014 and 2013, are as follows (in millions):

	Trading
Opening VaR:	
January 1, 2014	0.25
January 1, 2013	0.18
Closing VaR:	
December 31, 2014	0.00
December 31, 2013	0.25
Average VaR:	
December 31, 2014	0.00
December 31, 2013	0.72
Maximum VaR:	
December 31, 2014	0.26
December 31, 2013	1.78
Minimum VaR:	
December 31, 2014	0.00
December 31, 2013	0.06

VaR measurements as of December 31, 2014, reflect the fact that the Company terminated its trading activity in 2013 and had offset all open positions by early 2014. See Note 13.1, Risk Management Activities – Trading above.

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

	2014			2013 [1]		
Sensitivity Analysis	Price Movements	Pretax Impact on Income	Pretax Impact on Equity	Price Movements	Pretax Impact on Income	Pretax Impact on Equity
Fuels (Oil)	+$10/bbl	$ -	$ -	+$10/bbl	$ (8,827)	$ -
Natural gas	+$3.65/MWh	17,669	-	+$4/MWh	(47,554)	(2,139)
Electricity	+$6.08/MWh	86,222	-	+$7/MWh	11,952	-
Emission rights	+$2.43/ton	(153)	-	+$3/ton	250	-
Electrical Capacity	+10%	(6,540)	-	+$7/MW	2,685	-
Transport Capacity	+$.03/mmbtu	8,450	-	+$.02/mmbtu	5,123	-
Foreign Exchange	+$.02/$CAD	535	-	+$.02/$CAD	1,541	-

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

In addition to the commodity risks listed in the above table, the Company is also exposed to movements in equity balances that are sensitive to changes in forward interest rates. As of December 31, 2014 and 2013, the Company has two outstanding interest rate hedges that effectively fix the interest payments under variable rate debt. The interest rate hedges are fully designated as cash flow hedges and are highly effective, thus changes in forward interest rates only impact equity balances. Due to the limited duration of the swaps and the current low interest rate environment, a 10% movement in the forward rates would impact equity by less than $0.1 million and $0.3 million as of December 31, 2014 and 2013, respectively.

13.4 Liquidity Risk—Because the Company's risk management activities contractually obligate it to exchange commodities and cash flows based on commodity prices at future dates, the Company is exposed to the risk that it will not be able to purchase or sell commodities at those dates to fulfill its obligations. That liquidity risk can limit the Company's ability to mitigate its market price risk exposure. The Company applies a valuation reserve to adjust the fair value of its mark-to-market commodity assets and liabilities to fair value. That reserve is more fully explained in Note 13.6, Fair Value of Financial Instruments and Derivatives below. The undiscounted cash flows on debt by maturity are shown in Note 14.5 and the undiscounted cash flows on leases by maturity are shown in Note 16. The undiscounted cash flows on derivatives that the Company expects to receive or pay, by the year of expected payment, on its derivative contracts as of December 31, 2014 and 2013, are as follows (in millions):

	< 1 Year	2 Years	3 Years	4 Years	5+ Years	Total
December 31, 2014:						
Derivative financial liabilities	$ (372.1)	(101.9)	$ (27.1)	$ (7.6)	$ (11.6)	$ (520.3)
Derivative financial assets	315.8	63.9	13.0	5.2	3.5	401.4
Total December 31, 2014	$ (56.3)	$ (38.0)	$ (14.1)	$ (2.4)	$ (8.1)	$ (118.9)
December 31, 2013 (1):						
Derivative financial liabilities	$ (290.3)	(111.2)	$ (36.3)	$ (10.3)	$ (28.5)	$ (476.6)
Derivative financial assets	276.9	119.2	33.7	14.0	21.4	465.2
Total December 31, 2013	$ (13.4)	$ 8.0	$ (2.6)	$ 3.7	$ (7.1)	$ (11.4)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The warrants discussed in Note 13.2, *Risk Management Activities -- Nontrading* are excluded from the table above.

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

13.5 Major Customers and Concentrations of Credit Risk—Credit risk relates to the risk of loss associated with nonperformance by counterparties. The Company maintains credit risk policies that govern the management of credit risk. These policies require an evaluation of a potential counterparty's financial condition, credit rating, and other quantitative and qualitative criteria; this evaluation results in establishing credit limits or collateral requirements prior to entering into an agreement with a counterparty. Additionally, the Company has established controls to determine and monitor the appropriateness of these limits on an ongoing basis. Risk mitigation tools include, but are not limited to, the use of standardized master contracts and agreements that allow for netting of exposures across commodities, rights to margin, and termination upon the occurrence of certain events of default. Financial assets and liabilities are presented in accordance with the standard netting agreements present in GSENA's commodity contracts, which allow GSENA to settle accounts receivable and payable from counterparties on a net basis by counterparty, by contract. The right to set off across commodities exists only in the event of a default by one of the parties to the contract. Credit enhancements, such as parental guarantees, letters of credit, and margin deposits, are also utilized. The impact of credit enhancements held by the Company to its overall credit exposure is equal to $91.5 million. Credit exposure is monitored daily and the financial condition of

counterparties is reviewed periodically. As of December 31, 2014 and 2013, respectively, the Company held $4.6 million and $5.8 million of cash collateral and posted $0.6 million and $0.3 million of cash collateral with counterparties. As of December 31, 2014 and 2013, the Company's broker margin was $154.9 million and $45.7 million, respectively. Cash collateral provided to counterparties is included in the trade and other receivables item on the consolidate statements of financial position, and cash collateral held is included in the trade and other payables balance.

Other than cash collateral held, there were no instances in which the Company took possession of collateral held as security during 2014 and 2013.

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

The Company considers an unaffiliated counterparty a potential concentration risk if any one counterparty accounts for 50% of either sales revenues or unsecured accounts receivable of any business unit of the Company as of the end of a reporting period. As of December 31, 2014, no individual counterparties represented more than 50% of sales revenue or unsecured accounts receivables. As of December 31, 2014, GSEMNA's two largest unaffiliated receivable balances represented 30% of GSEMNA's total receivables, GSGNAH's two largest receivable balances represented 44% of GSGNAH's total receivables, and Generation's two largest unaffiliated receivable balances represented 44% of Generation's total receivables. As of December 31, 2013, GSEMNA's two largest unaffiliated receivable balances represented 44% of GSEMNA's total receivables, and GSGNAH's two largest receivable balances represented 43% of GSGNAH's total receivables. GSERNA systematically reserves a percentage of its outstanding receivable balances based on the age of that balance. GSERNA requires collateral, in the form of cash and letters of credit, from customers determined to be high risk for delinquency or default. Additionally, GSERNA carries an insurance policy that pays a portion of its uncollectible amounts.

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

The following table shows the Company's maximum forward exposure to counterparties, exclusive of accounts receivables. The forward exposure table does not include own-use contracts. In addition, the table specifies the exposure to its investment grade counterparties. "Investment Grade" corresponds to transactions with counterparties with a minimum rating of BBB- by Standard & Poor's, Baa3 by Moody's, or an equivalent by Dun and Bradstreet, taking into account the existence of collateral, letters of credit, and parent company guarantees (in millions):

	2014		2013 (1)	
	Investment Grade	Total	Investment Grade	Total
Counterparty exposure:				
Maximum exposure	387.3	387.6	450.4	450.7

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The warrants discussed in Note 13.2, Risk Management Activities – Nontrading are excluded from the table above.

The aging of the Company's trade receivable exposure without considering the impact of collateral or other credit enhancements, if any, held by the Company securing those receivables as of December 31, 2014 and 2013, is as follows (in thousands):

	Total Account Receivables	Current	Past Due	Allowance	Past Due Aging 1–3 Months	3–6 Months	6–12 Months	> 1 Year
2014	$575,488	$564,694	$14,581	$(3,787)	$12,885	$ 845	$ 484	$ 367
2013 (1)	$427,957	$417,213	$16,428	$(5,684)	$11,902	$3,032	$ 681	$ 813

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The following tables demonstrate the impacts of offsetting recognized derivative assets and liabilities as permitted when the ability and intent to settle such assets and liabilities on a net basis exists. Further, the impacts of cash collateral arrangements as well as other credit enhancements is shown on the total outstanding derivative assets and liabilities. Cash collateral and margin held and posted is recognized in the consolidated statements of financial position under trade and other receivables as discussed in Note 12. Guarantees and letters of credit are not recognized in the consolidated statements of financial position. The "cash collateral agreements" line includes the netting impact of brokerage agreements. All assets and liabilities related to contracts held with brokers are removed from gross derivative assets and liabilities as they are fully collateralized in cash.

	December 31, 2014			
	Risk Management		Trading Activities	
(In thousands of USD)	Assets	Liabilities	Assets	Liabilities
Gross derivatives balances	$ 416,251	$(553,855)	$ 57,293	$ (61,314)
Impact of netting agreements	(32,342)	32,342	(53,604)	53,604
Net amounts of derivatives	383,909	(521,513)	3,689	(7,710)
Cash collateral agreements	(130,420)	192,480	(874)	1,642
Net amounts after cash collateral impact	253,489	(329,033)	2,815	(6,068)
Guarantees and letters of credit	(134,087)	283,507	(632)	3,180
Total net amount	$ 119,402	$ (45,526)	$ 2,183	$ (2,888)

	December 31, 2013 (1)			
	Risk Management		Trading Activities	
(In thousands of USD)	Assets	Liabilities	Assets	Liabilities
Gross derivatives balances	$ 426,192	$(444,898)	$ 265,532	$(275,130)
Impact of netting agreements	11,271	(11,273)	(252,249)	252,249
Net amounts of derivatives	437,463	(456,171)	13,283	(22,881)
Cash collateral agreements	(167,810)	149,217	(5,890)	10,211
Net amounts after cash collateral impact	269,653	(306,954)	7,393	(12,670)
Guarantees, letters of credit and other collateral	(125,402)	281,142	(5,971)	10,764
Total net amount	$ 144,251	$ (25,812)	$ 1,422	$ (1,906)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The warrants discussed in Note 13.2, Risk Management Activities – Nontrading are excluded from the table above.

The Company computes an obligation reserve for its financial liabilities based upon the expected occurrence of default using the credits ratings of GSENA and GDF SUEZ. This obligation reserve is insignificant in comparison to the Company's carrying amount of financial liabilities. The carrying amounts of the Company's financial liabilities are representative of the obligation to the counterparty at maturity.

13.6 Fair Value of Financial Instruments and Derivatives—The Company's nontrading financial instruments and derivatives consist primarily of cash and cash equivalents, trade receivables, accounts payable, debt instruments, interest-rate swap agreements, currency swap agreements, and commodity instruments. The book values of cash and cash equivalents, trade receivables, and accounts payable are representative of their respective fair values due to the short-term nature of these instruments. The fair value of debt and related-party receivables and payables are discussed in Note 12. See below for details on the Company's interest-rate swap agreements, currency swap agreements, trading derivatives, and nontrading commodity derivative instruments.

The Company utilizes the market approach and income approach to measure the fair value of these contracts. Inputs include quoted prices, forecasted market prices, and if those sources are unavailable, valuation models available from industry sources, and appropriate valuation adjustment methodologies. Certain valuation models include as inputs forward commodity and basis prices, which extend beyond the period for which liquid market pricing is available. In those cases, the Company extrapolates forward price curves incorporating assumptions about seasonality and volatility of prices and other factors specific to individual commodities and markets. For liabilities measured at fair value, the Company considers the existence of inseparable third-party credit enhancements in the fair value measurement of the liability. As of December 31, 2014, the Company had no inseparable third-party credit enhancements.

The Company classifies the fair value measurements in its consolidated financial statements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy splits measurements into three levels. Level 1 includes only those fair value measurements that are taken directly from unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable either directly or indirectly. Finally, Level 3 inputs are those that are not based on observable market data. The Company's fair value measurements by level as of December 31, 2014 and 2013, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Fair value by Level as of December 31, 2014:				
Portfolio management:				
Derivative assets	$ 208,138	$ 154,230	53,883	$ 416,251
Derivative liabilities	(272,821)	(250,835)	(30,199)	(553,855)
Trading activities:				
Derivative assets	46,515	10,778	-	57,293
Derivative liabilities	(47,283)	(14,031)	-	(61,314)
Total December 31, 2014	$ (65,451)	$ (99,858)	$ 23,684	$(141,625)

	Level 1	Level 2	Level 3	Total
Fair value by Level as of December 31, 2013 (1):				
Portfolio management:				
Derivative assets	$ 206,698	$ 153,053	65,700	$ 425,451
Derivative liabilities	(188,322)	(196,378)	(59,459)	(444,159)
Trading activities:				
Derivative assets	232,462	33,281	-	265,743
Derivative liabilities	(236,783)	(38,558)	-	(275,341)
Total December 31, 2013	$ 14,055	$ (48,602)	$ 6,241	$ (28,306)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

The warrants discussed in Note 13.2, Risk Management Activities – Nontrading are excluded from the table above.

