GDF SUEZ

October 18, 2011

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA FEDERAL EXPRESS
Commonwealth of Pennsylvania
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Attn: Commission Secretary
Keystone BUILDING
2nd Floor, Room N201
Harrisburg, PA 17120

RE: APPLICATION FORM FOR PARITIES WISHING TO OFFER, RENDER, FURNISH OR SUPPLY ELECTRICITY *OF ELECTRIC GENERATION SERVICE TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA*

APPLICANT: GDF SUEZ RETAIL ENERGY SOLUTIONS LLC, D/B/A THINK ENERGY

Executive Secretary:

Pursuant to the Requirements for Electric Suppliers, 66 Pa. C.S. Section 2809, and the regulations of the Pennsylvania Public Utility Commission, GDF Suez Retail Energy Solutions, LLC (GSRES) hereby submits its Application to Offer, Render, Furnish or Supply Electricity to the Public in the Commonwealth of Pennsylvania.

Enclosed for filing, please find the following:

1. One (1) original and one copy of the GSRES Application to Offer, Render, Furnish or Supply Electricity to the Public in the Commonwealth of Pennsylvania;
2. An electronic version on CD-rom of the application and all exhibits; and
3. A $350.00 check for the Application Filing Fee.

In accordance with 52 Pa. Code § 54.34, GSRES will notify the Commission immediately of any material change in the information provided in this license application during the pendency of the application, or while the licensee is operating in Pennsylvania.

Applicant respectfully requests that this application review process be expedited to the extent possible, as applicant is a newly-formed entity that is wholly-owned by GDF Suez Energy Resources NA, Inc., an active participant in the State of Pennsylvania retail electric market serving large commercial and industrial customers under license no. A-110156, issued September 25, 2022. GSRES is a newly-formed subsidiary, established to serve the small commercial market in Pennsylvania beginning early 2012. GSRES will begin testing and system integration for serving the PA market in the upcoming months. Please do not hesitate to contact me with any questions or to request additional information that may assist in expediting this process. Thank you in advance for your assistance.

Regards,

Naveen Rabie
Counsel
Email: Naveen.rabie@gdfsuezna.com
Office: 713-636-1607
Fax: 713-636-1601

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the Public in the Commonwealth of Pennsylvania.

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To the Pennsylvania Public Utility Commission:

1. IDENTIFICATION AND CONTACT INFORMATION

a. **IDENTITY OF THE APPLICANT**: Provide name *(including any fictitious name or d/b/a)*, primary address, web address, and telephone number of Applicant:

GDF Suez Energy Retail Solutions, LLC
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
www.gdfsuezenergyna.com
713-636-0000
1-866-252-0078

b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT**: If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

Capital Corporate Services
600 North Second Street
Harrisburg, PA 17101
Phone: 1-800-345-4647
Fax: 1-800-432-3622

c. **REGULATORY CONTACT**: Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

Naveen Rabie, Counsel
1900 Post Oak Blvd, Suite 1900
Houston, Texas 77056
713-636-1607
Fax: 713-636-1601
Naveen.Rabie@gdfsuezna.com

d. **ATTORNEY**: Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

Jason Austin, General Counsel and Vice President
1900 Post Oak Blvd, Suite 1900
Houston, Texas 77056
713-636-1742
Fax: 713-636-1601
Jason.Austin@gdfsuezna.com

e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** Provide the name, title, address, telephone number, FAX number, and e-mail of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed EGSs.

Contact for Complaints

Laura Persson
Director, Operations & Customer Care
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
713-636-1293
Laura.persson@gdfsuezna.com

Customer Care

VERTEX Business Solutions
Billing, Customer Care, Account Services, Call Center, Process Outsourcing, Customer Management
Michael August
Vertex Representative
250 East Arapaho Road, Suite 100, Richardson, Texas 75081
1-866-252-0078
214-576-1000
www.vertexgroup.com; info@vertexna.com

2. BUSINESS ENTITY FILINGS AND REGISTRATION

a. **FICTITIOUS NAME:** *(Select appropriate statement and provide supporting documentation as listed.)*

☐ The Applicant will be using a fictitious name or doing business as ("d/b/a")

Provide a copy of the Applicant's filing with Pennsylvania's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

or

X The Applicant will not be using a fictitious name.

b. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:**
(Select appropriate statement and provide supporting documentation. As well, understand that Domestic means being formed within Pennsylvania and foreign means being formed outside Pennsylvania.)

☐ The Applicant is a:

☐ domestic corporation (15 Pa. C.S. §1308)
☐ foreign corporation (15 Pa. C.S. §4124)
☐ domestic limited liability company (15 Pa. C.S. §8913)
X foreign limited liability company (15 Pa. C.S. §8981)
☐ Other (Describe):

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above.
  See Exhibit 1

- Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation.
  See Exhibit 1

- Give name and address of officers.
  See Exhibit 2

3. AFFILIATES AND PREDECESSORS

(both in state and out of state)

a. **AFFILIATES:** Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

Applicant's parent company and sole managing member, GDF Suez Energy Resources NA, Inc., is the retail operating group arm of GDF Suez Energy NA, Inc., its parent company that engages in electricity generation and cogeneration, natural gas and LNG, renewable energy, and asset-based trading and origination. GDF Suez Energy Resources NA, Inc. does business in the State of Pennsylvania as a licensed electric supplier, under license no. A-110156, issued 9/25/2002. GDF Suez Energy Resources NA, Inc. serves medium and large commercial and industrial customers. GDF Suez Energy Resources NA, Inc. is also a licensed competitive retail electric supplier that serves approximately 4,500 businesses and 60,000 accounts in the United States in Connecticut, Massachusetts, Delaware, Illinois, Texas, New York, New Jersey, Maryland, Maine, the District of Columbia, and Ohio. Applicant is formed to manage the small commercial market. Applicant will operate as a licensed completive retail electric supplier in the States listed above and will focus of marketing to and serving the small commercial market in these states.

b. **PREDECESSORS**: Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

Applicant does not have a predecessor.

4. OPERATIONS

a. **APPLICANT'S PRESENT OPERATIONS:** *(select and complete the appropriate statement)*

X *The Applicant is not presently doing business in Pennsylvania.*

b. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a (*may check multiple*):

☐ Generator of electricity
X Supplier of electricity
☐ Aggregator engaged in the business of supplying electricity
☐ Broker/Marketer engaged in the business of supplying electricity services
☐ Electric Cooperative and supplier of electric power
☐ Other (Describe):

Definitions

- Supplier – an entity that sells electricity to end-use customers utilizing the jurisdictional transmission and distribution facilities of an EDC.
- Aggregator - an entity that purchases electric energy and takes title to electric energy as an intermediary for sale to retail customers.
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of electric energy but does not take title to electric energy.

c. **PROPOSED SERVICES:** Describe in detail the electric services or the electric generation services which the Applicant proposes to offer.

GDF Suez Retail Energy Solutions LLC will market to and sell electric energy supply in the competitive retail market small commercial customers in the State of Pennsylvania, in the following utility territories: PECO, PPL, MedEd, Penelec, Allegheny Power (West Penn Power); Duquesne Light Co, and Penn Power. GDF Suez Retail Energy Solutions LLC will offer a variety of electric energy products to customers including fixed-price products and index-based products. GDF Suez Retail Energy Solutions LLC will offer a variety of electric energy products to customers including fixed-price products and index-based products. GDF Suez's marketing initiative for entry into the PA small commercial market is a multi-channel strategy to reach customers through: (i) a variety of dedicated sales channels such as direct customer sales through an e-channel (internet based sales), agent representatives (i.e. door-to-door sales) and telesales, which will exclusively market and sell GDF Suez's products and services; and (ii) non-dedicated sales channels such as consultants, aggregators, and brokers that function as a customer representative and solicit products and services from GDF Suez, as well as other suppliers, on the customer's behalf.

d. **PROPOSED SERVICE AREA:** Provide a list of each Electric Distribution Company for which the Applicant proposes to provide service.

PECO
PPL (Pennsylvania Power and Light)
Metropolitan Edison
Pennsylvania Electric
Allegheny Power (West Penn Power)
Duquesne Light Co
Pennsylvania Power.

e. **CUSTOMERS:** Applicant proposes to provide services to:

☐ Residential Customers
X **Small Commercial Customers - (25 kW and Under)**
X **Large Commercial Customers - (Over 25 kW)**
☐ Industrial Customers
☐ Governmental Customers
☐ All of above
☐ Other (Describe):

f. **PROPOSED MARKETING METHOD** *(check all that apply)*

- X Internal – Applicant will use its own internal resources/employees for marketing
- X External EGS – Applicant will contract with a PUC **LICENSED EGS** broker/marketer
- ☐ Affiliate – Applicant will use a **NON-EGS** affiliate marketing company and or individuals.
- X External Third-Party – Applicant will contract with a **NON-EGS** third party marketing company and or individuals
- ☐ Other (Describe):

g. **DOOR TO DOOR SALES:** Will the Applicant be implementing door to door sales activities?

- X Yes
- ☐ No

If yes, will the Applicant be using a Third Party Verification procedure?

- X Yes
- ☐ No

If yes, describe the Applicant's Third Party Verification procedures.

See Exhibit 3

h. **START DATE:** Provide the approximate date the Applicant proposes to begin services within the Commonwealth.

January 2012

5. COMPLIANCE

a. **CRIMINAL/CIVIL PROCEEDINGS:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or *in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.*

Applicant has no proceedings to list.

b. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

Not Applicable.

c. **CUSTOMER/REGULATORY/PROSECUTORY ACTIONS:** Identify all formal or escalated actions or complaints filed *with or by a customer, regulatory agency, or prosecutory agency against the Applicant, an affiliate, a predecessor of* either, or a person identified in this Application, for the prior five (5) years, including but not limited to customers, Utility Commissions, and Consumer Protection Agencies such as the Offices of Attorney General. If the Applicant has no actions or complaints to list, explicitly state such.

Applicant has no actions or complaints to list.

d. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any actions listed above.

Not Applicable.

6. PROOF OF SERVICE

(Example Certificate of Service is attached at Appendix C)

a.) STATUTORY AGENCIES: Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, provide proof of service of a signed and verified Application with attachments on the following:

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Office of the Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

b.) EDCs: Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, provide Proof of Service of the Application and attachments upon each of the Electric Distribution Companies the Applicant proposed to provide service in. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14. Contact information for each EDC is as follows.

Allegheny Power:
Legal Department
West Penn Power d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Duquesne Light:
Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

Met-Ed, Penelec, and Penn Power:
Legal Department
First Energy
2800 Pottsville Pike
Reading PA, 19612

Citizens' Electric Company:
Citizens' Electric Company
Attn: EGS Coordination
1775 Industrial Boulevard
Lewisburg, PA 17837

Wellsboro Electric Company:
Wellsboro Electric Company
Attn: EGS Coordination
33 Austin Street
P. O. Box 138
Wellsboro, PA 16901

PECO:
Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

PPL:
Legal Department
Attn: Paul Russell
PPL
Two North Ninth Street
Allentown, PA 18108-1179

UGI:
UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, Pa 19612-2677

Pike County Light & Power Company:
Director of Customer Energy Services
Orange and Rockland Company
390 West Route 59
Spring Valley, NY 10977-5300

7. FINANCIAL FITNESS

a. **BONDING:** In accordance with 66 Pa. C.S. Section 2809(c)(1)(i), the Applicant is required to file a bond or other instrument to ensure its financial responsibilities and obligations as an EGS. Therefore, the Applicant is...

X Furnishing the **original** *(along with copies) of an initial bond, letter of credit or proof of bonding to the Commission* in the amount of $250,000.

See Appendix D

☐ Furnishing the **original** (along with copies) of another initial security for Commission approval, to ensure financial responsibility.

☐ Filing for a modification to the $250,000 requirement and furnishing the **original** (along with copies) of an initial bond, letter of credit or proof of bonding to the Commission in the amount of $10,000. Applicant is required to provide information supporting an amount less than $250,000. Such supporting information must include indication that the Applicant will not take title to electricity and will not pay electricity bills on behalf of its customers. Further details for modification may be described as well.

- *At the conclusion of Applicant's first year of operation it is the intention of the Commission to tie security bonds to a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. The amount of the security bond will be reviewed and adjusted on an annual basis.*
- *Example version of a bond and letter of credit are attached at Appendix D & E, Applicant's security must follow language from these examples.*
- *Any deviation from these examples must be identified in the application and may not be acceptable to the Commission.*

b. **FINANCIAL RECORDS, STATEMENTS, AND RATINGS:** Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.

  See Exhibit 4

- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient)

  See Exhibit 5

- Applicant's accounting statements, including balance sheet and income statements for the past two years.

  See Exhibit 6

- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form, evidence of Moody's, S&P, or Fitch ratings, and/or other independent financial service reports.

  See Exhibit 7

- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements exhibiting accounts over a minimum two year period.

  See Exhibit 8

- Bank account statement, tax returns from the previous two years, or any other information that demonstrates Applicant's financial fitness.

  See Exhibit 9

c. **ACCOUNTING RECORDS CUSTODIAN**: Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

Deborah Roscetti
Director of Accounting
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Debra.roscetti@gdfsuezna.com
713-636-1961

d. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix F to this application.

All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identifications numbers (items 7A through 7C) shall be accompanied by supporting documentation or an explanation validating the absence of such information.

Items 7A and 7C on the Tax Certification Statement are designated by the Pennsylvania Department of Revenue. Item 7B on the Tax Certification Statement is designated by the Internal Revenue Service.

See Appendix F

8. TECHNICAL FITNESS:

To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided.

a.) **EXPERIENCE, PLAN, STRUCTURE:** such information may include:

- Applicant's previous experience in the electricity industry.

  See Exhibit 10

- Summary and proof of licenses as a supplier of electric services in other states or jurisdictions.

  See Exhibit 11

- Type of customers and number of customers Applicant currently serves in other jurisdictions.

  See Exhibit 11

- Staffing structure and numbers as well as employee training commitments.

  See Exhibit 12

- Business plans for operations within the Commonwealth.

  See Exhibit 13

- Documentation of membership in PJM, ECAR, MAAC, other regional reliability councils, or any other membership or certification that is deemed appropriate to justify competency to operate as an EGS within the Commonwealth.

  See Exhibit 14

- Any other information appropriate to ensure the technical capabilities of the Applicant.

b.) **OFFICERS**: Identify Applicant's chief officers including names and their professional resumes.

See Exhibit 10

c.) **FERC FILING**: Applicant has:

☐ Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.

☐ Received approval from FERC to be a Power Marketer at Docket or Case Number ____________.

X Not applicable

9. DISCLOSURE STATEMENT:

a. **Disclosure Statements:** If proposing to serve Residential and/or Small Commercial (under 25 kW) customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix G to this Application.

See Appendix G

- Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

a. **PJM LOAD SERVING ENTITY REQUIREMENT:** As a prospective EGS, the applicant understands that those EGSs which provide retail electric supply service (i.e. takes title to electricity) must provide either:

- proof of registration as a PJM Load Serving Entity (LSE), or

  See Exhibit 14

- proof of a contractual arrangement with a registered PJM LSE that facilitates the retail electricity services of the EGS.

The Applicant understands that compliance with this requirement must be filed within 120 days of the Applicant receiving a license. As well, the Applicant understands that compliance with this requirement may be filed with this instant application.

(Select only one of the following)

X AGREED - Applicant has included compliance with this requirement in the instant application, labeled in correspondence with this section (10).

☐ AGREED - Applicant will provide compliance with this requirement within 120 days of receiving its license

☐ ACKNOWLEDGED - Applicant is not proposing to provide retail electric supply service at this time, and therefore is not presently obligated to provide such information

b. **STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission. Further, the Applicant agrees that it must comply with and ensure that its employees, agents, representatives, and independent contractors comply with the standards of conduct and disclosure set out in Commission regulations at 52 Pa. Code § 54.43.

X AGREED

c. ***REPORTING REQUIREMENTS:*** *Applicant agrees to provide the following information to the Commission or the* Department of Revenue, as appropriate:

- Retail Electricity Choice Activity Reports: The regulations at 52 Pa. Code §§ 54.201--54.204 require that all active EGSs report sales activity information. An EGS will file an annual report reporting for customer groups defined by annual usage. Reports must be filed using the appropriate report form that may be obtained from the PUC's Secretary's Bureau or the forms officer, or may be down-loaded from the PUC's internet web site.

- Reports of Gross Receipts: Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.

- The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.

- Applicant shall report to the Commission the percentages of total electricity supplied by each fuel source on an annual basis:

- Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.

X AGREED

d. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.

X AGREED

e. **ASSESSMENT:** The Commission does not presently assess Electric Generation Suppliers for the purposes of recovery of regulatory expenses; see *PPL Energyplus, LLC v. Commonwealth, 800 A.2d 360 (Pa. Cmwlth. 2002).*

X ACKNOWLEDGED

f. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur to the information upon which the Commission relied in approving the original filing. See 52 Pa. Code § 54.34.

X AGREED

g. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be groundscfor denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

X AGREED

h. **NOTIFICATION OF CHANGE:** If your answer to any of these items changes during the pendency of your application or if the information relative to any item herein changes while you are operating within the Commonwealth of Pennsylvania, you are under a duty to so inform the Commission, within twenty (20) days, as to the specifics of any changes which have a significant impact on the conduct of business in Pennsylvania. See 52 Pa. Code § 54.34.

X AGREED

i. **CEASING OF OPERATIONS:** Applicant is also required to officially notify the Commission if it plans to cease doing business in Pennsylvania, 90 days prior to ceasing operations.

X AGREED

j. **Electronic Data Interchange:** The Applicant acknowledges the Electronic Data Interchange (EDI) requirements and the relevant contacts for each EDC, as listed at appendix J.

X AGREED

k. **FEE:** The Applicant has enclosed or paid the required initial licensing fee of $350.00 payable to the Commonwealth of Pennsylvania.

X AGREED

11. AFFIDAVITS

a.) APPLICATION AFFIDAVIT: Complete and submit with your filing an officially notarized Application Affidavit stating that all the information submitted in this application is truthful and correct. An example copy of this Affidavit can be found at Appendix A.

See Appendix A

b.) OPERATIONS AFFIDAVIT: Provide an officially notarized affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service. An example copy of this Affidavit can be found at Appendix B.

See Appendix B

12. NEWSPAPER PUBLICATIONS

Notice of filing of this Application must be published in newspapers of general circulation covering each county in which the applicant intends to provide service. Below is a list of newspapers which cover the publication requirements for Electric Generation Suppliers looking to do business in Pennsylvania.

The newspapers in which proof of publication is required is dependent on the service territories the applicant is proposing to serve. The chart below dictates which newspapers are necessary for each EDC. If the applicant is proposing to serve the entire Commonwealth, please file proof of publication in all seven newspapers.

Please file with the Commission the Certification of Publication, along with a photostatic copy of the notice to complete the notice requirements.

Proof of newspaper publications must be filed with the initial application. Applicants **do not** need a docket number in their publication. Docket numbers will be issued when all criteria on the item 14 checklist (see below) are satisfied.

See Appendix H

	Duquesne	Met Ed	PECO	Penelec	Penn Power	PPL	UGI	West Penn	Entire Commonwealth
Philadelphia Daily News		X	X			X			X
Harrisburg Patriot-News		X		X		X		X	X
Scranton Times Tribune		X		X		X	X		X
Williamsport Sun Gazette				X		X		X	X
Johnstown Tribune Democrat				X				X	X
Erie Times-News				X	X				X
Pittsburgh Post-Gazette	X				X			X	X

(Example Publication is provided at Appendix H)

13. SIGNATURE

Applicant: GDF Suez Retail Energy Solutions LLC

By: ______________________

Jason Austin

Title: Vice President and General Counsel

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SECRETARY'S BUREAU

14. CHECKLIST

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections are complete.

Applicant: GDF Suez Retail Energy Solutions LLC

Applicant's Use		PUC Secretary's Bureau Use
✓	**Signature**	
✓	**Filing Fee**	
✓	**Application Affidavit**	
✓	**Operations Affidavit**	
✓	**Proof of Publication**	
✓	**Bond or Letter of Credit**	
✓	**Tax Certification Statement**	
✓	**Commonwealth Department of State Verification**	
✓	**Certificate of Service**	

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Appendix A

APPLICATION AFFIDAVIT

STATE OF TEXAS

COUNTY OF HARRIS

JASON AUSTIN, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Vice President and General Counsel (Office of Affiant) of GDF Suez Retail Energy Solutions, LLC, Applicant]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein GDF Suez Retail Energy Solutions, LLC has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein GDF Suez Retail Energy Solutions, LLC has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein GDF Suez Retail Energy Solutions, LLC acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein GDF Suez Retail Energy Solutions, LLC acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

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

Signature of Affiant

Sworn and subscribed before me this 12th day of September, 2011

Signature of official administering oath

My commission expires JUNE 15, 2015.

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OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

NAVEEN RABIE
Notary Public, State of Texas
My Commission Expires
June 15, 2015

Appendix B

OPERATIONS AFFIDAVIT

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OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

STATE OF TEXAS

COUNTY OF HARRIS

JASON AUSTIN, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Vice President and General Counsel (Office of Affiant) of GDF Suez Retail Energy Solutions, LLC]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That GDF Suez Retail Energy Solutions, LLC, the Applicant herein, acknowledges that [Applicant] may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That GDF Suez Retail Energy Solutions, LLC, the Applicant herein, asserts that [he/she/it] possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That GDF Suez Retail Energy Solutions, LLC, the Applicant herein, certifies to the Commission that it is subject to, will pay and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

That GDF Suez Retail Energy Solutions, LLC, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

____
Signature of Affiant

Sworn and subscribed before me this 12th day of SEPTEMBER, 2011.

____
Signature of official administering oath

My commission expires JUNE 15, 2015.

NAVEEN RABIE
Notary Public, State of Texas
My Commission Expires
June 15, 2015

Appendix C

CERTIFICATE OF SERVICE

On this the 18 day of October 2011, I certify that a true and correct copy of the foregoing application form for licensing within the Commonwealth of Pennsylvania as an Electric Generation Supplier and all attachments have been served upon the following:

STATUTORY AGENCIES:

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

EDCs:

Allegheny Power:
Legal Department
West Penn Power d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Duquesne Light:
Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

Met-Ed, Penelec, and Penn Power:
Legal Department
First Energy
2800 Pottsville Pike
Reading PA, 19612

PECO:
Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

PPL:
Legal Department
Attn: Paul Russell
PPL
Two North Ninth Street
Allentown, PA 18108-1179

UGI:
UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, Pa 19612-2677

Pike County Light & Power Company:
Director of Customer Energy Services
Orange and Rockland Company
390 West Route 59
Spring Valley, NY 10977-5300

Jason Austin, Vice President and General Counsel

Sworn and subscribed before me this 12th day of SEPTEMBER, 2011.