Assets and liabilities in the table above reflect the total fair value for all maturities of individual financial instruments and derivatives, and are calculated based on the fair value of each contract. Contract values are not presented on a net basis by counterparty as on the statement of financial position.

The movement of Level 3 values between December 31, 2014 and 2013, are as follows (in thousands):

	Assets	Liabilities
Level 3 fair value — December 31, 2013	$ 65,700	$ (59,459)
Gains recorded through earnings	3,490	17,411
Issues	-	-
Reclass to Level 2 from Level 3	(420)	-
Reclass to Level 3 from Level 2	-	-
Settlements	(14,887)	11,849
Level 3 fair value — December 31, 2014	$ 53,883	$ (30,199)
Total (losses) or gains for the period recorded through income statement for derivatives held at December 31, 2014	4,508	17,588
Level 3 fair value — December 31, 2012 (1)	$ 102,658	$ (11,556)
(Losses) recorded through earnings	(23,242)	(12,112)
Issues	-	(43,038)
Reclass to Level 2 from Level 3	(1,033)	1,377
Reclass to Level 3 from Level 2	575	-
Settlements	(13,258)	5,870
Level 3 fair value — December 31, 2013	$ 65,700	$ (59,459)
Total (losses) for the period recorded through income statement for derivatives held at December 31, 2013	$ (22,408)	$ (11,306)

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

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

The issuances of Level 3 liabilities in 2013 in the schedule above are related to transportation capacity contracts in the northeast United States. The longest term of the contracts is through 2022, and the delivery and injection points of the contract are both at unobservable locations. The contracts were executed in previous accounting periods, but were marked to market in 2013 as the contracts no longer met the requirements of the own-use exemption from IAS 39 due to net settlement of portions of the capacity that were released to the open market. *The liabilities associated with these contracts are included as Level 3* liabilities at December 31, 2014 and 2013. An increase in the capacity price of $.03/mmbtu would decrease the liability value of this contract by $8.4 million.

Transfers between Levels 2 and 3 in 2014 occur due to changes in the observable period of various market curves. Periodically throughout the year, the Company reviews the availability of third-party quotes and other market data for each of the price curves used in forward contract valuation. In cases where contracts with locations and tenors that were previously deemed observable become unobservable, the value of the contracts at the time the market data is deemed unobservable is transferred from Level 2 to Level 3. In cases where contracts with locations and tenors that were previously deemed unobservable become

observable, the value of the contracts at the time of review is transferred from Level 3 to Level 2. There were no transfers into or out of Level 1 in 2013 or 2014.

Level 3 valuations are developed, maintained, and validated by the Company's Risk Control group according to established policies and procedures. These valuations include the use of unobservable inputs. Unobservable inputs, which are related to observable inputs, such as illiquid portions of forward price or volatility curves, are updated monthly, using industry standard techniques, such as extrapolation, combining observable forward inputs supplemented by historical market and other relevant data.

The Level 3 fair values include a long-term sale of Locational Forward Reserve Margin (LFRM) and Default Service power sales agreements. The LFRM contract is a financial swap that exists to fix the price that the Company will receive for providing an ancillary service from a combined cycle-generating facilities to the New England ISO (NEPOOL). LFRM is a load-balancing product whereby the company must stand ready to deliver energy in cases of load or congestion in the NEPOOL market. The contract term is through 2019, and forward prices are not available for the LFRM market. The price is set in seasonal auctions, and the most current seasonal prices are used to value all contract periods. A 10% increase in the capacity price would decrease the asset value of this contract by $5.8 million.

The Default Service power sales agreements involve the sale of wholesale full-requirements power to regulated electric distribution utilities in order for the utility to meet their retail load requirements. Retail customers who have not elected to receive services from an alternative supplier are considered Default Service customers. The Company is providing power services to the electric distribution utilities so they can meet the requirements of their Default Service customers. The agreements are short-term with the longest term ending in November 2015. Via competitive, market-reflective requests for proposals or reverse auctions subject to regulatory oversight of relevant state government, the prices for these agreements are established through bilateral agreements. The fair value of these agreements is derived using non-observable components that are significant relative to the total value of the agreement. The forward prices of these contracts include energy and capacity prices that are observable in the market. However, the forward prices of these contracts also include risk premiums, credit support and ancillaries that are not observable. A $6.08/MWh increase in the forward price would decrease the asset value of this contract by $5.3 million. In addition, the forecasted volumes used in determining the fair value are estimated using customer migration rates that are not observable. A 10% increase in the forecasted volumes would increase the asset value of this contract by $2.7 million.

The significant unobservable inputs used in the valuation of GSENA's contracts categorized as Level 3 of the fair value hierarchy at December 31, 2014, are as follows:

Comodity	Contract Type	Assets	Liabilities	Total	Technique	Significant Unobservable Input	Range
Electric Capacity	Forward Contract	$ 24,036	$ -	$ 24,036	Discounted cash flow	Forward price	$3-$11/MWh
Power	Full Requirements	26,746	-	26,746	Discounted cash flow	Forward price	$26-$151/MWh
						Customer migration rate	-6% - 2%
Gas/Transport	Forward Contract	-	(22,822)	(22,822)	Discounted cash flow	Illiquid pricing in unobservable period	$0-$0.21/MMBtu
Gas/Transport	Forward Contract	3,101	(2,920)	181	Discounted cash flow	Illiquid pricing in unobservable period	$2-$3/MMBtu
Gas	Gas Option	-	(4,457)	(4,457)	Discounted cash flow	Illiquid pricing in unobservable period	$2-$14/MMBtu
	Total	$ 53,883	$(30,199)	$ 23,684			

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

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

The change in Company's inception valuation reserves for the years ended December 31, 2014 and 2013, is as follows (in thousands):

	2014	2013
Inception reserves:		
Beginning unamortized balance	$ 545	$ 12,101
Deferral on new transactions	-	(622)
Amortization	622	(8,551)
Reserve reversal due to inputs becoming observable	(1,167)	(2,383)
Ending balance	$ -	$ 545

Nonrecurring Fair Value Measurements—GSENA tests long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In 2014, market value indications suggested that the carrying value of certain GSENA assets could be impaired. GSENA performed a fair value analysis and concluded that an impairment charge related to property, plant, and equipment was necessary. The fair value analysis was primarily based on the income approach using significant unobservable inputs (Level 3), including revenue and generation forecasts, projected capital and maintenance expenditures, commodity prices, and discount rates. As a result, long-lived assets held and used with a carrying amount of approximately $25 million were written down to their fair value of $6 million, resulting in an impairment charge of $19 million.

14. FINANCIAL DEBT AND BORROWINGS

	Maturity	Rate at December 31, 2014	Rate at December 31, 2013	2014	2013 (1)
Affiliated debt:					
Revolving line of credit	2015–2024	1.76%-4.11%	1.67%-4.02%	$ 512,760	$ 512,760
Line of credit related to GSGNAH	2015	6.45	6.45	225,000	225,000
Term loan related to FirstLight	2017	4.37	4.37	435,290	444,454
Term loan related to Waterbury	2017	4.37	4.37	67,110	74,986
Term loan related to GSGNAH	2014	-	2.49	-	250,000
Term loan related to GSENA	2019	2.46	-	250,000	-
Term loan related to GSENA	2018	1.56	1.56	40,277	40,759
Term loan related to Viking	2015	1.98	1.99	5,513	6,563
Term loan related to Ennis	2015	1.70	1.70	44,481	52,568
Term loan related to GENCO	2015	1.78	2.78	39,801	46,435
Term loan related to GSENA	2015	1.81	1.80	72,555	86,375
Term loan related to GSENA	2014	-	4.15	-	114,853
Term loan related to GSENA	2019	1.42	-	113,992	-
Term loan related to GSENA	2014	-	2.08	-	24,655
Term loan related to GSENA	2019	2.30	-	24,655	-
Term loan related to Coleto Creek	2016	4.11	4.11	767,250	783,750
Term loan related to IPA Central	2016	3.98	3.98	302,250	308,750
Total affiliated debt				2,900,934	2,971,908
Project financing:					
Senior Secured Bonds Series related to FirstLight	2026	8.81	8.81	265,000	271,250
Total project financing				265,000	271,250
Total borrowings before accrued interest and deferred financing costs				3,165,934	3,243,158
Accrued interest				27,660	26,674
Deferred financing costs				-	4,268
Total borrowings				3,193,594	3,274,101
Less current portion of borrowings				693,028	751,567
Total long-term borrowings				$2,500,566	$2,522,534

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

14.1 Notes Payable to Affiliate — The Company has a line of credit with an affiliate of GDF SUEZ for up to $1 billion at December 31, 2014. The majority of the outstanding borrowings under the line of credit bear interest at LIBOR, plus 1.5% to 3.85%. The Company had advances under this line of credit, of $0.7 billion outstanding and $0.3 billion available at December 31, 2014. The amounts outstanding under the credit lines are included in long-term borrowings and short-term borrowings at December 31, 2014 and 2013, as appropriate.

14.2 Project Financing — All outstanding project financing is secured by subsidiaries' assets. Certain of the Company's credit agreements contain restrictive covenants and place restrictions on the amount of cash that can be used for making debt payments and maintenance and repair expenditures for plant facilities. The Company is in compliance with all such covenants.

14.3 Interest Rate Swaps — The Company and certain subsidiaries have entered into interest rate swap agreements for notional principal amounts aggregating to $264 million and $271 million at December 31, 2014 and 2013, respectively. These agreements effectively change the variable interest rate to fixed rates ranging from 2.57% to 2.78% at December 31, 2014 and 2013, on the portion of the debt covered by the notional amounts. The agreements expire at various dates through December 2019.

The Company was exposed to interest rate fluctuations on approximately $0.3 billion and $0.4 billion of variable rate debt at December 31, 2014 and 2013, respectively. In the event of default by the counterparties on the interest rate swap agreements discussed above, the Company would be exposed to fluctuations in the interest rates. The Company does not anticipate nonperformance by the counterparties.

14.4 Letters of Credit — At December 31, 2014 and 2013, the Company had $700 million available to obtain letters of credit for operational obligations for its subsidiaries and affiliates. The Company had issued letters of credit of $391 million and $384 million under these available lines at December 31, 2014 and 2013, respectively.

14.5 Scheduled Maturities — Scheduled maturities of borrowings as of December 31, 2014 are as follows (in thousands):

Years Ending December 31	*Maturities*
2015	$ 693,028
2016	1,075,918
2017	499,698
2018	58,719
2019	392,071
Thereafter	474,160
Total borrowings with accrued interest and deferred financing costs	$ 3,193,594

15. PROVISIONS AND OTHER LIABILITIES

15.1 Provisions — Provisions for the years ended December 31, 2014 and 2013, were as follows (in thousands):

	January 1, 2013 (1)	Additions	Amounts Used	Disposals	December 31, 2013 (1)
Noncurrent provisions:					
Asset retirement obligations	$ 10,554	$ 527	$ -	$ (5,725)	$ 5,356
Provision for pensions	10,097	1,023	-	-	11,120
APBO — retiree medical	5,119	234	-	-	5,353
Reserves — environmental	12,349	-	(917)	-	11,432
Total noncurrent provisions	38,119	1,784	(917)	(5,725)	33,261
Current provisions:					
Restructuring costs	14,100	-	-	(12,506)	1,594
Provision for tax contingencies	8,728	325	(1,146)	-	7,907
Provision for litigations	-	20,000	-	-	20,000
Provision for contingencies loss	1,420	-	-	-	1,420
Total current provisions	24,248	20,325	(1,146)	(12,506)	30,921
Total provisions	$ 62,367	$ 22,109	$ (2,063)	$ (18,231)	$ 64,182

(1) Comparative data at January 1, 2013 and December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

	January 1, 2014	Additions	Amounts Used	Disposal	December 31, 2014
Noncurrent provisions:					
Asset retirement obligations	$ 5,356	$ 39,563	$ -	$ (173)	$ 44,746
Provision for pensions	11,120	-	(3,609)	(4,367)	3,144
APBO — retiree medical	5,353	390	555	-	6,298
Reserves — environmental	11,432	-	188	-	11,620
Total noncurrent provisions	33,261	39,953	(2,866)	(4,540)	65,808
Current provisions:					
Restructuring costs	1,594	675	-	(568)	1,701
Provision for tax contingencies	7,907	4,508	(5,568)	-	6,847
Provision for litigations	20,000	-	-	-	20,000
Provision for contingencies loss	1,420	-	-	-	1,420
Total current provisions	$ 30,921	$ 5,183	$ (5,568)	$ (568)	$ 29,968
Total provisions	$ 64,182	$ 45,136	$ (8,434)	$ (5,108)	$ 95,776

15.1.1 Asset Retirement Obligation — Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities, and LNG terminals, have to be dismantled at the end of their operational lives. This obligation is the result of prevailing environmental regulations in the countries concerned, contractual agreements, or an implicit commitment. The related liability is calculated using the most appropriate technical and budget estimates. Upon initial recognition, the Company records a provision for the present value of the expected obligation at the decommission date and recognizes a dismantling asset. The amount of the provision is adjusted each year to reflect the impact of unwinding the discount or adjustments in the expected obligation based on new or updated information.

The additions in 2014 are comprised of $38.0 million related to Neptune and $1.4 million to Mt. Tom. The disposal of $0.2 million is from the sale of Syracuse. (see Note 3).

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

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

15.1.4 Provision for Litigation — See discussion of litigation in Note 18.

15.1.5 Pensions — See discussion of pensions in Note 19.

15.1.6 Restructuring Costs — As of December 31, 2013, GSENA had a balance of $1.6 million in provision costs related to the restructuring of Syracuse Power Purchase Agreement. The restructuring provision as of *December 31, 2014 includes $1.0 million related to Syracuse and $0.7 million related to* a restructuring of the organization.

15.2 Other Liabilities — Other liabilities for the years ended December 31, 2014 and 2013, were as follows (in thousands):

	2014	2013 (1)
Other noncurrent liabilities:		
Deferred revenues	$ 39,557	$ 55,381
Employee benefit-related liabilities	37,164	35,117
Other liabilities — noncurrent	33,560	8,262
Total other noncurrent liabilities	110,281	98,760
Other current liabilities:		
Other taxes payable	38,070	44,218
Deferred revenue and other operating payables	43,714	56,714
Employee benefit-related payables	79,655	71,962
Total other current liabilities	161,439	172,894
Total other liabilities	$271,720	$271,654

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

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

15.2.2 Pension and Other Employee Benefits-Related Liabilities — See Note 19 and 20.

16. LEASES — FINANCE AND OPERATING

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

Noncancelable Finance Leases for which the Company Acts as Lessor — Colorado Energy Nations Company, LLLP (CENC) entered into an energy service agreement with MillerCoors to supply MillerCoors' total thermal energy and electricity requirements. As the assets of CENC are generating energy primarily for MillerCoors, this agreement was assessed to be a finance lease. At December 31, 2014, $75.7 million is recorded as a finance lease receivable, of which $5.8 million is the current portion (see Note 12).

A reconciliation of the gross investment in the lease and the present value of the minimum lease payments receivable is as follows (in thousands):

	2014	*2013*
Undiscounted future minimum lease payments	$ 102,982	$ 110,712
Unguaranteed residual value accruing to the lessor	-	-
Total gross investment in the lease	$ 102,982	$ 110,712
Unearned financial income	(27,274)	(28,825)
Net investment in the lease	$ 75,708	$ 81,887
Present value of future minimum lease payments	75,708	81,887
Present value of unguaranteed residual value	-	-

Amounts recognized in the statement of financial position in connection with finance leases are included in Note 12.

Undiscounted future minimum lease payments receivable under finance leases can be analyzed as follows (in thousands):

	2014	2013
Year 1	$ 11,826	$ 11,439
Years 2 to 5 inclusive	48,601	45,484
Beyond year 5	42,555	53,788
Total future minimum lease payments	$ 102,982	$ 110,712

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

Leo Holding, a wholly-owned subsidiary, was acquired in 2014. Leo leases property from Wachovia Bank of Delaware and subleases this facility to Ondeo Nalco Company, a wholly-owned subsidiary of Ecolab, Inc., (Ondeo Nalco). The terms of the lease and sublease are identical, and sublease income offsets rent expense. Therefore, the amounts are not recorded on the consolidated statement of income. Ondeo Nalco pays rent directly to Wachovia Bank of Delaware, so the Company neither receives nor pays cash for the lease and sublease. The Company would still be liable for the lease payment if Nalco does not pay, thus the future minimum lease payments and receipts are included in the table below.

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

	2014	2013
Year 1	$ 42,713	$ 31,974
Years 2 to 5 inclusive	137,777	89,022
Beyond year 5	89,357	64,940
Total future minimum lease payments at present value	$269,847	$185,936

Total lease expense for 2014 and 2013 was approximately $97.9 million and $93.1 million, respectively.

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

	2014	2013 (1)
Year 1	$ 34,255	$ 34,155
Years 2 to 5 inclusive	66,390	35,318
Beyond year 5	55,936	20,226
Total future minimum lease payments at present value	$156,581	$ 89,699

(1) Comparative data at December 31, 2013 have been recast due to the application of consolidation standards (see Notes 2 and 23).

17. CONTRACTUAL COMMITMENTS

In the ordinary course of its activities, the Company enters into long-term contracts, some of which include "take-or-pay" clauses. These consist of firm commitments to purchase (sell) specified quantities of natural gas, electricity, and steam and related services, in exchange for a firm commitment from the other party to deliver (purchase) said quantities and services. These contracts are outside the scope of IAS 39. The main future commitments arising from contracts entered into by the Company at December 31, 2014 and *2013, are as follows (in GWh's):*

	2014	Within 1 Year	1 to 5 Years	> 5 Years	2013
Total commitments given (purchases)	278,038	59,704	198,192	20,141	343,227
Total commitments received (sales)	338,574	66,328	132,651	139,596	357,304

18. CONTINGENCIES AND LEGAL PROCEEDINGS

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

The Company and certain of its subsidiaries are defendants in various lawsuits and proceedings. The outcome of these lawsuits and proceedings cannot be predicted with certainty and could possibly have a material adverse effect on the Company's consolidated financial position, results of operations, and cash flows. The Company and/or its subsidiaries believe they have meritorious defenses to these matters and intend to contest all such claims, and thus the timing of potential outflows from the Company cannot be predicted with any certainty due to both the nature of legal proceedings in general, and the procedural *status of such matters specifically.* The Company has not assumed that it will be reimbursed for any potential outflows related to contingencies.

19. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans—The Company maintains a defined contribution retirement plan (the "401(k) Plan") for its employees. Under the 401(k) Plan, each participant may elect to defer taxation on a portion of his or her eligible earnings, as defined by the 401(k) Plan, by directing the Company to withhold a percentage of such earnings. The Company contributes 3% of each employee's defined compensation and also matches 50% of the first 6% of each employee's compensation contributed, subject to a cap of $260,000. The employees vest immediately in the Company's contributions. The Company's contribution expenses *were $9 million for the years ended December 31, 2014 and 2013.*

Deferred Compensation Plan—The Company has a senior management deferred compensation plan, under which certain key employees may elect to defer any percentage or dollar amount of his or her compensation, bonus, or incentive compensation and instead have that amount credited to his or her deferral account. The Company does not match contributions to this plan. The amounts owed to employees under this plan at December 31, 2014 and 2013, were $26.2 million and $26.8 million, respectively, and is included in other noncurrent obligations in the consolidated statements of financial position. Such amounts are invested in securities through a trust and are included in other noncurrent assets. The securities held by the trust are considered available for sale, with the income earned and changes in market value adjusting the asset and corresponding liability by equal amounts.

Performance Unit Plan—The Company has a performance unit plan (the "Plan") that provides incentive awards based on the Company's performance on selected financial performance measures over a three-year performance cycle. Under this program, new performance cycles begin every year and end three years later. The program is subject to renewal annually for each cycle. Payouts under the Plan are made after the completion of a given cycle and are made in cash. The Company recognized expense of $17.7 million and $17.6 million for amounts awarded under the program during 2014 and 2013, respectively.

Pension and Other Postretirement Plans—The Company provides a retiree medical plan to employees upon retirement provided that, at the time of their termination, they are covered under the Company's medical plan, are at least 55 years of age, have completed 10 years of service, and are not a member of a collective bargaining unit. The retiree and his or her eligible spouse will be entitled to substantially the same medical and dental benefits as those available to active employees under the pension and other postretirement plan option. The cost for retiree coverage will be primarily covered by premiums paid by the retirees. Amounts expensed in 2014 and 2013 related to the costs of this plan were $0.8 million. Under IAS 19, a liability for the accumulated postretirement benefit obligation of $6.3 million and $5.4 million at December 31, 2014 and 2013, respectively, has been recorded in noncurrent provisions in the consolidated statements of financial position. The increase in the obligation during 2014 is due to ongoing plan accruals and a reduction in the discount rate.

The Company has an unfunded Supplemental Executive Retirement Plan, which provides retirement benefits to certain officers. This plan is a nonqualified defined contribution plan and does not have a minimum funding requirement. For the years ended December 31, 2014 and 2013, the Company expensed $1.1 million and $0.9 million, respectively, related to this plan.

Certain former employees of FirstLight continue to participate in two defined benefit pension plans. The plan benefits are generally based on years of service and compensation and are generally noncontributory. Effective December 31, 2009, the pension plan for a portion of the FirstLight nonbargaining employees was amended to cease the accrual of additional benefits. This plan was terminated on February 28, 2011, and the Company settled the liabilities under this plan in 2014 by purchasing a fully insured annuity contract with Principal in the amount of $4.6 million. In December 2010, the plan covering bargaining employees was amended to cease the accrual of additional benefits. Under IAS 19, a liability for accumulated postretirement benefit obligation of $3.9 million and $8.3 million has been recorded in provisions in the consolidated statements of financial position at December 31, 2014 and 2013, respectively. The decrease in the obligation during 2014 is due primarily to settlement of the liabilities under the nonbargaining employee plan.

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

	2014	2013
Benefit obligation (beginning of the plan year)	$ 15,049	$ 16,155
Service cost	301	377
Interest cost	604	562
Benefit payments	(325)	(394)
Changes in assumptions	-	(675)
Actuarial (gain)/loss	1,251	(1,269)
Settlement Gains	(742)	-
Effect of settlements	(4,612)	293
Benefit obligation (end of the plan year)	$ 11,526	$ 15,049
Change in plan assets:		
Fair value of plan assets (beginning of the plan year)	$ 6,703	$ 6,058
Employer contributions	5,366	342
Settlement of Non Bargaining Plan	(4,612)	-
Benefit payments	(325)	(394)
Actuarial gain	173	486
Actual return on plan assets	328	211
Fair value of plan assets (end of the plan year)	$ 7,633	$ 6,703
Information for pension plans with an accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	$ 11,526	$ 15,049
Fair value of plan assets	7,633	6,703
Accumulated postretirement benefit obligation	$ 3,893	$ 8,346

20. SHARE-BASED COMPENSATION

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

		Expense for the Year	
	Settlement	2014	2013
Hedge of stock warrants	Cash	$ 1,437	$ 166
Employee share purchases	Cash	71	-
Bonus/performance share plans	Equity	(102)	1,652
Share appreciation rights (employee share purchase leverage)	Cash	(74)	85
Share appreciation rights (stock option replacements)	Cash	-	109

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

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

Employees of the Company are eligible to participate in the GDF SUEZ Company corporate savings plans. They may subscribe to GDF SUEZ shares at a discount. The discount is expensed immediately as compensation expense, offset to additional paid-in capital, as shares purchased are GDF SUEZ shares. The plan also entitles the employees to benefit from the positive performance of GDF SUEZ shares at the end of the mandatory holding period through SARs. The impact of these cash-settled SARs consists of recognizing a payable to the employee over the five-year vesting period of the rights, with the corresponding adjustment recorded to compensation expense. The fair value of the liability related to these awards was $0.5 million for December 31, 2014 and 2013, which was determined using the Black-Scholes model. The Company and GDF SUEZ have entered into warrant agreements under which cash needed to settle the SAR liabilities will be received from a third party. The cost of these agreements has been paid by GDF SUEZ, and their fair value has been recorded as administrative expense and additional paid-in capital by the Company. Compensation expense related to the SARs was taken on a straight-line basis over the vesting term. Unrealized loss from the change in the fair value of the warrant agreements was $1.4 million and $(0.2) million in 2014 and 2013, respectively. Over the five-year term of the SARs and warrant agreements, the net income statement impact will be zero.

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

21. RELATED-PARTY TRANSACTIONS

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

Parent and Ultimate Controlling Party — The Company pays certain expenses on behalf of its Parent and affiliates. At December 31, 2014 and 2013, the Company had outstanding balances of $1.9 million and $5.4 million, respectively, due from its Parent included in accounts receivable in the consolidated statements of financial position.

The Company receives certain services from its Parent, as well as certain financial guarantees. Expenses incurred during 2014 and 2013 related to these services and guarantees were $10.8 million and $10.6 million, respectively, recorded in financial expense and other operating expense in the consolidated statement of income. There were no outstanding payables related to these transactions on December 31, 2014 and 2013.

GSGNAH entered into a subcharter lease for an LNG carrier in 2009, which was reassigned to an affiliate in 2010. The subcharter lease required that GSGNAH sought reimbursement for some of these expenses as

they were incurred by the Parent Company during the lease period. The Company recognized $0 million and $0.4 million of reimbursement income for 2014 and 2013, respectively, related to these transactions.