Signature of official administering oath

My commission expires JUNE 15, 2015.

NAVEEN RABIE
Notary Public, State of Texas
My Commission Expires
June 15, 2015

Appendix D

Electric Generation Supplier License Bonds

Bonds submitted in order to satisfy the licensing process must comply with the following:

The bond in the amount of $250,000 should name the Pennsylvania Public Utility Commission as the obligee or beneficiary, and should contain the following language:

> This bond is written in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. § 2809(c)(1)(i), to assure compliance with applicable provisions of the Public Utility Code, 66 Pa. C.S. §§101, et seq., and the rules and regulations of the Pennsylvania Public Utility Commission by the Principle as a licensed electric generation supplier; to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility Code, 66 Pa. C.S. § 2810; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payment of claims shall have the following priority: (i) The Commonwealth; (ii) Electric Distribution Companies for the reimbursement of Gross Receipts Tax; and (iii) Private individuals. Proceeds of the bond may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth.

The original and two copies of the bond must be submitted to the Office of the Secretary, Pa. Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265. The entry date of the Commission's Order will be the effective date for the license.

RECEIVED

OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RECEIVED

OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Appendix F

COMMONWEALTH OF PENNSYLVANIA PUBLIC UTILITY COMMISSION	TAX CERTIFICATION STATEMENT	

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 81/2" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME **GDF SUEZ Retail Energy Solutions, LLC**	2. BUSINESS PHONE NO. (713) 636-0000 CONTACT PERSON(S) FOR TAX ACCOUNTS: Ben Vallejo

3. TRADE/FICTITIOUS NAME (IF ANY)

4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE) (ZIP)
1990 Post Oak Blvd., Suite 1900
Houston, TX 77056

5. TYPE OF ENTITY ☐ SOLE PROPRIETOR ☐ PARTNERSHIP ☐ CORPORATION ☒ LLC ☐ OTHER (Describe...)

6. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICERS(S)

NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
Robert A. Wilson Pres	- -
Craig Sutter SVP, Sales	- -
Jason Austin VP, GC & Sec	- -
Jay Harpole VP, Supply	- -
Rachel W. Kilpatrick VP Tax	- -

7. LIST THE FOLLOWING STATE & FEDERAL TAX IDENTIFICATION NUMBERS (**ALL ITEMS A,B, & C MUST BE COMPLETED**)

Applicant must provide explanation if submitting N/A for any items

Item A- Designated by the Pennsylvania Department of Revenue.
Item B - Designated by the Internal Revenue Service.
Item C – Designated by the Pennsylvania Department of Revenue. The Corporate Box number may also be referred to as the Corporate Account number.

	APPLICATION PENDING	N/A
A. SALES TAX LICENSE (8 DIGITS) 82-31930-0	☐	☐
B. EMPLOYER ID (EIN) (9 DIGITS: 35-2408190	☐	☐
C. CORPORATE BOX NUMBER (7 DIGITS) 2455003	☐	☐

8. Do you have PA employees; resident or non-resident? ☐ YES ☒ NO

9. Do you own any assets or have an office in PA? ☐ YES ☒ NO

NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS

Bonnie Baker	N/A	Ben Vallejo
PA SALES AND USE TAX	EMPLOYER TAXES	CORPORATE TAXES
PHONE 713-636-1034	PHONE	PHONE 713-636-1694

Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers: (717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

GDF SUEZ

GDF Suez Retail Energy Solutions, LLC is a single member-managed LLC, wholly-owned subsidiary of GDF Suez Energy Resources NA, Inc. The Officers of the parent company, GDF Suez Energy Resources NA, Inc. are:

APPENDIX G

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

[SAMPLE – CUSTOMER DISCLOSURE STATEMENT]

THINK ENERGY
Pennsylvania Electric Energy Sales Agreement: Terms and Conditions

Pennsylvania Electric Energy Sales Agreement for electric generation service dated this _____ day of ________, 2011 between GDF Suez Retail Energy Solutions LLC d/b/a Think Energy ("Think Energy") and _______________("Customer").

Think Energy is licensed by the Pennsylvania Public Utility Commission to offer and supply electric generation service (electricity supply). Think Energy's Pennsylvania Public Utility Commission license number is A-XXXX-XXXXXXX. Think Energy sets the generation service charges that you pay. Your Electric Distribution Company (EDC) delivers the electricity to your location. The Pennsylvania Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

Product Type and Price	Fixed Price: Customer will pay a fixed price of ________per kWh for electric supply service. Variable Price: Customer will pay a variable rate for electricity supply services which will fluctuate on a month-to-month basis. Customer acknowledges and understands that variable charges are set by Think Energy and will fluctuate with month-to-month wholesale market conditions applicable to the EDC's service territory and the Independent Service Operator (ISO). Your Contract Price does not include taxes and utility related charges, which shall be due in accordance with your monthly invoice. Customer acknowledges that Suez does not control the Taxes and Utility Related Charges associated with Customer's usage.
Agreement Term	The initial term shall be _____ months from the month in which service begins. Service shall commence on the date the switch to service from Think Energy by Customer's EDC is complete and shall remain in effect through the utility meter read date at the end of the term. <u>Customer Notification Statement</u>: If you have a fixed term agreement with us and it is approaching the expiration date, or whenever we propose to change our terms of service in any type of agreement, you will receive written notification from us in corresponding separate mailings that precede either the expiration date or the effective date of the proposed changes. We will explain your options to you in these three advance notifications.
Renewal Term	Upon completion of the initial term, service may continue on a month-to-month basis with no change to the terms of service herein but a monthly variable rate that reflects the cost of electricity supply including but not limited to energy, capacity, settlement, ancillaries, transmission/distribution charges and all other market-related charges, plus expenses and margin. Applicable taxes and local utility charges are in addition to the contract price and will be passed through by Think Energy. When receiving month-to-month service, either party may terminate this Agreement by providing 30 days advance written notice of termination to the other party. At least 30 days and no more than 60 days prior to the end of the term Think Energy will notify Customer of the terms of renewal and Customer's right to renew or reject a renewal; while receiving month-to-month service, such renewal notification will be provided only for the first renewal at the end of the initial term.
Right to Rescind	In accordance with 52 PA Code Section 54.5, you shall have the right to cancel this agreement without fees or penalties within three (3) business days after receipt of this Agreement. You may exercise this right in writing, orally, or electronically. To exercise this right, contact Think Energy Customer Care toll-free at 1-866-252-0078.
Early Cancellation Fee	The Early Cancellation Fee for all customers is equal to Seven Hundred Fifty Dollars ($750) multiplied by the number of months remaining in the Term. The Early Cancellation Fee shall be due to Think Energy within twenty five (25) days after receipt of the notice of the fee. The notice of the Early Cancellation Fee shall include a calculation of such amount.
Late Payment Fee	*The rate of one & one half percent (1½%) (or maximum rate permitted by applicable law) multiplied by the past due balance.*

<u>Definitions</u>

i. <u>Generation Charge</u> - Part of the basic service charges on every customer's bill for electric supply service. Electric supply service is competitively priced and is not regulated by the PUC. This charge depends on the contract between the customer and the electric generation supplier.

ii. <u>Transmission Charge</u> - Part of the basic service charges on every customer's bill for transporting electricity from the source of supply to the EDC. The Federal Energy Regulatory Commission regulates retail transmission prices and services. This charge will vary with your source of supply.

<u>Billing and Payment</u>

A. You will receive a single bill from Think Energy that will contain Think Energy's charges and your EDC's charges and any applicable Taxes and Utility Related Charges; OR You will receive a separate bill from Think Energy for electricity supply charges will contain Think Energy's changes and any applicable Taxes and Utility Related Charge, and a separate bill from your EDC for its charges. Think Energy may use estimated data for billing purposes provided that such estimates will be subject to future reconciliation upon receipt of final data regarding the actual quantity of energy consumed for the applicable billing cycle from your EDC.

B. Payment shall be due to Think Energy by check, electronic funds transfer (EFT) or any other mutually agreed upon payment method within twenty five (25) days after the date of the invoice. If you choose to pay by credit card a convenience fee may be charged. Customer will be charged a $25.00 fee for a check returned for insufficient funds. Late or partial payments will be subject to a Late Payment Fee multiplied by the past due balance. Think Energy retains the right to report payment history to various credit agencies.

C. If any amount of an invoice is disputed in good faith, the entire invoice shall be paid when due. Any disputed amounts that are ultimately determined to be owed to Customer shall be credited by Think Energy to Customer in the next available invoice. Any dispute with respect to an invoice is waived unless the other Party is notified within twenty-four months after the invoice is rendered or any specific adjustment to the invoice is made; provided, however, that in the event your utility adjusts its meter reading for any reason, we may make a similar adjustment to your next invoice to reconcile such adjustment. You shall reimburse Think Energy for reasonable fees incurred in collecting payment of invoices that remain outstanding beyond the due date.

<u>General Terms and Conditions</u>

A. <u>Force Majeure</u>. "Force Majeure" shall mean an event that is beyond the reasonable control of the Party claiming an event of Force Majeure that could not have been prevented by the exercise of due diligence. If either Party is rendered unable by Force Majeure to carry out, in whole or part, its obligations under this Agreement, such Party shall give notice and provide full details of the event to the other Party in writing as soon as practicable after the occurrence of the event. During such Force Majeure period, the obligations of the Parties (other than the obligation to make payments then due or becoming due with respect to performance prior to the event) will be suspended to the extent required. No provision of this Agreement shall be interpreted to require Think Energy to deliver electric energy at points other than the delivery point(s). Force Majeure shall not include (a) Customer's decision to sell or relocate its facilities or (b) economic loss due to Customer's loss of markets or suppliers.

B. <u>Security Deposits</u>. In the event Customer does not qualify for service based on its credit score or other payment history, Think Energy may require a security deposit before initiating service to Customer. Alternatively, Think Energy may require Customer to provide a security deposit during the term of any transaction (when Customer is receiving an energy supply bill directly from Think Energy) if Customer is late paying its bill two or months in a row in any given period. The deposit request may be for an amount up to an estimate of two (2) months invoices from Think Energy during any twelve month period, and shall be in the form of a cash (check, credit card or wire) deposit. We may apply such security deposit to any past due amounts owed to Think Energy. If Think Energy is no longer your provider of record, any deposit balance remaining after full payment of (or application of the deposit toward) the final invoice will be refunded to you.

C. Cancellation of Agreement by Think Energy; Fees. Think Energy shall have the right to cancel service upon fifteen (15) days prior written notice in the event of any of the following: (a) the failure by Customer to make, when due, any payment required under this Agreement; (b) any representation or covenant made by Customer in this Agreement proves to have been false or misleading in any material respect when made or ceases to remain true during the Term, or (c) Customer is deemed ineligible for, or seeks to discontinue, utility consolidated billing. In the event Think Energy elects to terminate service, it shall calculate an early cancellation fee equal to Seven Hundred Fifty Dollars ($750) multiplied by the number of months remaining in the Term. The early cancellation fee shall be due to Think Energy within twenty-five (25) days after notice of the fee to Customer. Customer also shall remain responsible for amounts due for electricity service provided pursuant to this Agreement prior to such termination date. The notice of the Early Cancellation Fee shall include a calculation of such amount. This Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which Think Energy is at any time otherwise entitled (whether by operation of law, contract or otherwise).