GSGNAH receives services from its Ultimate Controlling Party. The Company recognized consulting expense of $0.7 million for 2014 and 2013. Consequently, at December 31, 2014 and 2013, the payable was $0.9 million and $0.8 million, respectively, related to these transactions.

GSGNAH sells LNG cargos to its Ultimate Controlling Party. The Company recognized revenue of $840.4 million and $336.9 million in 2014 and 2013, respectively, from its Ultimate Controlling Party. At December 31, 2014 and 2013, the receivable was $0 million related to these transactions.

GSGNAH purchases LNG cargos from its Ultimate Controlling Party. The Company purchased LNG cargos of $41.8 million and $0 million in 2014 and 2013, respectively, and recognized expense of $0.2 million and $0.8 million in 2014 and 2013, respectively, related to these transactions.

Other Related Parties — GSGNAH sells LNG cargos to affiliated companies. The Company recognized revenue of $949.9 million and $796.0 million in 2014 and 2013, respectively. The related-party receivable related to these cargo sales was $75.0 million and $43.6 million at December 31, 2014 and 2013, respectively.

GSGNAH is under long-term charters with affiliated companies. The Company recognized expenses of $44.7 million and $43.0 million in 2014 and 2013, respectively, related to these transactions. GSGNAH also reassigned a charter to an affiliate in 2010. The Company recognized income of $2.7 million and $26.3 million in 2014 and 2013, respectively, related to these transactions. GSGNAH entered a Contract of Affreightment agreement with an affiliate in 2010. The Company recognized expenses of $16.1 million and $14.4 million in 2014 and 2013, respectively, related to these transactions.

GSGNAH purchases LNG cargos from affiliates. The Company recognized expense of $673.3 million and $424.2 million for 2014 and 2013, respectively. The payable related to these transactions at December 31, 2014 and 2013, was $71.5 million and $50.2 million, respectively.

The Company and its subsidiaries receive certain services from its affiliates. At December 31, 2014 and 2013, the accrued related-party expense was $0 million and $0.1 million, respectively.

GSEMNA sells gas to West Windsor Power (WWP), a related party. The Company recognized revenue of $41.9 million and $48.0 million in 2014 and 2013, respectively, from WWP. At December 31, 2014 and 2013, the receivable was $3.5 million and $3.7 million, respectively, related to these transactions.

GSEMNA entered into a currency swap with GDF Suez Canada Inc (GDFSC), a related party. The currency swap is accounted for as a derivative instrument at fair value through income. The Company recognized income of $1.5 million and $0.7 million in 2014 and 2013, respectively, from the currency swap. At December 31, 2014 and 2013, the current derivative asset was $4.5 million and $1.4 million, respectively, and the non-current derivative asset was $0.4 million and $1.9 million, respectively, related to the currency swap.

A subsidiary of the Company provides services to its associate, Suez Energy Astoria (SEA) and Suez Energy Astoria II (SEA II). The Company recognized fees of $2.1 million for the years ended December 31, 2014 and 2013, relating to an administrative services agreement between SEA and Astoria. The Company recognized fees of $0.8 million for the years ended December 31, 2014 and 2013, relating to an administrative services agreement between SEA II and Astoria II.

See Note 14 for discussion of debt agreements with GDF SUEZ and affiliates.

Key Management Personnel — The Company's key management personnel are composed of the members of the executive committee. Their compensation breakdown as of December 31, 2014 and 2013 is as follows (in thousands):

	2014	2013
Short-term benefits	$ 10,638	$ 11,325
Postemployment benefits	932	1,082
Share-based payment	(206)	485
Total	$ 11,364	$ 12,892

22. SUBSEQUENT EVENTS

On March 16, 2015, a Termination and Release agreement (Termination Agreement) was executed terminating the LNG Purchase and Sales Agreement (PSA) between GSGNAH and GDF Suez LNG Supply S.A. (GSS). Under the PSA, GSGNA purchased LNG with the intent of selling to the New England market. Due to economic changes, it was more advantageous to divert these cargoes and sell them to the global market. GSGNA was forecasted to receive 30 cargoes per year under the PSA, which would have ended in January 2020. The Termination Agreement ceased these activities, and a termination payment of $110.9 million was paid to GSGNA on March 18, 2015. A gain was recorded for the full amount in 2015.

On April 17, 2015, the Hazardous and Solid Waste Management System, Disposal of Coal Combustion Residuals from Electric Utilities final rule was entered into the Federal Register. The final rule regulates the disposal of coal combustion residuals (CCR) as a non-hazardous waste. The Company has coal-fired electric generating plants with an existing coal ash surface impoundment that is impacted by this rule. As a result of the rule being published, the Company expects to record an increase in its ARO in 2015. The Company is in the process of evaluating the impact of the rule and has not yet determined an estimate of the expected increase in the ARO.

23. IMPACTS OF THE IMPLEMENTATION OF IFRS 11 – JOINT ARRANGEMENTS

On January 1, 2014, the Company transitioned the accounting for its interests in joint ventures in accordance with IFRS 11. Previously, joint ventures were accounted for using the proportional method, and governed by IAS 31 - *Interests in Joint Ventures*, and are now accounted for using the equity method. Under the proportional method, the Company combined its share of the joint venture's individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the Company's consolidated financial statements.

Upon transition from proportional consolidation to equity method accounting, the Company recognized its investment in its joint ventures at the beginning of the immediately preceding period, January 1, 2013. The Company's initial investment was measured at the carrying amount of the assets and liabilities at that date. $40 million of goodwill was allocated to the initial investment in the applicable joint ventures based on their relative carrying amounts. The opening balance of each investment was assessed to determine whether the investment was impaired and a pre-tax impairment loss of $64 million was recorded as an adjustment to retained earnings at January 1, 2013. The Company's adjusted opening investment of all formerly proportionally consolidated joint ventures at January 1, 2013 was $236 million.

As this transition was effective January 1, 2014, the December 31, 2013 audited consolidated financial statements do not reflect this change in accounting method. The December 31, 2013 comparative figures have been recast to reflect the change in accounting method for consistent presentation. Below is a reconciliation of the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, and consolidated statement of cash flows of the Company reflecting the impact of the change included herein as of January 1, 2013 and December 31, 2013, which represents the last year on which joint ventures were presented using the proportional consolidation method.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JANUARY 1, 2013

(In thousands of USD)	January 1, 2013 (Reported)	First time application of IFRS 11	January 1, 2013 (Recast)
NONCURRENT ASSETS:			
Intangible assets — net	$ 68,602	$ (49,807)	$ 18,795
Goodwill	1,408,912	(39,555)	1,369,357
Property, plant, and equipment — net	7,607,601	(241,681)	7,365,920
Derivative instruments	195,678	(1,490)	194,188
Equity method investments	99,588	235,614	335,202
Loans and credits at amortized cost — net	90,074	(6,331)	83,743
Other non-current assets	59,962	-	59,962
Deferred tax assets	3,599	-	3,599
Total noncurrent assets	9,534,016	(103,250)	9,430,766
CURRENT ASSETS:			
Derivative instruments	236,081	(688)	235,393
Notes receivable	25,748	-	25,748
Trade and other receivables — net	651,303	(20,361)	630,942
Inventories	284,682	(7,565)	277,117
Other current assets	79,918	(1,293)	78,625
Cash and cash equivalents	119,108	(27,065)	92,043
Total current assets	1,396,840	(56,972)	1,339,868
TOTAL ASSETS	$ 10,930,856	$ (160,222)	$ 10,770,634
EQUITY:			
Shareholder's equity	$ 4,901,481	$ (58,492)	$ 4,842,989
Non-controlling interests	187,451	-	187,451
Total equity	5,088,932	(58,492)	5,030,440
NONCURRENT LIABILITIES:			
Provisions	40,929	(2,811)	38,118
Long-term borrowings	3,688,542	(7,383)	3,681,159
Derivative instruments	106,440	(16,065)	90,375
Other noncurrent liabilities	191,727	(40,965)	150,762
Deferred tax liabilities	418,414	(5,008)	413,406
Total noncurrent liabilities	4,446,052	(72,232)	4,373,820
CURRENT LIABILITIES:			
Provisions	24,248	-	24,248
Short-term borrowings	585,071	(12,413)	572,658
Derivative instruments	251,617	(3,001)	248,616
Trade and other payables	346,394	(12,533)	333,861
Other current liabilities	188,542	(1,550)	186,992
Total current liabilities	1,395,872	(29,498)	1,366,374
TOTAL EQUITY AND LIABILITIES	$ 10,930,856	$ (160,223)	$ 10,770,633

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2013

(In thousands of USD)	December 31, 2013 (Reported)	First time application of IFRS 11	December 31, 2013 (Recast)
NONCURRENT ASSETS:			
Intangible assets — net	$ 41,976	$ (24,716)	$ 17,260
Goodwill	1,328,752	(31,108)	1,297,644
Property, plant, and equipment — net	5,541,156	(229,731)	5,311,425
Derivative instruments	199,662	(18,022)	181,640
Equity method investments	281,459	231,286	512,745
Loans and credits at amortized cost — net	76,035	(11)	76,024
Other non-current assets	56,462	(5)	56,457
Deferred tax assets	633	-	633
Total noncurrent assets	7,526,135	(72,307)	7,453,828
CURRENT ASSETS:			
Derivative instruments	276,344	(7,238)	269,106
Notes receivable	173,217	-	173,217
Trade and other receivables — net	452,746	(24,789)	427,957
Inventories	361,713	(9,460)	352,253
Other current assets	97,511	(687)	96,824
Cash and cash equivalents	38,258	(22,671)	15,587
Total current assets	1,399,789	(64,845)	1,334,944
TOTAL ASSETS	$ 8,925,924	$ (137,152)	$ 8,788,772
EQUITY:			
Shareholder's equity	$ 4,078,305	$ (50,045)	$ 4,028,260
Non-controlling interests	9,622	-	9,622
Total equity	4,087,927	(50,045)	4,037,882
NONCURRENT LIABILITIES:			
Provisions	36,409	(3,148)	33,261
Long-term borrowings	2,522,870	(336)	2,522,534
Derivative instruments	203,970	(20,279)	183,691
Other noncurrent liabilities	127,523	(28,763)	98,760
Deferred tax liabilities	326,053	(5,008)	321,045
Total noncurrent liabilities	3,216,825	(57,534)	3,159,291
CURRENT LIABILITIES:			
Provisions	30,921	-	30,921
Short-term borrowings	756,025	(4,458)	751,567
Derivative instruments	299,705	(4,344)	295,361
Trade and other payables	360,171	(19,315)	340,856
Other current liabilities	174,350	(1,456)	172,894
Total current liabilities	1,621,172	(29,573)	1,591,599
TOTAL EQUITY AND LIABILITIES	$ 8,925,924	$ (137,152)	$ 8,788,772

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of USD)	December 31, 2013 (Reported)	First time application of IFRS 11	December 31, 2013 (Recast)
Revenues	$ 5,606,308	$ (186,583)	$ 5,419,725
Purchases	(4,117,306)	83,497	(4,033,809)
Personnel Costs	(234,848)	3,587	(231,261)
Depreciation, amortization, and provisions	(419,886)	40,444	(379,442)
Other operating expenses, net	(249,544)	21,911	(227,633)
Current operating income	584,724	(37,144)	547,580
Mark to market on commodity contracts other than trading instruments	(170,273)	(15,148)	(185,421)
Impairment of property, plant, and equipment; intangible assets; and financial assets	(558,888)	8,447	(550,441)
Restructuring Costs	(7,812)	-	(7,812)
Gain on disposal of subsidiaries	44,723	-	44,723
Loss on disposals of assets — net	(31,274)	907	(30,367)
Income from operating activities	(138,800)	(42,938)	(181,738)
Financial expenses	(202,780)	(1,704)	(204,484)
Financial income	5,479	807	6,286
Net financial loss	(197,301)	(897)	(198,198)
Net loss before income tax and equity method investment income	(336,101)	(43,835)	(379,936)
Income tax benefit	91,952		91,952
Share in net (loss) gain of equity method investments	(1,084)	52,282	51,198
Net Loss	$ (245,233)	$ 8,447	$ (236,786)
Company share	$ (249,653)	$ 8,447	$ (241,206)
Non-controlling interests	$ 4,420	$ -	$ 4,420

CONOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

(In thousands of USD)	December 31, 2013 *(Reported)*	First time application of IFRS 11	December 31, 2013 *(Recast)*
NET (LOSS) Income	$ (245,233)	$ 8,447	$ (236,786)
Cash flow hedges	(16,368)	-	(16,368)
Commodity cash flow hedges	52,338	-	52,338
Actuarial gains and losses	539	-	539
Deferred income tax	(11,793)	-	(11,793)
Other Comprehensive Income	24,716	-	24,716
TOTAL COMPREHENSIVE (LOSS) INCOME	$ (220,517)	$ 8,447	$ (212,070)
Company share	$ (224,937)	$ 8,447	$ (216,490)
Non-controlling interests	$ 4,420	$ -	$ 4,420

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2013

	December 31, 2013 (Reported)	First time application of IFRS 11	December 31, 2013 (Recast)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (245,233)	$ (8,447)	$ (236,786)
Share in net income (loss) of equity method investments	1,084	52,282	(51,198)
Dividends received from associates	9,299	-	9,299
Net depreciation, amortization, and provisions	419,886	40,444	379,442
Net capital loss on disposal (including reversals of provision)	31,274	907	30,367
Mark to market on commodity contracts other than trading instruments	170,273	(15,148)	185,421
Impairment of property, plant, and equipment and intangibles assets	558,888	8,447	550,441
Restructuring charges	(7,812)	-	(7,812)
Gain (loss) on disposal of subsidiary	(44,723)	-	(44,723)
Other items with no cash impact	2,012	(118)	2,130
Income tax provision	(91,952)	-	(91,952)
Net financial loss	197,301	1,097	196,204
Cash generated from operations before income tax and working capital requirements	1,000,297	79,464	920,833
Tax paid, net	(4,278)	(250)	(4,028)
Change in working capital requirements	19,575	(65,183)	84,758
Net cash provided by operating activities	1,015,594	14,031	1,001,563
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of property, plant, and equipment and intangible assets	(112,162)	(3,403)	(108,759)
Disposals of entities net of cash and cash equivalents sold	88,164	(4,648)	92,812
Contributions to associates	(2,951)	-	(2,951)
Change in restricted cash	71	-	71
Change in loans and receivables originated by the group and other	(147,703)	-	(147,703)
Net cash used in investing activities	(174,581)	(8,051)	(166,530)
CASH FLOWS FROM FINANCING ACTIVITIES:			-
Dividends paid	(600,000)	-	(600,000)
Repayment of borrowings and debt	(92,322)	(9,578)	(82,744)
Interest paid	(229,093)	(796)	(228,297)
(Decrease) increase in borrowings and debt	(448)	-	(448)
Net cash used in financing activities	(921,863)	(10,374)	(911,489)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(80,850)	(4,394)	(76,456)
CASH AND CASH EQUIVALENTS — Beginning of year	119,108	27,065	92,043
CASH AND CASH EQUIVALENTS — End of year	$ 38,258	$ 22,671	$ 15,587

24. LIST OF THE MAIN CONSOLIDATED COMPANIES

Company Name	Percentage Ownership Dec. 2014	Percentage Ownership Dec. 2013	Percentage Control Dec. 2014	Percentage Control Dec. 2013	Consolidation Method Dec. 2014	Consolidation Method Dec. 2013
Business units:						
GDF SUEZ Energy Generation North America, Inc.	100 %	100 %	100 %	100 %	FC	FC
GDF SUEZ Gas NA Holdings LLC	100	100	100	100	FC	FC
GDF SUEZ Energy Resources NA, Inc.	100	100	100	100	FC	FC
GDF SUEZ Energy Marketing North America, Inc.	100	100	100	100	FC	FC
Generation entities:						
Astoria Project Partners II, LLC	28	28	28	28	EM	EM
Astoria Project Partners, LLC	38	38	38	38	EM	EM
Freeport Power Limited	50	50	50	50	EM	EM(1)
Northeast Energy LP	50	50	50	50	EM	EM(1)
Ryegate Associates	67	67	67	67	FC	EM(1)
Shreveport Red River Utilities, LLC	39	39	39	39	EM	EM
SUEZ-DEGS of Owings Mills, LLC	- *	51	- *	51	NC	EM(1)
Winooski One Partnership	- *	50	- *	50	NC	EM(1)
Alabama-Decatur Energy Corporation	100	100	100	100	FC	FC
ANP Bellingham Energy Company, LLC	100	100	100	100	FC	FC
ANP Blackstone Energy company, LLC	100	100	100	100	FC	FC
ANP Fuel Services, Inc.	100	100	100	100	FC	FC
ANP Funding I, LLC	100	100	100	100	FC	FC
Armstrong Energy Limited Partnership, LLP	100	100	100	100	FC	FC
Calumet Energy Team, LLC	100	100	100	100	FC	FC
Coleto Creek Power, LP	100	100	100	100	FC	FC
College Park Energy, LLC	100	100	100	100	FC	FC
Colorado Energy Nations Company, LLLP	100	100	100	100	FC	FC
Ennis Power Company, LLC	100	100	100	100	FC	FC
FirstLight Hydro Generating Company	100	100	100	100	FC	FC
FirstLight Power Resources, Inc	100	100	100	100	FC	FC
Hays Energy Limited Partnership	100	100	100	100	FC	FC
Hopewell Cogeneration Limited Partnership	100	100	100	100	FC	FC
IPA Central, LLC	100	100	100	100	FC	FC
IPA Operations, Inc.	100	100	100	100	FC	FC
IPA Wind Development, LLC	100	100	100	100	FC	FC
Midlothian Energy Limited Partnership	100	100	100	100	FC	FC
Milford Power Limited Partnership	100	100	100	100	FC	FC
Mt Tom Generating Company LLC	100	100	100	100	FC	FC
Nassau Energy Corporation	100	100	100	100	FC	FC
Northeastern Power Company	100	100	100	100	FC	FC
Pinetree Power, Inc.	100	100	100	100	FC	FC
Pinetree Power-Fitchburg, Inc.	100	100	100	100	FC	FC
Pinetree Power-Tamworth, Inc.	100	100	100	100	FC	FC
Pleasants Energy, LLC	100	100	100	100	FC	FC
SUEZ Denver Metro, LLC	100	100	100	100	FC	FC
Syracuse Energy Corporation	- *	100	- *	100	NC	FC
Troy Energy, LLC	100	100	100	100	FC	FC
Viking Energy of Lincoln, LLC	100	100	100	100	FC	FC
Viking Energy of McBain, LLC	100	100	100	100	FC	FC
Viking Energy of Northumberland LLC	100	100	100	100	FC	FC
Waterbury Generation, LLC	100	100	100	100	FC	FC
Wharton County Generation LLC	100	100	100	100	FC	FC
Wise County Power Company, LLC	100	100	100	100	FC	FC
Other entities:						
Leo Holding Company, LLC	100	-	100	-	FC	NC

FC: fully consolidated; EM: equity method; NC: not consolidated
* Sold in 2014

(1) Previously accounted for proportionally consolidated
The table above includes the main operating subsidiaries and investments of the Company. Holding companies and companies with insignificant activity have not been included.

* * * * * *

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit C-4 – "Financial Arrangements"

Provide copies of the applicant's financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).

THIS EXHIBIT CONTAINS CONFIDENTIAL AND PROPRIETARY INFORMATION AND IS BEING SUBMITTED UNDER SEAL.

Applicant is a wholly-owned sole member-managed subsidiary of GDF Suez Energy Resources NA, Inc., which is a wholly-owned subsidiary of GDF Suez Energy North America, Inc. ("GSENA"). Applicant believes it is in compliance because our ultimate parent company, GSENA, is investment grade rated and guarantees Applicant's financial obligations as shown by the attached GSENA Guaranty.

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit C-5 – "Forecasted Financial Statements"
Provide two (2) years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRES operations, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.

THIS EXHIBIT CONTAINS CONFIDENTIAL AND PROPRIETARY INFORMATION AND IS BEING SUBMITTED UNDER SEAL.

See attached.

PREPARER:

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GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit C-6 – "Credit Rating"

Provide a statement disclosing the applicant's credit rating as reported by two (2) of the following organizations: Duff & Phelps, Dun & Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poor's, or a similar organization. In instances where 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.

Applicant is a wholly-owned sole member-managed subsidiary of GDF Suez Energy Resources NA, Inc., which is a wholly-owned subsidiary of GDF Suez Energy North America, Inc. ("GSENA"). GSENA's Standard & Poor's Ratings Services report and GSENA Guaranty are both, respectively, attached hereto.

STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

Summary:
GDF SUEZ S.A.

Primary Credit Analyst:
Pierre Georges, Paris (33) 1-4420-6735; pierre.georges@standardandpoors.com

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

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Summary:
GDF SUEZ S.A.

Business Risk: EXCELLENT

Vulnerable — Excellent

Financial Risk: SIGNIFICANT

Highly leveraged — Minimal

a- a a

Anchor — Modifiers — Group/Gov't

CORPORATE CREDIT RATING

A/Stable/A-1

Rationale

Business Risk: Excellent	***Financial Risk: Significant***
• Comprehensive scale with outstanding business and geographic diversity. • Sizable and growing share of regulated and contracted operations. • Leading and integrated market positions. • Young and clean power generation assets. • Depressed market conditions in its core European operations. • Increasing exposure to fast-growing, but historically volatile, overseas markets. • Some political risks.	• Strong record of financial discipline. • Material financial flexibility. • Strong liquidity. • Pronounced use of nonrecourse debt in project finance operations.

Outlook: Stable

The stable outlook reflects Standard & Poor's Ratings Services' expectation that global utility GDF SUEZ S.A.'s medium-term strategic plan should enhance the predictability and resilience of its cash flows while supporting the consolidation of its credit metrics. We view a ratio of Standard & Poor's-adjusted funds from operations (FFO) to debt that exceeds 20% as commensurate with our assessment of GDF SUEZ's "significant" financial risk profile and current ratings.

The stable outlook also reflects our expectation that management will maintain strict financial discipline and will make use of its financial flexibility if necessary.

Furthermore, the outlook factors in the high likelihood that the group will make midsize acquisitions that suit its growth strategy and our expectation that such acquisitions would not cause a marked or sustained change to the group's financial trajectory; we would not expect any change to last longer than 12-18 months.

Downside scenario

We would lower the rating if we expected GDF SUEZ to struggle to maintain a resilient cash flow base and Standard & Poor's-adjusted FFO to debt comfortably above 20% over the next two years. This could result from large debt-financed acquisitions that would materially weaken the group's credit metrics over a couple of years, should the magnitude and timing of offsetting plans be inadequate. This could also result from the concomitant and material deterioration--beyond current forward prices--of all commodity and energy prices globally.

Upside scenario

Rating upside is remote at this stage, because the credit metrics we anticipate for the group in the coming years remain at the low end of our "significant" financial risk profile. That said, we could consider relaxing our credit metric guidance for the rating in the medium term, because we expect more of GDF SUEZ's earnings to come from regulated and contracted businesses in future.

However, we could consider raising the ratings should GDF SUEZ's financial risk profile improve materially beyond our assumptions. We view an adjusted FFO-to-debt ratio close to 30% as consistent with our "intermediate" financial risk profile. In our view, such an improvement could result from a combination of higher commodity prices or supportive redesigns of European energy markets, and moderation in the group's currently substantial investment program and shareholder returns.

Standard & Poor's Base-Case Scenario

Assumptions

- Flat EBITDA growth in 2015 versus 2014, given unresolved issues in nuclear plants in Belgium, still unfavorable hydrologic conditions in Brazil, and decrease in commodity prices.
- EBITDA improvement from 2016, notably stemming from increased contribution from international activities.
- Capital expenditure and acquisitions, net of disposals, of about €7 billion annually.
- Dividends in line with the group's guidance of a 65%-75% payout ratio (as per the group's definition), and a minimum €1 per share.

Key Metrics

	2014	2015f	2016f
Unadjusted EBITDA (Bil. €)	12.3	12.0-12.5	13.0-13.5
Standard & Poor's adjusted FFO/debt (%)	20.5	Approx. 20.0	20.0-22.0
Standard & Poor's adjusted debt/EBITDA (x)	3.5	3.0-3.5	3.0-3.5

FFO--Funds from operations. f--Forecast. e--Estimate.

Business Risk: Excellent

We assess the group's business risk profile as "excellent," underpinned by its comprehensive scale, broad business and geographic diversity, leading and integrated market positions, and resilient profitability. We anticipate that these factors will continue to ensure stable and predictable operating earnings and cash flow at the group level, enabling the group to sustain currently depressed conditions on its core European markets.

Scale, scope, and diversity are major strengths

GDF SUEZ's major competitive advantage, resulting from its comprehensive scale, significant business and geographic diversity, and leading market positions, is the anchor of the group's business risk profile.

The group has a dominant position in the Belgian power market and in gas supply in France. It occupies a substantial portion of the Central Western European markets and leading positions in most of the fast-growing markets, where it has become a system operator through some vertical integration of its operations. Global gas activities are crystallizing the benefits of vertical integration at group level through synergies with the group's numerous gas and gas-fired operations.