D. Change in Law. In the event that there is a change in law, administrative regulation, or any fees or costs imposed by the ISO or by a Governmental Authority and such change causes Think Energy to incur any capital, operating or other costs relating to the provision of services contemplated herein, such costs shall be passed through to the Customer. In the event such a change in law renders performance under this Agreement illegal, the Parties shall meet as soon as practicable to renegotiate the Agreement to comply with such change.

E. Service Complaints and Dispute Resolution. If you are unsatisfied with your service, please contact Think Energy to discuss your terms of service. If you are still dissatisfied with your service, you may contact the Pennsylvania Public Utility Commission at 1-800-PUC-1110.

F. Emergency Service. In the event of an emergency, such as a power failure or a downed power line, you should call your local utility company at the telephone number listed above.

G. Limitation of Liability. **LIABILITY OF CUSTOMER AND THINK ENERGY SHALL BE LIMITED AS SET FORTH IN THIS AGREEMENT, AND ALL OTHER DAMAGES OR REMEDIES HEREBY ARE WAIVED. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES IN TORT, CONTRACT UNDER ANY INDEMNITY PROVISION OR OTHERWISE.**

H. Miscellaneous. Notices, correspondence, and address changes shall be in writing and delivered by regular or electronic mail, facsimile, or similar means. Notice by facsimile, electronic mail or hand delivery shall be deemed to have been received on the date transmitted or delivered (after business hours deemed received on next business day). All notices shall be provided to the person and addresses specified by Customer and Think Energy. Title, liability and risk of loss associated with the electric energy purchased and sold hereunder shall pass from Seller to Customer at the delivery point into your local utility. Taxes shall mean any and all taxes and fees imposed on the purchase and sale of electric energy by any Governmental Authority. Unless Customer has provided a valid exemption certification, Customer will be responsible for, pay, and indemnify Think Energy for all taxes hereunder, whether imposed on Customer or Think Energy, and such taxes, other than gross receipts tax which is included in the Contract Price, will be stated on your bill. Seller may collect such taxes from Customer by increasing Seller charges for the amount of such taxes. Each Party shall indemnify, defend and hold harmless the other Party harmless from claims, demands and causes of action asserted against the indemnitee by any person arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to electric energy is vested in such Party. Customer may not assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of Seller, provided however, Think Energy MAY TRANSFER OR SELL ITS RECEIVABLES WITH OUT THE PRIOR WRITTEN CONSENT OF CUSTOMER. Consent to assignment shall not be unreasonably withheld. Any assignment in violation of this Section shall be void. This Agreement, any Appendix or validation recording or form of validation ticket or Exhibits attached hereto executed in accordance with this Agreement constitute the entire agreement between the Parties. No amendment, modification or change will be enforceable unless reduced to writing and executed by both Parties. No waiver by any Party hereto of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement will be construed as a waiver of any other default or defaults whether of a like kind or different nature. Any provision or section declared or rendered unlawful by a court of law or regulatory agency with jurisdiction over the Parties, or deemed unlawful because of a statutory change, will not otherwise affect the lawful obligations that arise under this Agreement. All confidentiality and indemnity rights will survive the termination of this Agreement. All obligations provided in this Agreement will remain in effect for the purpose of complying herewith. INCLUDING ANY COUNTERCLAIMS AND CROSS CLAIMS ASSERTED IN SUCH ACTION, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK, WITHOUT REGARD TO THE LAWS OF NEW YORK REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE. With the exception of any warranty that is expressly set forth in this Agreement, Seller and its successors and assigns make NO WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. With regard to the services Think Energy provides or the activities Customer undertakes, pursuant to this Agreement. Think Energy acts solely as counter-party in all transactions with Customer under this or any other Agreement. Accordingly Think Energy has no duty to advise Customer or exercise judgment on Customer's behalf as to the merits or suitability of any transactions that Think Energy proposes to enter into with Customer.

I. Privacy and Information Release Authorization. You authorize Think Energy to obtain your usage history from your EDC. You may rescind this authorization at anytime by contacting Think Energy. Think Energy will not release your confidential information without your consent. You authorize Think Energy to obtain and review information regarding Customer's credit history from credit reporting agencies and the following information from the applicable utility: consumption history; billing determinants; utility account number; credit information; public assistance status; and existence of medical emergencies. This information may be used by Think Energy to determine whether it will commence and/or continue to provide energy supply service to Customer and will not be disclosed to a third party unless required by law. Customer's execution of this Agreement shall constitute authorization for the release of this information to Think Energy. This authorization will remain in effect during the transaction term and any renewal or extension term of this Agreement. Customer may rescind this authorization at any time by providing written notice thereof to Think Energy or by calling Think Energy at 1-866-252-0078.

Contact Information

A. GDF Suez Retail Energy Solutions d/b/a Think Energy ("Think Energy")
1990 Post Oak Blvd. Suite 1900, Houston, Texas 77056
Toll-Free - 1-866-252-0078

B. Default Service Provider (Your Local Utility Company/EDC) Information:

DEFAULT SERVICE PROVIDER	TELEPHONE NUMBER
Metropolitan Edison Company/ Met-Ed	1-800-545-7741
Pennsylvania Electric Company/ Penelec	1-800-545-7741
Duquesne Light Company	1- 888-393-7100
Philadelphia Electric and Gas Company/ PECO	1-800-841-4141

[SAMPLE – CUSTOMER DISCLOSURE STATEMENT]

Allegheny Power/ West Penn Power	1-800-255-3443
PPL Electric Utilities	1-800-342-5775
Pennsylvania Power Company/ Penn Power	1-800-720-3600
UGI Electric / UGI Utilities	1-800-962-1212

C. Pennsylvania Public Utility Commission
P.O. Box 3265 Harrisburg, PA 17105-3265
1-800-692-7380; 1-800-PUC-1110

SIGNATURE AND BILLING INFORMATION

____
CUSTOMER ENTITY NAME

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

Address ______________________________

City, State, Zip ______________________________

Phone ______________________________

Facsimile ______________________________

Email ______________________________

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SECRETARY'S BUREAU

SERVICE LOCATION(S) INFORMATION

Account Number: ____________________ ____________________
____

Street Address ____________________ ____________________
____

City, State, Zip ____________________ ____________________
____

TRANSACTION IDENTIFIER: ______________________________

GDF Suez Retail Energy Solutions, LLC is a single member-managed LLC, wholly-owned subsidiary of GDF Suez Energy Resources NA, Inc. The Officers of the parent company, GDF Suez Energy Resources NA, Inc. are:

APPENDIX H

FORM OF NOTICE PUBLICATION

PENNSYLVANIA PUBLIC UTILITY COMMISSION

NOTICE

Application of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.

GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a supplier of electric power. GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to the GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") attorney at the address listed below.

By and through Counsel:
Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, Texas 77056
Email: Jason.Austin@gdfsuezna.com

JA

No.________________________ Term,____________

Proof of Publication of Notice in Pittsburgh Post-Gazette

Under Act No 587, Approved May 16, 1929, PL 1784, as last amended by Act No 409 of September 29, 1951

Commonwealth of Pennsylvania, County of Allegheny, ss M. Goodwin, being duly sworn, deposes and says that the Pittsburgh Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 by the merging of the Pittsburgh Post-Gazette and Sun-Telegraph and The Pittsburgh Press and the Pittsburgh Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Pittsburgh Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Pittsburgh Post-Gazette a newspaper of general circulation on the following dates, viz:

23 of September, 2011

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Pittsburgh Post-Gazette, that, as such agent, affiant is duly authorized to verify the foregoing statement under oath, that affiant is not interested in the subject matter of the afore said notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

COPY OF NOTICE OR PUBLICATION

COMMISSION NOTICE

Application of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.

GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a supplier of electric power: GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to the GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") attorney at the address listed below.

By and through Counsel: Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, Texas 77056
Email: Jason.Austin@gdfsuezna.com

M. Goodwin
PG Publishing Company

Sworn to and subscribed before me this day of:
September 23, 2011

Linda M. Gaertner

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Linda M. Gaertner, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Jan. 31, 2015
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

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SECRETARY'S BUREAU

STATEMENT OF ADVERTISING COSTS

GDF Suez Retail Energy Solutions
1990 POST OAK BLVD STE 1900
HOUSTON TX 77056-3831

To PG Publishing Company

Total --- $480.00

Publisher's Receipt for Advertising Costs

PG PUBLI[…]NY, publisher of the Pittsburgh Post-Gazette, a newspaper of general circulation, hereby ack[…]t of the aforsaid advertising and publication costs and certifies that the same have been fully […]

Office
34 Boulevard of the Allies
PITTSBURGH, PA 15222
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of Pittsburgh Post-Gazette, a Newspaper of General Circulation

By Maria Lucci

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

____
Attorney For

Proof of Publication in The Philadelphia Daily News
Under Act. No 587, Approved May 16, 1929

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

Anna Dickerson being duly sworn, deposes and says that **The Philadelphia Daily News** is a newspaper published daily, except Sunday, at Philadelphia, Pennsylvania, and was established in said city in 1925, since which date said newspaper has been regularly issued in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said newspaper on the following dates:

September 22, 2011

Affiant further deposes and says that she is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Anna Dickerson

Sworn to and subscribed before me this 22nd day of September, 2011.

Mary Anne Logan
Notary Public

My Commission Expires:

NOTARIAL SEAL
Mary Anne Logan, Notary Public
City of Philadelphia, Phila. County
My Commission Expires March 30, 2013

Copy of Notice of Publication

PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE

Application of **GDF Suez Retail Energy Solutions LLC** (d/b/a "Think Energy") For Approval *To Offer, Render, Furnish Or Supply Electricity* Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.

GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a supplier of electric power. **GDF Suez Retail Energy Solutions LLC** (d/b/a "Think Energy") proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **GDF Suez Retail Energy Solutions LLC** (d/b/a "Think Energy") may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to the **GDF Suez Retail Energy Solutions LLC** (d/b/a "Think Energy") attorney at the address listed below.

By and through Counsel:
Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, Texas 77056
Email: Jason.Austin@gdfsuezna.com

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

No. Term, 19

PROOF OF PUBLICATION OF NOTICE IN THE WILLIAMSPORT SUN-GAZETTE UNDER ACT NO. 587, APPROVED MAY 16, 1929

STATE OF PENNSYLVANIA
COUNTY OF LYCOMING SS:

Bernard A. Oravec Publisher of the Sun-Gazette Company, publishers of the Williamsport, Sun-Gazette, successor to the Williamsport Sun and the Gazette & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, Williamsport, Pennsylvania, being duly sworn, deposes and says that the Williamsport Sun was established in 1870 and the Gazette & Bulletin was established in 1801, since which dates said successor, the Williamsport Sun-Gazette, has been regularly issued and published in the County of Lycoming aforesaid, and that a copy of the printed notice is attached hereto exactly as the same was printed and published in the regular editions of said Williamsport Sun-Gazette on the following dates, viz:

September 22, 2011

Affiant further deposes that he is an officer daily authorized by the Sun-Gazette Company, publisher of the Williamsport Sun-Gazette, to verify the foregoing statement under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice of publication, and that all the allegations in the foregoing statement as to time, place and character of publication are true.

Bernd A. Or

SUN-GAZETTE COMPANY

Sworn to and subscribed before me the 4th day of October 2011

Cathy A. Billey
Notary Public

NOTARIAL SEAL
CATHY A. BILLEY, Notary Public
City of Williamsport, Lycoming County
My Commission Expires May 15, 2015

PENNSYLVANIA PUBLIC UTILITY COMMISSION

NOTICE

Application of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.