The group has a highly diversified generation mix, underpinned by the number of plants (about 600), international locations (70 countries), and technologies. This outstanding scale and diversification significantly contributes to the group's earnings resilience, in our view. Cash flow predictability is further enhanced by the sizable and growing share of regulated or long-term contracted operations that bear minimal volume and market risk. These strengths are well reflected by credit metrics consistent with the rating over 2014, despite an exceptional combination of penalizing factors: extremely warm winter in Europe, exceptional drought in Brazil, and extended outages of nuclear power plants in Belgium. We do not assume that credit metrics will rebound in 2015, given that the situation in Brazil and Belgium only marginally improved so far, and because the group was hit by the dramatic fall in commodity prices. Yet, despite further pressure on earnings, we forecast that the increasing contribution from the group's international activities and the resilience stemming from regulated and contracted activities will mitigate these negative factors.

We also value the group's positions in energy services, which were developed well ahead of most peers, foster growth opportunities, and help strengthen the group's positions in the worldwide energy transition.

Regulated activities in France also support the rating

We assess the regulated utilities businesses of GDF SUEZ as having a "strong" regulatory advantage, which primarily reflects the supportiveness and stability of the French transmission and distribution regulatory regime. France-based GRTgaz operates Europe's largest gas transportation network and GRDF manages Europe's second-largest distribution network.

The regulated gas network business of GDF SUEZ enjoys a well-established and transparent domestic regulatory framework conferring predictability and stability to earnings. The French remuneration framework includes virtually full coverage of operating expenses, although potentially with a time lag; marginal exposure to volume risk; incentives for new investments; and an above-average return on its regulated asset base. We consider the French regulatory environment to be particularly supportive of credit quality. The framework has been in place for a long time, and we regard it as well-established.

International strategy and long-term contracted activities are key rating supports

We view the acceleration of GDF SUEZ's strategic shift toward energy services, regulated, or long-term contracted activities, and growing markets, away from mature and merchant markets, as supportive of its business risk profile. We also consider the rebalancing of the business mix, embracing the structural worldwide energy transition trends, and shifting from increasingly oversupplied and politicized European energy markets toward undersupplied markets, supports GDF SUEZ's earnings predictability and growth.

We view positively the high barriers to entry set by the group's existing installed base and first-mover advantage in these international and growing markets. We believe GDF SUEZ has built a unique and difficult-to-replicate position in international energy markets. The likely increase in country-related risk is mitigated by the group's highly-diversified and long-established international presence. In addition, countries Standard & Poor's rates 'BB+' or below account for only a marginal share of the group's exposure. We also value positively the high proportion of cash flows secured by typically very long-term contracts and the listing of local subsidiaries, which provides a political hedge.

Unlike most utilities, which are seeking expensive growth engines outside Europe to avoid earnings shrinkage, GDF SUEZ already has multiple options among a vast pipeline of projects provided by its long-dated construction of strong regional footholds in emerging markets with leading and integrated positions. We also acknowledge the group's ability to attract strong industrial and financial partners and its financial engineering skills, which enables the group to seize profitable opportunities. We consider this unrivalled position and the group's ability to manage and arbitrage its highly-diversified asset portfolio to be key credit strengths.

Recently built and efficient power generation asset mix

We also view positively that the group's power generation assets are younger than those of most peers. In addition, the group will commission a significant amount of new assets over the next three years. Although they provide no earnings support under the current European carbon market conditions, GDF SUEZ's low-carbon dioxide (CO_2) and modern-generation portfolio are competitive advantages in the long term. In particular, these assets provide it with a substantial share (80% of the group's generation capacity in net ownership) of clean energy, which improves the *group's positioning in the merit order (a system that ranks available sources of energy based on their marginal cost.* Energy sources higher up the merit order tend to be used in preference to those lower down). Renewables represent about 15% of the group's generation capacity in net ownership.

Exposure to depressed European generation markets weighs on the business risk profile

Our assessment of GDF SUEZ's business risk profile is constrained by structurally depressed market conditions in its core European operations. We expect that continuing poor conditions in most European energy markets will gradually erode GDF SUEZ's cash flows as the benefits of past hedging fade.

Oversupply, exacerbated by abundant must-run renewable output and depressed demand, plus sliding carbon and coal prices, have brought power prices and load factors of gas plants in Europe down to historical lows. This has weakened the group's profitability, although it derives only a small portion of its earnings from merchant power generation in Europe compared with peers. We anticipate that conditions in Europe could remain depressed or even worsen until *providers reduce capacity or policymakers rebalance the system.*

The sharp decline in fuel commodity prices since the end of 2014 puts additional pressure on the group's performance in its merchant power activities, which has been mitigated by the hedging contracts so far. However, its exploration and production branch, which we view as providing a hedge in case of adverse commodity trends, has taken a more direct hit. The group reacted rapidly to this changing environment by implementing new cost cutting actions and by delaying about €2 billion of investments to preserve cash flows, demonstrating its agility and ability to efficiently adapt itself.

In our view, additional credit strength stems from GDF SUEZ's competitive advantages relative to most of its peers. These advantages include the group's capacity to divert liquefied natural gas (LNG) volumes using its large fleet and the superior negotiating power conferred by its very large and diversified procurement portfolio. Although LNG will likely face less attractive prospects in the coming years as supply will increase sharply, we believe the group's expertise and its strategy to shift to longer term contracts will offer some additional resilience.

Political interference in Europe remains

In our view, European energy markets are increasingly subject to political interference under recessionary economic conditions in which energy costs are rising while household revenues fall. In Belgium, the future of nuclear energy remains undecided. Although nuclear life extensions have been granted to some of GDF Suez plants, the maintenance of the nuclear tax remains unpredictable. If not amended or cancelled, we understand nuclear reactors could be phased out after a 40-year lifetime, despite rising concerns regarding the security of supply.

Management track record is supportive

We assess GDF SUEZ's management and governance as "strong" as defined under our criteria. GDF SUEZ has a strong risk-management culture and expertise, and it maintains considerable depth and breadth in management. The group has a favorable track record of achieving organic and external growth while maintaining a conservative financial *policy and delivering its financial goals.*

This discipline is supported by a very solid track record of execution of complex projects and by the group's significant flexibility, as illustrated by its so-called "quick reaction plan" set by the group in reaction to the fall in commodity prices (which includes additional cost savings and a reduction of capital expenditures by €2 billion, of which €1.6 billion represents non-organic growth, over 2015-2016).

We consider this management discipline, expertise, and monitoring processes as paramount in implementing the group's strategy, which includes managing increasingly large, complex, and unique projects. By definition, these bear high execution risks.

Financial Risk: Significant

S&P base-case cash flow and capital structure scenario

In light of the strengths and weaknesses associated with GDF SUEZ's business risk profile, the group's credit metrics in 2014 were weaker than in 2013 but in line with our expectations for the current rating. In 2014, our ratio of FFO to debt was slightly above the 20% threshold we deem commensurate with the rating, and we now expect this ratio to remain near 20% in 2015, before picking up in 2016. We also expect adjusted leverage to remain below 3.5x over 2014-2016 and neutral to slightly negative discretionary cash flow over the next three years, with cash flows from operations financing the accelerated growth and covering dividends. Our base case is based on the following key assumptions:

- A slight decrease in adjusted FFO to €9 billion in 2015.
- Capital expenditure and acquisitions, net of disposals, of about €7 billion annually.
- Dividends in line with the group's guidance of a 65%-75% payout ratio (excluding dividends of the group's subsidiaries to minority shareholders) and a minimum €1 per share.

Liquidity: Strong

The 'A-1' short-term rating is supported by GDF SUEZ's liquidity, which we consider to be "strong" under our criteria.

We project that the group's sources of funds will exceed our projected uses by more than 1.5x over the next 12 months, and in the subsequent 12-24 months. Excluding any proceeds of asset sales not yet secured, projected sources of funds will surpass projected uses by nearly 2.1x over the next 12 months and by more than 1.5x in the subsequent 12-24 months.

Our assessment is further supported by the group's ongoing and proactive liquidity and debt management, solid relationships with banks, and ample and proven access to capital markets, even under dire conditions. GDF SUEZ has an average net debt maturity to 9.1 years, and its average cost of gross debt was 3.14% at year-end 2014, while keeping the debt mainly fixed. The debt maturity profile is also well staggered, with about €3.5 billion to be refinanced annually in the coming years, a level we deem manageable for the group.

Principal Liquidity Sources	Principal Liquidity Uses
Based on our estimates, we factor the following liquidity sources into our liquidity assessment for the 12 months started on Dec. 31, 2014: • About €9 billion in available cash at group level; • About €9.5 billion in available committed credit lines maturing beyond 12 months adjusted for outstanding commercial paper; and • Our forecast of unadjusted FFO of about €8.5 billion.	Against these sources, we project the following liquidity uses: • Short-term debt of about €4 billion; • Our estimate of net capital expenditure not exceeding €7 billion in light of management's guidance; • Dividend cash payments of about €2.3 billion.

Other Credit Considerations

We have incorporated an upward adjustment of one notch to the anchor, due to our assessment of GDF SUEZ's "moderate" diversification, which reflects the broad reach of the group's moderately correlated activities and markets that support its strong earnings resilience. The number of businesses GDF SUEZ operates is a distinctive feature of the group compared with other large, integrated utilities. In our opinion, the group could capture value added wherever it exists in the chain, which depends at any time on cycles and market conditions. The group's breadth is further supported by its significant geographic diversification, which the acquisition of International Power and the group's recent strategic changes have further accelerated.

Group Influence

We assess GDF SUEZ's unsupported group credit profile (GCP) at 'a', based on the consolidated cash flows and debt at the level of the ultimate holding company.

GIE Suez Alliance is also a "core" subsidiary, as a "groupement d'intérêt economique" (GIE), or group of economic interests whose members, which include GDF SUEZ S.A., by law, are jointly and severally liable for debt issued or guaranteed by the GIE.

We view E-CL S.A. as "moderately strategic" subsidiary of GDF SUEZ, and, as per our criteria, we rate the company one notch above its stand-alone credit profile to reflect its status. E-CL is the largest power generator in the Chilean Northern Electric System (SING) and has a market share of about 50% in terms of installed capacity. E-CL is a profitable business that we consider is important to the group's long-term strategy and likely to receive support under a financial distress scenario. Suez EnergyAndino S.A. and Inversiones Mejillones-1, also subsidiaries of GDF SUEZ, own 52.76% of E-CL. The remaining 47.24% floats in the Santiago stock exchange.

GDF SUEZ owns 55% of France-based consumer finance company Banque Solfea. We regard Banque Solfea as nonstrategic to the group and therefore do not factor any support from GDF SUEZ into our ratings on this entity.

Government Influence

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

We base our opinion on our assessment of the limited importance of GDF SUEZ's role for the government. In our view, nuclear power generation, not gas, has been the cornerstone of France's long-standing energy policy. Despite the importance of GDF SUEZ as the dominant gas supplier and quasi monopolistic gas distributor in France, the service that GDF SUEZ provides is less essential than that of the single electricity last resource supplier in France, EDF.

Gas is less important to households and small and midsize enterprises in France than it is in most European countries, because approximately one-in-three habitations is equipped with electric heating (versus 5% in Germany) and because France has a lower population density. Although GDF SUEZ, as a very large employer, has a certain socioeconomic importance in France, its limited importance to the French government also stems from the relative weight of France in the group--it derives less than a third of EBITDA from France.

However, we consider that the transmission and distribution assets, as well as LNG and storage assets, are strategic to the French state. The state benefits from a golden share in these assets, which gives it the right to veto their disposal if the vital interests of France in energy matters would be affected.

We also consider that GDF SUEZ's link with the government is limited. While the French state is the group's largest shareholder, with a 33.29% direct stake, it does not control it. With the enactment of the "Florange law" in March 2014, the government has received greater economic flexibility: It is now required to hold more than one-third of its shares or voting rights, while the old principle required only one-third of shareholding. In addition, the government will be granted double voting rights from April 2, 2016, as all shareholders holding GDF SUEZ shares in the registered form for more than two years. The government also holds a golden share in the company to protect the national interest and ensure energy supply security, which legally entitles it to veto any decisions made by the company and its subsidiaries to sell, transfer operations, or assign as collateral its regulated assets in France.

Ratings Score Snapshot

Corporate Credit Rating

A/Stable/A-1

Business risk: Excellent

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

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: a-

Modifiers

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

Stand-alone credit profile : a

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

Related Criteria And Research

Related Criteria

- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Key Credit Factors For The Midstream Energy Industry, Dec. 19, 2013
- Key Credit Factors For The Oil And Gas Exploration And Production Industry, Dec. 12, 2013
- Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Corporate Methodology, Nov. 19, 2013
- Group Rating Methodology, Nov. 19, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Methodology: Industry Risk, Nov. 19, 2013
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Business And Financial Risk Matrix

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

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

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit C-7 – "Credit Report"
Provide a copy of the applicant's credit report from Experian, Dun & Bradstreet or a similar organization.

Applicant is a wholly-owned sole member-managed subsidiary of GDF Suez Energy Resources NA, Inc. ("GSERNA"). GSERNA's Experian report is attached hereto.