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By and through Counsel:
Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard
Suite 1900
Houston, Texas 77056
Email: Jason.Austin@gdfsuezna.com

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

STATEMENT OF ADVERTISING COSTS

To the Sun-Gazette Company, Dr.:
For publishing the notice attached hereto on the above state dates..................................$ 271.80
Probated same..................................$
Total..................................$ 271.80

...'S RECEIPT FOR ADVERTISING COSTS

THE SUN-GAZETTE ... acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

SUN-GAZETTE COMPANY

BY Bernard A. Oravec

OATH of PUBLICATION
In
THE ERIE TIMES-NEWS

COMBINATION EDITION

GDF SUEZ RETAIL ENERGY
SOLUTIONS LLC
1990 POST OAK BLVD STE 1900
HOUSTON TX 77056

REFERENCE: L0005319
2012356 PUC NOTICE

STATE OF PENNSYLVANIA)
COUNTY OF ERIE) SS:

Rosanne Cheeseman being duly sworn, deposes and says that she is the Publisher of the Times Publishing Company, which publishes: the Erie Times-News, established October 2,2000, a daily newspaper of general circulation, successor, by consolidation, of the Morning News, established January 1957, and the Erie Daily Times, established April 1888, daily newspapers of general circulation and published at Erie, Erie County, Pennsylvania, and that the notice of which the attached is a copy published, in the regular editions of said newspaper of the dates referred to below. Affiant further deposes that she is duly authorized by the TIMES PUBLISHING COMPANY, publisher of The Erie Times-News to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the forgoing statement as to time, place and character of publication are true.

PUBLISHED ON: 09/23

TOTAL COST: 294.00 AD SPACE: 7.000 INCH
FILED ON: 09/23/11

RECEIVED

OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE

***Application of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy")* For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.**

GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") *will be filing* an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a supplier of electric power. GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") may be filed within 15 days of the date of this notice with the Secretary of *the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265*. You should send copies of any protest to the GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") attorney at the address listed below.

By and through Counsel:
Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, Texas 77056
Email: Jason.Austin@gdfsuezna.com

2012356

Sworn to and subscribed before me this
23 day of September 2011 Affiant: Rosanne Cheeseman
NOTARY: Tami J. Davis

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Tami J. Davis, Notary Public
City of Erie, Erie County
My commission expires April 14, 2014

The Scranton Times (Under act P.L. 877 No 160. July 9,1976)
Commonwealth of Pennsylvania, County of Lackawanna

GDF SUEZ RETAIL ENERGY SOLUTIONS LLC
NAVEEN RABIE
SUITE 1900 1990 POST OAK BLVD
HOUSTON TX 77056

Account # 549711
Order # 80710377
Ad Price: 209.75

Gina Krushinski
Being duly sworn according to law deposes and says that she is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

09/20/2011

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true Gina Krushinski

Sworn and subscribed to before me this 20th day of SeptemberA.D., 2011

Sharon Venturi
(Notary Public)

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Sharon Venturi, Notary Public
City of Scranton, Lackawanna County
My Commission Expires Feb. 12, 2014
Member, Pennsylvania Association of Notaries

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

LEGAL NOTICE

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Application of GDF Suez Retail Energy Solutions LLC (d/b/a Think Energy) For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.

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By and through Counsel:
Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, Texas 77056
Email: Jason.Austin@gdfsuezna.com

COMMONWEALTH OF PENNSYLVANIA
County of Cambria } SS

On this 26th day of September A.D. 2011, before me, the subscriber, a Notary Public in and for said County and State, personally appeared Christine Marhefka, who being duly sworn according to law, deposes and says as Classified Advertising Manager of the Tribune-Democrat, Johnstown, PA, a newspaper of general circulation as defined by the "Newspaper Advertising Act", a merger September 8,1952, of the Johnstown Tribune, established December 7,1853; and of the Johnstown Democrat, established March 5, 1863,

NOTICE

Application of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.

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By and through Counsel:
Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, Texas 77056
Email:
Jason.Austin@gdfsuezna.com

publi... unty of Cambria, and Commonwealth of Pennsylvania and that ... ove matter published in said publication in the regular issues of Th... PA, on September 21, 2011; and that the Affiant is not inter... vertising and that all of the allegations as to time, place and character of said publication are true.

Christine Marhefka

STATEMENT OF ADVERTISING COSTS

Sworn and Subscribed before me this
26th day of September, 2011.

Vivian Ohs

0.00 Lines @ $2.50 per line	0.00
6.5 Inches @ $25.00 per inch	162.50
Notary Fee	5.00
Clerical Fee	2.50
Total Cost	170.00

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Vivian Ohs, Notary Public
City of Johnstown, Cambria County
My Commission Expires Dec. 6, 2012
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

To The Tribune-Democrat, Johnstown, PA
For publishing the notice or publication attached hereto on the above stated dates.

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

____________________ for publisher of ____________________
a newspaper of general circulation, hereby acknowledges receipt of the aforesaid and publication costs and certifies that the same has been duly paid.

____
(Name of Newspaper)

By____________________

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

The Patriot-News Co.
2020 Technology Pkwy
Suite 300
Mechanicsburg, PA 17050
Inquiries - 717-255-8213

The Patriot-News
Now you know

GDF SUEZ RETAIL ENERGY SOLUTIONS LLC
1990 POST OAK BLVD
SUITE 1900 ATTN NAVEEN RABIE

HOUSTON TX 77056

THE PATRIOT NEWS
THE SUNDAY PATRIOT NEWS

Proof of Publication

Under Act No. 587, Approved May 16, 1929
Commonwealth of Pennsylvania, County of Dauphin} ss

Holly Blain, being duly sworn according to law, deposes and says:

That she is a Staff Accountant of The Patriot News Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 2020 Technology Pkwy, Suite 300, in the Township of Hampden, County of Cumberland, State of Pennsylvania, owner and publisher of The Patriot-News and The Sunday Patriot-News newspapers of general circulation, printed and published at 1900 Patriot Drive, in the City, County and State aforesaid; that The Patriot-News and The Sunday Patriot-News were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday/ Community Weekly editions which appeared on the date(s) indicated below. That neither she nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That she has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on behalf of The Patriot-News Co. aforesaid by virtue and pursuant to a resolution unanimously passed and adopted severally by the stockholders and board of directors of the said Company and subsequently duly recorded in the office for the Recording of Deeds in and for said County of Dauphin in Miscellaneous Book "M", Volume 14, Page 317.

PUBLICATION COPY **This ad # 0002170073 ran on the dates shown below:**

September 22, 2011

All attached

Holly Blain

Sworn to and subscribed before me this 18 day of October, 2011 A.D.

Sherrie L Kisner

Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Sherrie L. Kisner, Notary Public
Lower Paxton Twp., Dauphin County
My Commission Expires Nov. 26, 2011
Member, Pennsylvania Association of Notaries

The Patriot-News Co.
2020 Technology Pkwy
Suite 300
Mechanicsburg, PA 17050
Inquiries - 717-255-8213

The Patriot-News
Now you know

GDF SUEZ RETAIL ENERGY SOLUTIONS LLC
1990 POST OAK BLVD
SUITE 1900 ATTN NAVEEN RABIE

HOUSTON TX 77056

INVOICE

ALL CHARGES ARE NET

ACCT #	NAME	AD ORDER #	DATE	EDITION	ADDTL. INFO.	TYPE OF CHARGE	AMOUNT
230432	GDF SUEZ RETAIL ENERGY SOLUTI	0002170073	09/22/11	REGULAR		BASIC AD CHARGE	$203.58
						AFFIDAVIT CHARGE	$5.00
				TOTAL:			**$208.58**

REMITTANCE ADDRESS

The Patriot-News Co.
23794 Network PL
Chicago, IL 60673-1237

Please include the Account # or Ad Order # (above) with your remittance--Thank You

NOTE: This Invoice replaces the Order Confirmation which we previously sent with Proofs of Publication

PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE

Application of GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") For Approval To Offer, Render, Furnish Or Supply Electriaty Or Electric Generation Services As A Supplier of Electricity To The Public In The Commonwealth Of Pennsylvania.

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The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of GDF Suez Retail Energy Services Solutions LLC (d/b/a "Think Energy") may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to the GDF Suez Retail Energy Solutions LLC (d/b/a "Think Energy") attorney at the address listed below.

By and through Counsel:
Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, Texas 77056
Email: Jason.Austin@gdfsuezna.com

/

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

EXHIBIT	DESCRIPTION
Exhibit 1	Proof of compliance with Department of State filing requirements. *Reference in Application: Section 2(b)*
Exhibit 2	Applicant's LLC State of Delaware Filing Documentation *Reference in Application: Section 2(b)*
Exhibit 3	Applicant's Third Party Verification Procedures *Reference in Application: Section 4(g)*
Exhibit 4	Applicant's Organizational Structure *Reference in Application: Section 7(b)*
Exhibit 5	CONFIDENTIAL - GDF SUEZ (Applicant's ultimate parent company) Standard & Poors Ratings Direct Report *Reference in Application: Section 7(b)*
Exhibit 6	CONFIDENTIAL - GDF Suez Energy Resources NA, Inc. (Applicant's direct parent company) accounting statements; and Applicant's accounting statements *Reference in Application: Section 7(b)*
Exhibit 7	CONFIDENTIAL - GDF Suez Energy Resources NA, Inc. (Applicant's direct parent company) Dunns and Bradstreet Risk Management Report *Reference in Application: Section 7(b)*
Exhibit 8	CONFIDENTIAL - GDF Suez Energy Resources NA, Inc. (Applicant's direct parent company) 2010 Audited Financial Statements *Reference in Application: Section 7(b)*
Exhibit 9	Other information that demonstrates Applicant's financial fitness *Reference in Application: Section 8(b)*
Exhibit 10	Applicant's experience in the electricity industry *Reference in Application: Section 8(b)*
Exhibit 11	Summary of licenses and Type of Customers serving *Reference in Application: Section 8(b)*
Exhibit 12	Staffing Structure of Applicant *Reference in Application: Section 8(b)*
Exhibit 13	CONFIDENTIAL - Business Plans for Operations *Reference in Application: Section 8(b)*
Exhibit 14	Proof of PJM Membership *Reference in Application: Section 8(b)*

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

Exhibit 1

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

GDF SUEZ

GDF Suez Retail Energy Solutions, LLC is a single member-managed LLC, wholly-owned subsidiary of GDF Suez Energy Resources NA, Inc. The Officers of the parent company, GDF Suez Energy Resources NA, Inc. are:

Officers:

Robert Wilson, President and CEO
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Robert.wilson@gdfsuezna.com

Craig Sutter,. Sr. Vice President, Sales
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Craig.sutter@gdfsuezna.com

Patrick Gaussent, Vice President and Treasurer
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Patrick.Gaussent@gdfsuezna.com

Jason Austin, Vice President and General Counsel
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Jason.Austin@gdfsuezna.com

Brenda Bayer, Vice President and Asst. Treasurer
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Brenda.bayer@gdfsuezna.com

David Coffman, Vice President
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
David.coffman@gdfsuezna.com

Jay Harpole, Vice President Supply
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Jay.harpole@gdfsuezna.com

Cecilia Heilmann, Vice President Business Control
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Cecilia.heilmann@gdfsuezna.com

Rachel W. Kilpatrick, Vice President
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Rachel.kilpatrick@gdfsuezna.com

Zin Smati, Vice President
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Zin.smati@gdfsuezna.com

Naveen Rabie, Assistant Secretary
1990 Post Oak Blvd, Suite 1900
Houston, Texas 77056
Tel. 713-636-0000
Fax: 713-636-1601
Naveen.rabie@gdfsuezna.com

Entity #: 4050080
Date Filed: 08/15/2011
Carol Aichele
Secretary of the Commonwealth

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Application for Registration of Fictitious Name

54 Pa.C.S. § 311

Name: PENNCORP SERVICEGROUP, INC.
Address: ~~600 NORTH SECOND STREET~~ 1507
~~PO BOX 1210~~
City / State / Zip Code: HARRISBURG, PA 17108-1210

Document will be returned to the name and address you enter to the left. ⇐

Commonwealth of Pennsylvania
FICTITIOUS NAME 2 Page(s)

T1122960021

Fee: $70

In compliance with the requirements of 54 Pa.C.S. § 311 (relating to registration), the undersigned entity(ies) desiring to register a fictitious name under 54 Pa.C.S. Ch. 3 (relating to fictitious names), hereby state(s) that:

1. The fictitious name is: Think Energy

2. A brief statement of the character or nature of the business or other activity to be carried on under or through the fictitious name is: Sale of Retail Energy

3. The address, including number and street, if any, of the principal place of business (P.O. Box alone is not acceptable):

Number and street	City	State	Zip	County
1990 Post Oak Blvd., Ste. 1900	Houston	Texas	77056	USA

4. The name and address, including number and street, if any, of each individual interested in the business is:

Name	Number and Street	City	State

2011 AUG 15 AM 10: 08
PA DEPT OF STATE

DSCB:54-311-2

5. Each entity, other than an individual, interested in such business is (are):

Name	Form of Organization	Organizing Jurisdiction
GDF Suez Retail Energy Solutions, Inc.	Corporation	Delaware

1990 Post Oak Blvd., Ste. 1900, Houston, TX 77056
Principal Office Address

Capitol Corporate Services, Inc. - 600 N 2nd St, Harrisburg, PA 17108, Dauphin County
PA Registered Office, if any

Name	Form of Organization	Organizing Jurisdiction

Principal Office Address

PA Registered Office, if any

6. The applicant is familiar with the provisions of 54 Pa.C.S. § 332 (relating to effect of registration) and understands that filing under the Fictitious Names Act does not create any exclusive or other right in the fictitious name.

7. Optional): The name(s) of the agent(s), if any, any one of whom is authorized to execute amendments to, withdrawals from or cancellation of this registration in behalf of all then existing parties to the registration, is (are):

IN TESTIMONY WHEREOF, the undersigned have caused this Application for Registration of Fictitious Name to be executed this

10th day of August, 2011.

Individual Signature

Individual Signature

Individual Signature

Individual Signature

GDF Suez Retail Energy Solutions, LLC
Entity Name

Entity Name

Signature

Signature

Vice President, Genl. Counsel + Secretary
Title

Title

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

Exhibit 2

RECEIVED
OCT 19 2011
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Entity #: 4030189
Date Filed: 05/04/2011
Carol Aichele
Secretary of the Commonwealth

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Application for Registration - Foreign

(15 Pa.C.S.)

- [ ] Registered Limited Liability General Partnership (§ 8211)
- [ ] Registered Limited Liability Limited Partnership (§ 8211)
- [ ] Limited Partnership (§ 8582)
- [X] Limited Liability Company (§ 8981)

PENNCORP SERVICEGROUP, INC.
600 NORTH SECOND STREET
PO BOX 1210 12821
HARRISBURG, PA 17108-1210

Commonwealth of Pennsylvania
Application for Registration 3 Page(s)

T1113041037

Fee: $250

In compliance with the requirements of the applicable provisions (relating to registration), the undersigned, desiring to register to do business in this Commonwealth, hereby states that:

1. The name to be registered is:
GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC

2. *(If the name set forth in paragraph 1 is not available for use in this Commonwealth, complete the following):*

The name under which the limited liability company/limited liability partnership/limited partnership proposes to register and do business in this Commonwealth is:
GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC

3. The name of the jurisdiction under the laws of which it was organized and the date of its formation:

Jurisdiction: DELAWARE Date of Formation: 4/18/2011

4. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County

(b) Name of Commercial Registered Office Provider: Capitol Corporate Services, Inc.
County: Dauphin

2011 MAY -4 AM 10: 11
PA DEPT OF STATE

2011 MAY -9 PM 4: 15
PA DEPT OF STATE

5. *Check and complete one of the following:*

☐ The address of the office required to be maintained by it in the jurisdiction of its organization by the laws of that jurisdiction is:

Number and street | City | State | Zip

☒ It is not required by the laws of its jurisdiction of organization to maintain an office therein and the address of its principal office is:

1990 POST OAK BLVD., STE. 1900, HOUSTON, TEXAS 77056

Number and street | City | State | Zip

6. *For Restricted Professional Limited Liability Company Only. Strike out if inapplicable:* ~~The company is a restricted professional company organized to render the following professional service(s):~~

Limited Liability Partnership and Limited Partnership: Complete paragraphs 7 and 8

7. The name and business address of each general partner.

Name	Business Address

8. The address of the office at which is kept a list of the names and addresses of the limited partners and their capital contribution is:

Number and street | City | State | Zip | County

The registered partnership hereby undertakes to keep those records until its registration to do business in the Commonwealth is canceled or withdrawn.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer/member or manager thereof this

28 day of APRIL, 2011.

GDF SUEZ RETAIL ENERGY SOLUTIONS, LLC

Name of Partnership/Company

GDF SUEZ Energy Resources NA, Inc.

Secretary of Managing Member

Title

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 TWENTY-FIFTH 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.

RECEIVED

OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Jeffrey W. Bullock, Secretary of State

4970172 8300

AUTHENTICATION: 8788980

110625024

DATE: 05-25-11

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.

RECEIVED

OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Jeffrey W. Bullock, Secretary of State

4970172 8100

AUTHENTICATION: 8700231

110424850

DATE: 04-18-11

You may verify this certificate online
at corp.delaware.gov/authver.shtml

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

RECEIVED

OCT 19 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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 · DELAWARE · 1776 · 1976

Jeffrey W. Bullock, Secretary of State

4970172 8100

110458301

AUTHENTICATION: 8719331

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

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

Exhibit 3

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SECRETARY'S BUREAU

GDF SUEZ

GDF Suez Retail Energy Solutions, LLC

Third Party Verification Procedures

GDF Suez Retail Energy Solutions, LLC (GSRES) has established the following Third Party Verification Procedures as part of the sales process:

1. All telephonic and door-to-door sales with any commercial customer will require a Third Party Verification (TPV) call.

    a. For telephonic sales, once the customer has agreed to the product and terms, a recorded, scripted TPV call will be completed.

    b. For door to door sales, once the customer has agreed to the product and terms, a recorded, scripted TPV call will be completed by a third party verification vendor.

2. The TPV call will be recorded and retained for a minimum of two (2) years.

3. The TPV process will be monitored by the GSRES Compliance Manager, in conjunction with GDF Suez legal staff to ensure ongoing compliance with existing regulations.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

Exhibit 4

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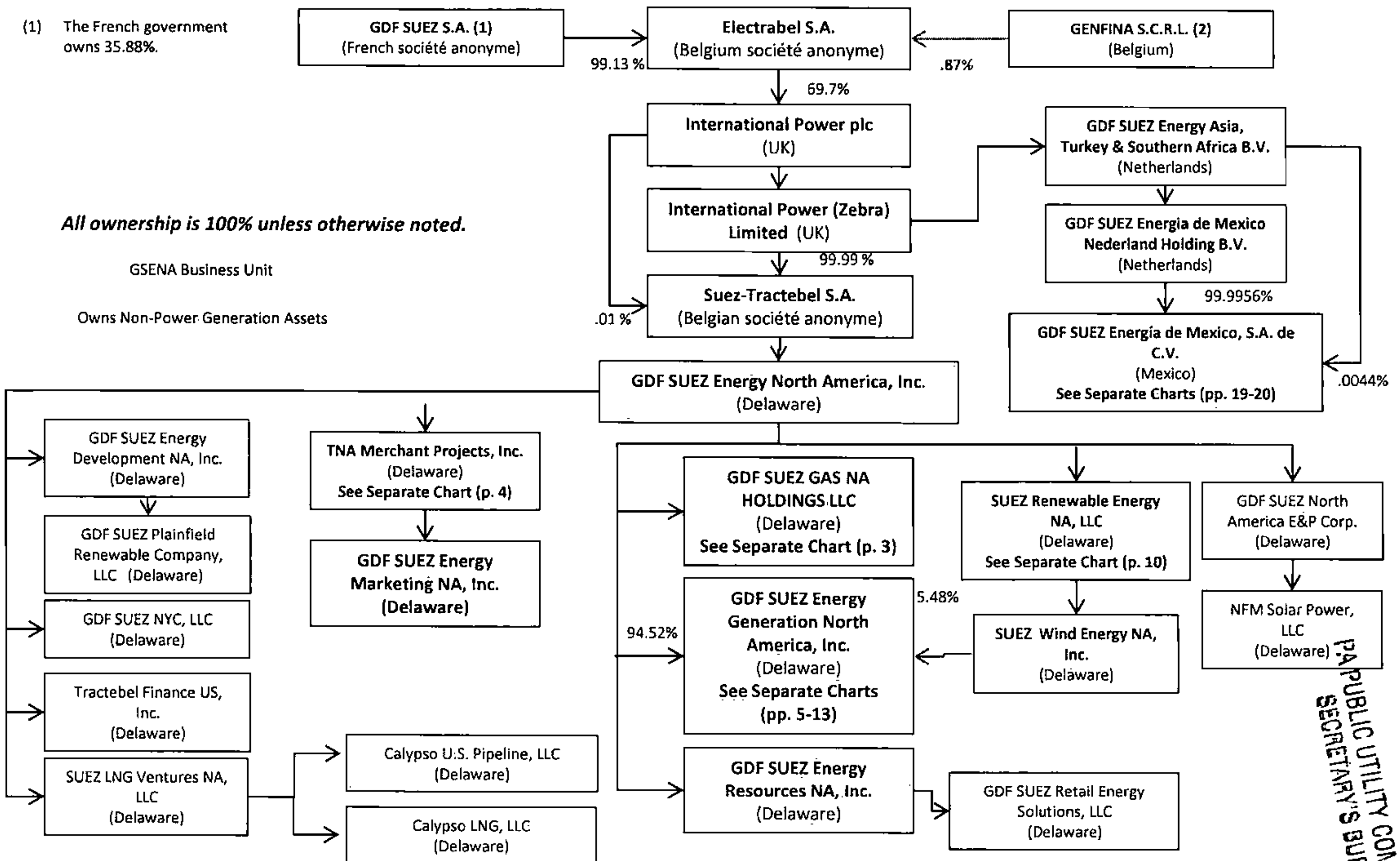
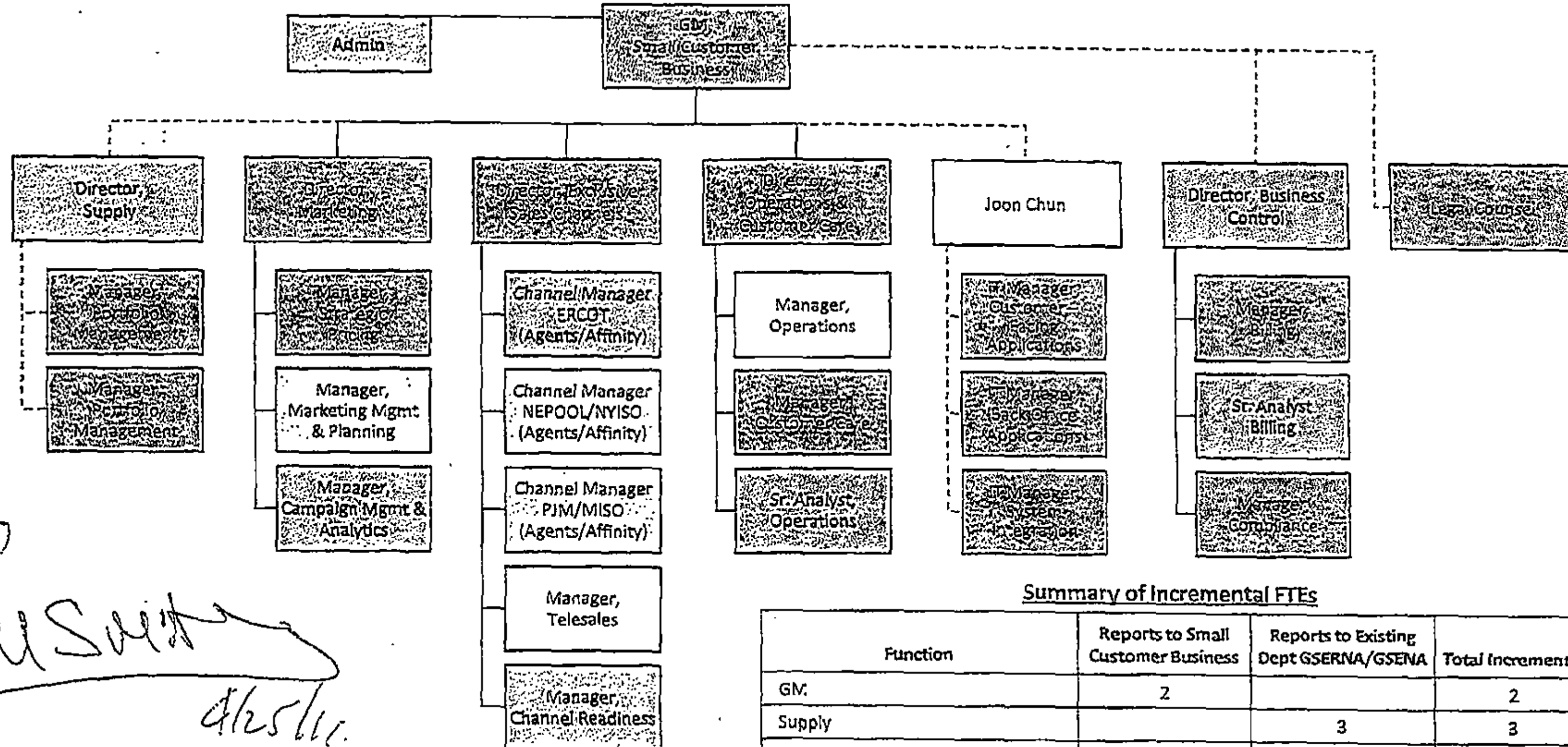
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