Premier Profile - GDF SUEZ ENERGY RESOURCES NA

Subcode: 695910 **Ordered:** 10/09/2015 08:36:03 CST
Transaction Number: C045955310
Search Inquiry: GDF SUEZ Energy r/1990 POST OAK BLVD STE 1900/HOUSTON/TX/77056/US/713-636-0000/786666414
Model Description: Intelliscore Plus V2

Experian
A world of insight

Business Name
GDF SUEZ ENERGY RESOURCES NA

Verified Legal Name

Business Identification Number
786666414

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

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

Ultimate Parent: GDF SUEZ SA

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

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Risk Dashboard

Risk Scores and Credit Limit Recommendation		Days Beyond Terms	Derogatory Legal	Fraud Alerts
Intelliscore Plus	Financial Stability Risk	Company DBT	Original Filings	High Risk Alerts
76 LOW RISK	95 LOW RISK	0	1	0
Score range: 1 - 100 percentile		Industry DBT: 5		
Credit Limit Recommendation: **$10,200**				

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Business Facts

Years on File:	18 (FILE ESTABLISHED 05/1997)	**SIC Code:**	ELECTRIC SERVICES - 4911
State of Incorporation:	DE		COMBINATION UTILITIES, NEC - 4939
Date of Incorporation:	06/12/2001		ELECTRIC & OTHER SERVICES COMBINED - 4931
Business Type:	Profit	**NAICS Code:**	Electric Power Distribution - 221122
Contacts:	SAM HENRY - CHIEF EXECUTIVE OFFICER		Utilities - 221000
	ROBERT WILSON - CHIEF EXECUTIVE OFFICER		Electric Power Generation, Transmission and Distribution - 221100
		Number of Employees:	550
	RAY CUNNINGHAM - PRESIDENT		

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Commercial Fraud Shield

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

Business Alerts			Verification Triggers
Active Business Indicator:	✔	Experian shows this business as active	The primary Business Name, Address, and Phone Number on Experian File were reviewed for High Risk indicators, no High Risk indicators were found.
Possible OFAC Match:	No	No OFAC match found	
Business Victim Statement:	No	No victim statement on file	

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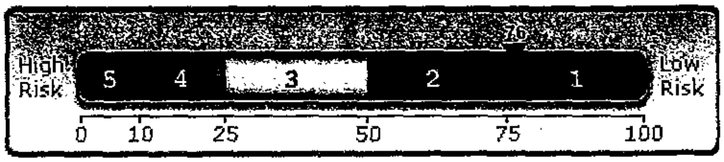
Credit Risk Score and Credit Limit Recommendation

Credit Risk Score: Intelliscore Plus

Current Intelliscore Plus Score: 76 **Risk Class: 1**



LOW RISK

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

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

Factors lowering the score

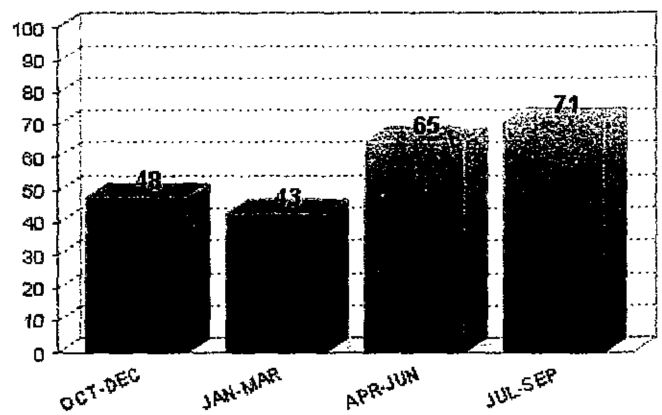
- NUMBER OF GOOD COMMERCIAL ACCOUNTS
- NUMBER OF DEROGATORY COMMERCIAL LEGAL ITEMS
- LENGTH OF TIME ON EXPERIAN'S FILE
- PCT OF NEW COMMERCIAL ACCTS TO TOTAL NBR OF ACCTS

Industry Risk Comparison

75% of businesses indicate a higher likelihood of severe delinquency.

Quarterly Score Trends

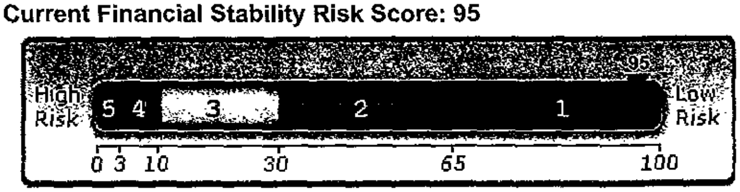
Quarterly Score Trends



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

Credit Risk Score: Financial Stability Risk

Current Financial Stability Risk Score: 95



Risk Class: 1

LOW RISK

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

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

Factors lowering the score

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

Industry Risk Comparison

94% of businesses indicate a higher likelihood of financial stability risk.

Credit Limit Recommendation

Credit Limit Recommendation

$10,200

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

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Payment and Legal Filings Summary

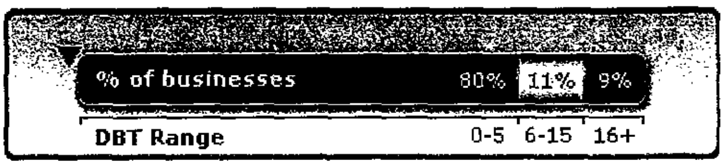
Payment Performance		Trade and Collection Balance		Legal Filings	
Current DBT:	0	*Total trade and collection (4):*	$100	*Bankruptcy:*	No
Predicted DBT as 12/02/2015 :	1	**All trades (4):**	$100	**Tax Lien filings:**	1
Monthly Average DBT:	0	**All collections (0):**	$0	**Judgment filings:**	0
Highest DBT Previous 6 Months:	0	**Continuous trade (4):**	$100	**Sum of legal filings:**	$532
Highest DBT Previous 5 Quarters:	1	**6 month average:**	$200 - $1,800	**UCC filings:**	2
Payment Trend Indication:		**Highest credit amount extended:**	$3,300	**Cautionary UCC filings:**	Yes
Payments are stable		**Most frequent industry purchasing terms:**			
		NET 30,CONTRCT,REVOLVE			

Industry Comparison

Industry DBT Range Comparison

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

DBT for this business: 0



DBT Norms

All industry: 5

Same industry: 5

Industry Payment Comparison

Has paid sooner than 50% of similar businesses

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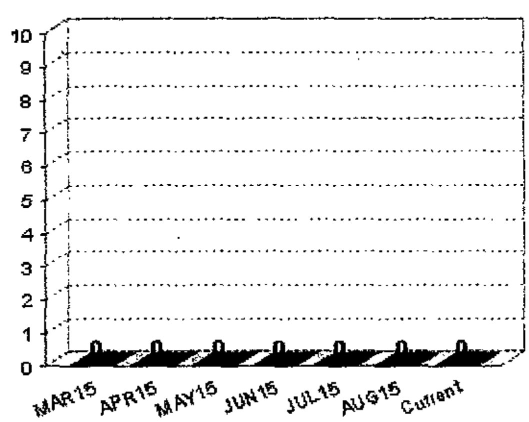
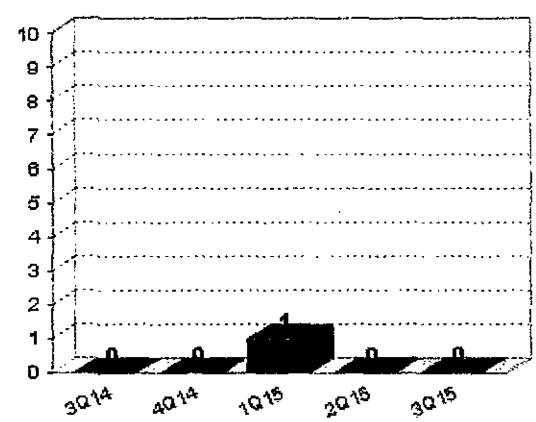
Payment Trending

DBT Trends

Monthly DBT Trends



Quarterly DBT Trends



Monthly Payment Trends

	Payment Trends Analysis ELECTRIC SERVICES - 4911				Account Status Days Beyond Terms				
Date Reported	Industry Cur	Industry DBT	Business DBT	Balance	Cur	1-30	31-60	61-90	91+
CURRENT	N/A	N/A	0	$100	100%				
AUG15	86%	5	0	$200	100%				
JUL15	86%	5	0	$900	100%				
JUN15	86%	5	0	$1,800	100%				
MAY15	87%	4	0	$1,200	100%				
APR15	88%	4	0	$1,200	100%				
MAR15	89%	4	0	$1,200	100%				

Quarterly Payment Trends

Payment History - Quarterly Averages				Account Status Days Beyond Terms				
Quarter	Months	DBT	Balance	Cur	1-30	31-60	61-90	91+
Q3 - 15	JUL - SEP	0	$400	100%				
Q2 - 15	APR - JUN	0	$1,400	100%				
Q1 - 15	JAN - MAR	1	$2,000	98%	1%	1%		
Q4 - 14	OCT - DEC	0	$1,000	100%				
Q3 - 14	JUL - SEP	0	$0					

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Trade Payment Summary

Trade Line Type	Lines Reported	DBT	Recent High Credit	Balance	Current	01-30	31-60	61-90	91+
Continuous	4		$5,400	$100	100%				
New	0			$0					
Combined Trade	**4**		**$5,400**	**$100**	**100%**				
Additional	0			$0					
Total Trade	**4**		**$5,400**	**$100**	**100%**				

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Trade Payment - New and Continuously Reported Trade Details

Payment Experiences (Trade Lines with an (!) after the date are newly reported)						Account Status Days Beyond Terms					
Business Category	Date Reported	Last Sale	Payment Terms	Recent High Credit	Balance	Cur	1-30	31-60	61-90	91+	Comments
AIR TRANS	09/2015	09/2015	OTHER	$900	$100	100%					
COMMUNICTN	07/2015		VARIED	$1,200	$0						ACCTCLOSED
FINCL SVCS	09/2015		CONTRCT	$3,300	$0						
PACKAGING	08/2015		NET 30		$0						CUST 5 YR

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Legal Filings

Tax Liens

File Date	Filing Type	Status	Amount	Filing Number	Jurisdiction
10/23/2014	State Tax Lien	Released	$532	E022791684W0017	ALBANY COUNTY CLERK
	Filed by: STATE OF NEW YORK				
07/29/2014	State Tax Lien	Filed	$532	E022791684W0017	ALBANY COUNTY CLERK
	Filed by: STATE OF NEW YORK				

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Uniform Commercial Code (UCC) Filings

UCC Filing Summary

Date Range	Year	Cautionary UCCs **	Total Filed	Released / Termination	Continuous	Amended / Assigned
JUL - PRESENT	2015					
JAN - JUN	2015					
JUL - DEC	2014					
JAN - JUN	2014					
JUL - DEC	2013					
PRIOR TO JUL	2013	1	2			
Total		**1**	**2**	**0**	**0**	**0**

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

UCC Details

UCC FILED Date: 11/05/2010
Filing Number: 100032054388
Jurisdiction: SEC OF STATE TX
Secured Party: ROCHESTER GAS AND ELECTRIC CORPORATION NY BINGHAMTON 13902 1

UCC FILED Date: 11/05/2010
Filing Number: 20103892621
Jurisdiction: SEC OF STATE DE
Secured Party: NEW YORK STATE ELECTRIC AND GAS CORPORAT NY BINGHAMTON 13902
Collateral: UNDEFINED, ACCTS REC, HEREAFTER AQUIRED PROP

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Additional Business Facts

Corporate Registration

THE FOLLOWING INFORMATION WAS PROVIDED BY THE STATE OF MAINE. THE DATA IS CURRENT AS OF 10/09/2015.

State of Origin:	DE
Date of Incorporation:	06/12/2001
Current Status:	Active - IN GOOD STANDING
Business Type:	Profit
Charter Number:	20030792 F
Agent:	C T CORPORATION SYSTEM
Agent Address:	ONE PORTLAND SQUARE PORTLAND, ME

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Corporate Linkage

Business Name	Location	BIN
Ultimate Parent of the inquired upon business and the top entity within the corporate family:		
GDF SUEZ SA	1 PLACE SAMUEL DE CHAMPLAIN - COURBEVOIE	000146149
Immediate Parent of the inquired upon business:		
GDF SUEZ ENERGY NA INC	1990 POST OAK BLVD STE 1900 - HOUSTON,TX	789791212
Branches of the inquired upon business:		
GDF SUEZ ENERGY RESOURCES NA	15 CABOT ST - TURNERS FALLS,MA	711050479
GDF SUEZ ENERGY RESOURCES NA	112 PLANTATION CT - EAST AMHERST,NY	829034098
GDF SUEZ ENERGY RESOURCES NA	2625 BUTTERFIELD RD - OAK BROOK,IL	830921077
GDF SUEZ ENERGY RESOURCES NA	2809 BUTTERFIELD RD STE 140 - OAK BROOK,IL	893039870
GDF SUEZ ENERGY RESOURCES NA	919 CONGRESS AVE STE 1450 - AUSTIN,TX	935700545
GDF SUEZ ENERGY RESOURCES NA	6 ROWE SQ - GLOUCESTER,MA	952627490
GDF SUEZ ENERGY RESOURCES NA	225 E CITY AVE - BALA CYNWYD,PA	957641786
GDF SUEZ ENERGY RESOURCES NA	1990 POST OAK BLVD STE 1990 - HOUSTON,TX	993598883
GDF SUEZ ENERGY RESOURCES NA	1114 HERCULES RD - HOPEWELL,VA	997440519

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Inquiries

Summary of Inquiries

Business Category	OCT15	SEP15	AUG15	JUL15	JUN15	MAY15	APR15	MAR15	FEB15
AIR TRANS									1
DP SERVCS					1				
GENERAL		1			3	1	1		
TEXTILES								1	
TRUCK DLR								1	
UTILITY				1			1	1	
Totals		1		1	4	1	2	3	1

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

End of report

1 of 1 report

Exhibit C-8 – "Bankruptcy Information"

Provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two (2) most recent years preceding the application.