GDF SUEZ Energy North America, Inc.
April 30, 2011 - Confidential

International Power
GDF SUEZ



GSERNA Small Customer Business Organization April 2011



4/25/11

Organization Chart Legend

- April 2011 Recruit
- June 2011 Recruit
- September 2011 Recruit

Summary of Incremental FTEs

Function	Reports to Small Customer Business	Reports to Existing Dept GSERNA/GSENA	Total Incremental
GM	2		2
Supply		3	3
Marketing	4		4
Sales	6		6
Ops/Customer Care	4		4
Process/Systems Mgmt & IT		3	4
Bus Control		4	4
Legal		1	1
Totals	16	11	27

Note - Positions shown as "Manager" with no direct reports may have a title change to "Specialist"

GDF SUEZ Energy North America, Inc. and Subsidiaries

Consolidated Financial Statements
as of and for the Years Ended
December 31, 2010 and 2009, and
Independent Auditors' Report

Deloitte.

Deloitte & Touche LLP
Suite 4500
1111 Bagby Street
Houston, TX 77002-4196
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:

We have audited the accompanying consolidated statements of financial position of GDF SUEZ Energy North America, Inc., and subsidiaries (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards published by the International Accounting Standards Board.

Deloitte & Touche LLP

March 31, 2011

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010 AND 2009
(In thousands)

	Notes	2010	2009
ASSETS			
NONCURRENT ASSETS:			
Intangible assets — net	6	$ 82,673	$ 172,450
Goodwill	7	905,353	893,658
Property, plant, and equipment — net	8	6,148,543	5,127,015
Derivative instruments	14	129,783	107,051
Investments in associates	9	80,325	107,532
Other noncurrent assets	12	79,461	102,476
Deferred tax assets	5	1,751	21,892
Total noncurrent assets		7,427,889	6,532,074
CURRENT ASSETS:			
Derivative instruments	14	201,379	193,619
Notes receivable	13	-	36,801
Trade and other receivables — net	13	595,664	631,634
Inventories	11	177,183	193,631
Other current assets	12	125,441	31,356
Cash and cash equivalents	13	160,201	152,410
Total current assets		1,259,868	1,239,451
TOTAL		$8,687,757	$7,771,525
LIABILITIES AND EQUITY			
EQUITY:			
Shareholder's equity		$2,527,120	$2,253,457
Noncontrolling interest		190,704	6,826
Total equity		2,717,824	2,260,283
NONCURRENT LIABILITIES:			
Provisions	16	34,730	34,879
Long-term borrowings	13,15	3,895,895	3,430,446
Derivative instruments	14	186,954	173,016
Other noncurrent liabilities	16	221,911	191,029
Deferred tax liabilities	5	97,377	62,097
Total noncurrent liabilities		4,436,867	3,891,467
CURRENT LIABILITIES:			
Provisions	16	35,353	66,603
Short-term borrowings	13,15	545,115	655,565
Derivative instruments	14	394,776	365,459
Trade and other payables	13	430,300	397,715
Other current liabilities	16	127,522	134,433
Total current liabilities		1,533,066	1,619,775
TOTAL		$8,687,757	$7,771,525

See notes to consolidated financial statements.

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(In thousands)

	Notes	2010	2009
Revenues	4	$ 5,150,130	$ 4,969,074
Purchases		(4,023,742)	(3,862,965)
Personnel costs		(218,720)	(211,899)
Depreciation, amortization and provisions		(347,348)	(267,472)
Other operating expenses		(265,880)	(119,854)
CURRENT OPERATING INCOME		294,440	506,884
Mark-to-market on commodity contracts other than trading instruments	14	40,858	(6,940)
Impairments of property, plant and equipment and intangible assets	6, 8	(59,071)	(164,405)
Restructuring costs		(5,416)	(12,406)
Disposal of assets — net	8	(16,253)	(39,508)
INCOME FROM OPERATING ACTIVITIES		254,558	283,625
Financial expenses		(291,516)	(248,603)
Financial income		20,574	28,941
NET FINANCIAL LOSS	14	(270,942)	(219,662)
Net income before income tax and associate income		(16,384)	63,963
Income tax benefit	5	21,826	12,930
Share in net income of associates	9	(844)	(1,559)
NET INCOME		$ 4,598	$ 75,334
Company share		$ (1,459)	$ 71,295
Non-controlling interest		$ 6,057	$ 4,039

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, 2010 AND 2009
(In thousands)

	Notes	2010	2009
NET INCOME		$ 4,598	$ 75,334
Net investment hedges		(2,651)	(7,070)
Cash flow hedges	14	(16,384)	42,966
Commodity cash flow hedges	14	100,769	(23,806)
Actuarial gains and losses		(450)	3,411
Deferred taxes	5	(28,198)	(1,767)
Translation adjustments		17,950	31,984
Other comprehensive income		71,036	45,718
TOTAL COMPREHENSIVE INCOME		$ 75,634	$ 121,052
Company share		$ 69,577	$ 117,013
Non-controlling interests		$ 6,057	$ 4,039

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, 2010 AND 2009
(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 Interest	Total Equity
EQUITY — January 1, 2009	8,950	$ 9	$2,075,342	$ 60,259	$(177,410)	$(28,820)	$1,929,380	$ 5,040	$1,934,420
Other comprehensive income	-	-	-	-	13,734	31,984	45,718	-	45,718
Net income	-	-	-	71,295	-	-	71,295	4,039	75,334
Total comprehensive income	-	-	-	71,295	13,734	31,984	117,013	4,039	121,052
Contributions to equity	-	-	204,197	-	-	-	204,197	-	204,197
Employee share-based compensation	-	-	2,867	-	-	-	2,867	-	2,866
Distributions and purchase of additional interest by the Company	-	-	-	-	-	-	-	(2,253)	(2,252)
EQUITY — December 31, 2009	8,950	9	2,282,406	131,554	(163,676)	3,164	2,253,457	6,826	2,260,283
Other comprehensive income	-	-	-	-	53,086	17,950	71,036	-	71,036
Net (expense) income	-	-	-	(1,459)	-	-	(1,459)	6,057	4,598
Total comprehensive (expense) income	-	-	-	(1,459)	53,086	17,950	69,577	6,057	75,634
Contributions to equity	-	-	212,000	-	-	-	212,000	-	212,000
Astoria I consolidation	-	-	-	-	-	-	-	182,709	182,709
Employee share-based compensation	-	-	8,044	42	-	-	8,086	-	8,086
Distributions by the Company	-	-	-	(16,000)	-	-	(16,000)	(4,888)	(20,888)
EQUITY — December 31, 2010	8,950	$ 9	$2,502,450	$114,137	$(110,590)	$ 21,114	$2,527,120	$190,704	$2,717,824

* Common stock, $1 par value

See notes to consolidated financial statements

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(In thousands)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,598	$ 75,334
Share in net loss of associates	844	1,559
Dividends received from associates	2,136	2,513
Net depreciation, amortization, and provisions	379,588	267,472
Net capital loss on disposal (including reversals of provision)	16,253	39,508
Mark to market on commodity contracts other than trading instruments	(40,858)	6,940
Impairment of property, plant, and equipment and intangibles assets	59,071	164,405
Other items with no cash impact	1,831	2,744
Income tax benefit	(21,826)	(12,930)
Net financial loss	270,942	219,662
Cash generated from operations before income tax and working capital requirements	672,579	767,207
Tax paid	(22,674)	(35,074)
Change in working capital requirements	29,487	(151,691)
Net cash provided by operating activities	679,392	580,442
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property, plant, and equipment and intangible assets	(178,381)	(718,397)
Acquisitions of entities net of cash and cash equivalents acquired	(243,689)	(32,119)
Change in restricted cash	17,349	(9,662)
Change in loans and receivables originated by the group and other	36,801	10,235
Net cash used in investing activities	(367,920)	(749,943)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(16,000)	-
Repayment of borrowings and debt	(1,069,011)	(329,113)
Interest paid	(248,259)	(245,324)
Increase in borrowings and debt	800,810	452,058
Increase in capital	212,000	204,197
Net cash (used in) provided by financing activities	(320,460)	81,818
EFFECT OF CHANGES IN EXCHANGE RATES AND OTHER	16,779	6,179
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	7,791	(81,504)
CASH AND CASH EQUIVALENTS — Beginning of year	152,410	233,914
CASH AND CASH EQUIVALENTS — End of year	$ 160,201	$ 152,410

See notes to consolidated financial statements.