None.

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

Exhibit C-9 – "Merger Information"

Provide a statement describing any dissolution or merger or acquisition of the applicant within the five (5) most recent years preceding the application, or at any time as a participant in the Ohio Natural Gas Choice programs.

None.

GDF Suez Retail Energy Solutions, LLC d/b/a Think Energy
CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS AND POWER MARKETERS

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.

AND

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

Applicant's operations include the retail power supply and other retail ancillary services used to arrange for the purchase and delivery of electricity to small commercial retail and residential customers. Applicant does not generate power and does not own any generation facilities.

Applicant's parent company, GDF Suez Energy Resources NA, Inc. ("GSERNA"), is a licensed, active electric supplier in the retail marketplace in Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Texas, and serves over 5,000 businesses and 80,000 accounts in the United States. Applicant has access to shared services, support and oversight by its parent company for day-to-day technical, managerial and operational activities, including risk management; legal counsel services, contract administration services; accounting and finance services; general management services; transaction related services, power supply procurement and portfolio management services; hedging of load requirements and supply resources; logistics management and coordination activities; compliance with ISO and state regulatory directives; wholesale counterparty credit administration; and the maintenance of all systems necessary to coordinate with the ISO and/or local utility.

Applicant has a contractual relationship with its affiliate, GDF Suez Energy Marketing NA, Inc. ("GSEMNA"), an active participant in the wholesale market, to meet all of Applicant's wholesale supply, scheduling and settlement needs pursuant to the Master Supply Agreement ("MSA") between Applicant and GSEMNA. In accordance with the MSA, Applicant is provided the following support services by its affiliate: all activities with the ISP regarding Applicant's provision of energy, capacity, ancillary services, scheduling and procurement of transmission service, congestion management and all other required products and services necessary to serve Applicant's load; bidding, sale, scheduling, dispatch, and delivery of energy, capacity and ancillary services necessary to serve Applicant's load; and assuring compliance with tariff obligations and reliability obligations, load scheduling; transmission services; and capacity and ancillary supply services.

Applicant's parent and Applicant's affiliate have decades of experience in the energy industry. Applicant operates its business in the same manner and processes as its parent company operates. Applicant *believes that this proven record of compliant performance of its parent company and affiliate substantially demonstrates that Applicant maintains the managerial resources and abilities to match the services it provides to its customers, and that Applicant has the ability and commitment to comply with all ARES standard and procedures, and the rules and regulations of ISP, the local utilities, and the Ohio Revised Code.*

Applicant has contracted with PPL Solutions, Inc. ("PPL") as its outsourced billing, call center, and customer care group to provide customized billing services such as statement generation and mailing and payment processing; customer care services including call center, inbound and outbound call management, call center consulting, error handling and resolutions, online customer service, contract management, customer enrollments, accounts services, and customer management. Applicant also maintains an internal staff as follows: (i) operations and customer care staff to manage the day-to-day management of the PPL account (outsourced billing and customer care provider) and direct contact, as needed, with customers for customer care and billing matters; (ii) supply group to manage pricing analytics and portfolio management; (iii) a marketing team to manage all marketing functions including strategic pricing, market planning, go-to-market strategies, new customer acquisition, and campaign management and analysis; (iv) an IT (information technology) team to manage the internal systems, databases, technical support, customer-facing applicants, back-office applicants, and system integration; (v) a business control team to manage all financial control matters including, billing, revenue, accounting, and settlements; and (vi) an exclusive sales channel to manage all direct and indirect sales channels and third-party relationships. Applicant also offers e-services and after-hour services for 24/7 availability to customers. Applicant has also contracted with Energy Services Group ("ESG") for support of EDI, XML and other data translation, transmission, auditing, archiving, business rule validation, exception identification and resolution, transaction management services, market portal, and data exchange.

Exhibit D-3 – "Key Technical Personnel"

Provide the names, titles, e-mail addresses, telephone numbers and the background of key personnel involved in the operational aspects of the applicant's current business.

SAM HENRY - President & CEO
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: sam.henry@gdfsuezna.com

Sam Henry is the President and CEO of GDF Suez Energy Resources NA, Inc. (GSERNA), one of the nation's leading energy providers serving commercial and industrial customers and a subsidiary of GDF Suez Energy North America (GSENA), active in the development, acquisition, and operation of electricity and cogeneration facilities, the marketing and sales of products and services, and the import and distribution of natural gas and LNG. Prior to joining GSERNA, from 2004 to 2012, Mr. Henry was the President and CEO of GDF Suez Energy Marketing, Inc., the trading and portfolio management operating group of GSENA. His responsibilities included all commercial activities surrounding power generation plants and the hedging of commodity price risks for the company in North America. Mr. Henry has 35 years of experience in the energy industry, mainly focused on asset and risk management. Prior to joining the GSENA group, Mr. Henry was Vice President of Risk Management at Edison Mission Energy, a company with 25,000 MW of generation in the United States, United Kingdom and Australia. Mr. Henry also served as Vice President of Trading and Risk management for Conoco's natural gas and gas liquids division, as well as its affiliated power marketer, Dupont Power Marketing. Mr. Henry also held positions at Chevron in the crude oil, gas liquids, and natural gas marketing sectors in Texas and New York. Mr. Henry is a member of the Global Association of Risk Professional and has been a member of the New York Mercantile Exchange advisory committees on propane, natural gas, and electricity trading. He also serves on the Advisory Board of the Hankamer School of Business at Baylor University. Mr. Henry holds a bachelor's of science in environmental studies and a masters of business administration.

JOHN HENDERSON – Senior Vice President
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: John.henderson@gdfsuezna.com

Mr. Henderson joined GSERNA in October 2012 to focus on strategies for extending the company's commercial and industrial capabilities to the B2C market. Previously, Mr. Henderson served as Vice President, Central Portfolio Management focusing on compliance with the new Dodd-Frank financial reform regulations and hedging strategy and optimization of GSENA electricity, LNG and retail portfolio. Mr. Henderson joined GSENA in 2002 and has served in a broad range of commercial and operational executive roles including retail marketing and operations, COO of Mexico regulated gas distribution and co-generation, North America merchant generation management, and portfolio risk management. Prior to joining GSENA, Mr. Henderson held energy-related executive positions at The New Power Company, a joint venture between Enron, AOL, GE and IBM to serve residential customers, and Enron in North America and the United Kingdom. Mr. Henderson began his career working in New York in investment banking prior to moving to Houston and focusing on energy. Mr. Henderson holds a Bachelor of Science degree in Electrical Engineering and also Economics from Rice University (with highest distinction) and an MBA degree from The Stanford Graduate School of Business. Mr. Henderson is a member of the Global Association of Risk Professionals and is actively involved in advancing competitive policy through numerous gas, electric and retail industry associations.

RAY CUNNINGHAM - Vice President, Assistant General Counsel & Secretary

1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: Ray.cunningham@gdfsuezna.com

Mr. Cunningham joined GSERNA in October 2012 as its Vice President & Assistant General Counsel where he is responsible for government affairs, regulatory compliance, corporate transactions, litigation, risk management, and all legal matters impacting the retail business. Mr. Cunningham has over 25 years of experience in the energy industry and was most recently Vice President & Assistant General Counsel of GSEMNA. Mr. Cunningham is a graduate of Texas Tech University and South Texas College of Law.

GRAHAM LEITH - Vice President, Sales

1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: graham.leith@gdfsuezna.com

Mr. Leith joined GDF Suez Energy Resources NA, Inc. in May, 2014 as Vice President, Sales. He has over 20 years of experience in the energy industry, with 16 years in retail energy in the areas of Sales, Marketing, Risk Management and Operations. Most recently, he held the positions of Chief Risk Officer and Vice President & General Manager, Commercial Energy Sales, at AEP Energy. Prior to AEP, Graham held senior positions with Direct Energy & British Gas (Centrica plc), Ontario Power Generation Inc., and Photowatt Solar, in Canada and the United Kingdom. Mr. Leith has also held various energy marketing and sales roles with PremStar Energy Inc., TransCanada Pipelines, Ltd., and Air Solutions, Inc., in Ontario, Canada. Graham holds a Master of Business Administration from the Schulich School of Business at York

University in Toronto, Ontario, Canada and a Bachelor of Business Administration from Wilfrid Laurier University in Waterloo, Ontario, Canada.

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

Mr. Burrows is in charge of Retail Marketing at GDF SUEZ Energy Resources focusing on Commercial & Industrial customers. He has been in the retail energy business for 20 years, focusing on customer issues, and growing retail companies and developing new products & services. Mr. Burrows rejoined GSERNA in April 2013 as its Vice President of Marketing where he is responsible for lead generation, brand positioning, market analytics and pricing strategies. Prior to rejoining GSERNA, Mr. Burrows worked as the Vice President of Origination & Procurement for GSEMNA where he was responsible for wholesale origination of structured energy products; mid-marketing of energy, capacity, RECs; and procurement of natural gas, fuel oil, coal, transportation and rail capacity; and prior to that he was the Vice President of Strategy & Marketing for GSENA. Before joining GSERNA, Mr. Burrows held positions with Enron in structuring and risk management, and with Dynegy in Northeast market development. He started his career in energy with the Public Utility Commission of Texas, where he served as a witness and staff expert on rate design and fuel factors. Mr. Burrows earned a Bachelor of Science in economics from the University of Texas and a Master of Science in economics from Texas A&M University.

WILLIAM ("BILL") JORDAN – Vice President, Supply
1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: bill.jordan@gdfsuezna.com

Mr. Jordan joined GSERNA in March 2015 and is responsible for pricing, and portfolio risk management. He has over 20 years of experience and brings a broad background in energy marketing, portfolio management, wholesale generation and retail operations, valuation, risk management, and structuring to the role. He joined GSENA in 2004 and has held roles in retail operations and wholesale marketing. Prior to GSERNA, he was Director, ERCOT Portfolio Management and responsible for all commercial operations of the ERCOT generation portfolio including budget year term hedging, and day-ahead and real-time optimization. During his career, he held various retail commodity structuring and risk management roles with Centrica, Reliant Resources, Enron, Duke, and Central & Southwest, including developing hedging strategies for retail load obligations and risk management of supply positions. He holds an electric engineering degree from Louisiana Tech.

DOUGLAS STEIN – Vice President & Controller

1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: Douglas.stein@gdfsuezna.com

Mr. Stein is responsible for business operation and financial functions, including accounting, performance reporting, planning, settlements and credit. In addition, he heads up the customer billing, care and account management functions. Prior to GSERNA, Mr. Stein was a Director for GDF SUEZ Generation NA LLC (GSEGNA) and has over 15 years of experience in the energy industry. Mr. Stein began his career working with PricewaterhouseCoopers before joining GSEGNA. He is a certified public accountant and holds a Bachelor in Business Administration and Masters in Accounting from Trinity University.

VIKRAM KULKARNI – Vice President, Solar

1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: Vikram.kulkarni@gdfsuezna.com

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

H. JOON CHUN – Vice President, Operations

1990 Post Oak Blvd, Suite 1900
Houston, TX 77056
T: 713-636-0000
F: 713-636-1601
Email: joon.chun@gdfsuezna.com

Mr. Chun joined GSERNA in December 2013 as Vice President, Operations and is responsible for sales support, transaction management, contract validation, process and systems management and information technology impacting the business unit. Mr. Chun joined GSENA in December 2002 as a Director of Retail IT and recently served as a Director of IT for Corporate applications. He has over 20 years of experience working for various oil & gas and retail energy companies within the information technology space. He started his career at ExxonMobil and progressed through various management roles within Shell, Dynegy and Reliant Energy. Mr. Chun holds a degree in Computer Engineering from Baylor University and a Masters in Electrical Engineering from the University of Houston.