GDF SUEZ ENERGY NORTH AMERICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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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 is a wholly owned subsidiary of GDF SUEZ S.A. (GDF SUEZ), a French-domiciled company; therefore, GDF SUEZ is the Company's ultimate parent ("Ultimate Controlling Party").

The Company has 13,400 shares of common stock authorized, with 8,950 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 North America, Inc. (GENCO) — engaged in owning and operating retail, industrial, and nonutility wholesale power-generating facilities.

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

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

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

GDF SUEZ North America E&P Corp (E&P) — engaged in exploration and production activities in the Gulf of Mexico, subsequently sold in January 2011 (see Note 25).

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

On March 31, 2011, the Company's management approved and authorized to issue the consolidated financial statements of the Company for the year ended December 31, 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

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A. Basis of Presentation — The Company's consolidated financial statements for the year ended December 31, 2010, have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). The policies set out below have been consistently applied to all the years presented.

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

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

IFRS Standards, Amendments, and International Financial Reporting Interpretations Committee (IFRIC) Interpretations applicable to the 2010 annual financial statements:

- Amendments to IFRS 3 (revised) — *Business Combinations*, which applies to acquisitions of controlling interests (within the meaning of IAS 27 revised) that take place after January 1, 2010, and IAS 27 (revised) — *Consolidated and Separate Financial Statements*.
- Improvements to IFRS 2009
- Amendment to IAS 39 — *Eligible Hedged Items*
- Amendment to IFRS 2 — *Group Cash-settled Share-based payment Transactions*
- Amendments to IFRS 5 — *Non-current Assets Held for Sale and Discontinued Operations*
- IFRIC 17 — *Distributions of Non-Cash Assets to Owners*

These amendments and interpretations do not have a material impact on the Company's consolidated financial statements.

IFRS Standards and Interpretations Effective after 2010 that the Company has elected not to early adopt in 2010:

- IFRS 9 — Financial Instruments: Classification and Measurement
- IAS 24 (revised) — Related-Party Disclosures
- Amendment to IAS 32 — Classification of Rights Issues
- Amendment to IAS 12 — Deferred Tax — Recovery of Underlying Assets
- Amendments to IFRS 7 — Enhancing Disclosures about Transfers of Financial Assets
- IFRIC 19 — Extinguishing Financial Liabilities with Equity Instruments
- Amendment to IFRIC 14 — Prepaid Voluntary Contributions

The Company does not expect these standards and interpretations to have a material impact to its consolidated financial statements.

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

Accounting for Investments in Subsidiaries; IAS 28, *Accounting for Investments in Associates*; and IAS 31, *Financial Reporting of Investments in Joint Ventures*.

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

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

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

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

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

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

The Company recognizes the portion of gains or losses on the sale of assets by the Company to the joint venture that is attributable to the other venturers. The Company does not recognize its share of profits or losses from the joint venture that result from the Company's purchase of assets from the joint venture until it resells the assets to an independent party. A loss on the transaction is recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Company.

A list of the main fully consolidated and proportionately consolidated companies, together with investments accounted for by the equity method, is presented in Note 25.

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

D.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.

D.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.

D.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.

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

D.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.

D.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, 2010 and 2009, the Company maintained an allowance for doubtful accounts of $6.6 million and $7.9 million, respectively. The Company writes off accounts receivable balances against the allowance for doubtful accounts when a receivable is determined to be uncollectible.

E. 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, *Cash Flow Statements*. Bank overdrafts are included in short-term borrowings in the consolidated balance sheets. 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 accompanying consolidated balance sheets.

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 the Ultimate Parent 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, 2009, for an additional three-year term.

F. 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 balance sheets 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.

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

Financial instruments and derivatives are recognized and measured in accordance with IAS 32, *Financial Instruments: Presentation*, and financial instruments: recognition and measurement.

G.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).

G.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 balance sheets (see Note 14). Current financial liabilities primarily include:

a. Financial liabilities with a settlement or maturity date within 12 months of the balance sheet 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 balance sheet 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

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

G.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).

G.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.

G.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 balance sheet 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, 2010 the Company had no embedded derivatives that required bifurcation recognized into the financial statements.

G.6 Hedging Instruments: Recognition and Presentation — Derivative instruments qualifying as hedging instruments are recognized in the consolidated balance sheets 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 income statement under the same caption as the loss or gain on the hedged item (i.e., current operating income for operating cash flows and financial income or expenses for other cash flows) within the same periods the hedged cash flows affect income. When the hedging relationship is discontinued due to the hedge no longer being considered effective, the cumulative gain or loss on the hedging instrument remains separately recognized in equity until the forecast transaction occurs. However, when a forecast transaction is no longer probable, the cumulative gain or loss on the hedging instrument is recognized in the line item on the consolidated statement of income where the forecasted transaction was expected to be recorded.

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

G.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 balance sheets in current assets and current liabilities.

G.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 are discussed in Note 14.

H. Property, Plant, and Equipment — Property, plant, and equipment is stated at cost and includes all expenditures necessary to prepare an asset for operation, including qualifying interest incurred during the construction period, less subsequent depreciation and impairment, except for land, which is shown at cost, less impairment. In accordance with IAS 16, *Property, Plant, and Equipment*, the initial cost of an item of property, plant, and equipment, includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present legal or constructive obligation to dismantle the item or restore the site. A corresponding provision for this obligation is recorded for the amount of the asset component (see Note 2 P.1). Property, plant, and equipment acquired by financing leases are valued at the lower of market value and 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 Periods (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	30
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.

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

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

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

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

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

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

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

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

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

Unbilled revenues are accrued each month based on estimated volumes delivered to each customer, but not invoiced. As additional information becomes available, GSERNA revises its estimated revenues related to prior periods and records the results in subsequent periods. Factors that affect the estimate include weather and 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.

M. 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, *Accounting for 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. 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.

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

N.1 Deferred Tax — 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 balance sheet 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.

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 liability is 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. Deferred taxes are reviewed at each balance sheet 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.

N.2 Current Tax — Current tax is the expected tax payable on the taxable income for the year, utilizing tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

O. 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 balance sheet item presented are translated at the closing rate at the balance sheet date

(b) Income and expenses for each consolidated income statement 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 shareholder's equity. Translation differences previously recorded under equity are taken to the consolidated income statement 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.

P. 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.

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

P.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.

Q. Share-Based Payments — Under IFRS 2, *Share-based Payment*, share-based payments made in consideration for services provided are recognized as personnel costs. These services are measured at the fair value of the instruments awarded. Share-based payments may involve equity-settled or cash-settled instruments. The Company does not have its own share-based compensation plan, but participates in the plans of its parent. As the shares are granted by the Company's ultimate parent, GDF SUEZ, the Company follows IFRIC Interpretation 11, *IFRS 2 — Group and Treasury Share Ultimate Transactions*.

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

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

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

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

R. Exploration and Production — In compliance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*, the Company uses a method based on the successful-efforts method to account for the costs incurred. Under the successful-efforts method, with the exception of acquisition costs of licenses which are capitalized according to IAS 38, a direct relationship between costs incurred and reserves discovered is required before costs are capitalized. When proved reserves are found, previously capitalized costs are classified from exploration assets to assets in the development phase. If there is no proved reserve (dry well), previously capitalized costs are charged to operating cost.

During the development and production phase, costs are capitalized to property, plant, and equipment if it is probable that future economic benefits associated will flow to the Company, and the cost of the item can be measured reliably.

3. SIGNIFICANT EVENTS

During 2005, one of the Company's subsidiaries, Neptune LNG LLC ("Neptune"), announced that it was pursuing the development of a deepwater port for LNG deliveries in federal waters approximately 10 miles off the coast of Massachusetts. The project includes specialty built LNG ships, a buoy system, and a connection to an existing pipeline. The ships are owned by an affiliate, and in January 2010, the Company entered into a subcharter agreement chartering the GDF Suez Neptune from the affiliate for a period from January 24, 2010 to December 31, 2011. Costs incurred and capitalized by the Company related to this project were $409 million and $391 million at December 31, 2010 and 2009, respectively. The majority of the project was placed in service on April 1, 2010, while $68 million related to the north buoy remains in construction in progress. Construction is estimated to be completed and the project to be fully operational in September 2011.

In May 2008, the Company acquired an indirect interest in Astoria Energy LLC ("Astoria I") which owns a 570 megawatt generating facility in the New York area. The Company initially held approximately 15% of the partnership and had significant influence, but not control, over Astoria I. Accordingly, it was accounted for using the equity method of accounting. On January 7, 2010, the Company purchased additional equity interests in Bowery Bay LLC, and direct and indirect equity interests in Astoria Project Partners LLC. After purchasing these interests and entering into governance agreements with JEMB Family L.P. and EIF Astoria III LLC, the Company obtained control of Bowery Bay, Steinway Creek, and Astoria Project Partners LLC, and through this obtained control over the Astoria Phase I Project as of January 7, 2010. The Company's January 7th transactions represent a business combination achieved in stages. On January 7th, the Company paid the sellers $205.3 million in cash and accrued contingent consideration of $11.9 million. The timing of a portion of those future payments is dependent upon the performance of the Astoria Phase I Project. The Company paid an additional $7.3 million to the sellers in March 2010 and expects to pay the contingent consideration in 2014 and 2015. The cumulative purchase price of the acquisition includes the fair value of $49.7 million of the Company's previously held investment in Astoria Project Partners LLC held through the Company's proportionately consolidated affiliates, Bowery Bay and Steinway Creek, which was previously shown on the investments in associates line in the Company's consolidated balance sheets. In accordance with IFRS 3 (revised), the Company revalued its previously held interest and recorded a revaluation gain of $0.3 million on its previously held equity interest. As allowed by IFRS 3 (revised), the Company elected to record the noncontrolling interest (NCI) at the NCI's proportionate share of the acquiree's identifiable net assets. See total purchase price below (in thousands):

Cash on January 7, 2010	$205,266
Cash on March 3, 2010	7,378
Contingent consideration arrangement	11,993
Total consideration transferred	224,637
Fair value of previous investment in associates	49,748
Total purchase price	$274,385

Astoria I was fully consolidated effective as of January 7, 2010. Below is the balance sheet of Astoria I at the date of obtaining control (in thousands):

Goodwill	$ 1,493
Property, plant, and equipment — net	1,120,147
Land	40,300
Intangible	1,609
Other assets	47,978
Total assets acquired	1,211,527
Long-term borrowings	669,355
Other noncurrent liabilities	2,848
Short-term borrowings	36,646
Other current liabilities	39,175
PPA liability	6,409
Noncontrolling interest	182,709
Total liabilities acquired	937,142
Net assets acquired	$ 274,385

The Company acquired $28.3 million in receivables and $18.2 million in cash in the acquisition. Astoria I contributed $250.5 million revenue and $2.1 million net loss to the 2010 consolidated statement of income.

On June 6, 2008, the Company acquired an indirect interest in Astoria Energy II LLC ("Astoria II") which was formed to own, construct, and operate a 550 megawatt-generating facility adjacent to the Astoria I facility. On July 2, 2009, Astoria II closed its project finance package which included equity commitments from the four partners and debt commitments from 13 participating banks. The Company committed to contribute up to $105.7 million of base equity to cover expected construction costs and up to $49.2 million of contingent equity to address potential construction cost overruns, which will give it a 30% equity interest. The Company paid $49.2 million in 2010 and is expected to fund the remaining base equity commitment in 2011 as the Astoria Phase II Project incurs construction costs. The project is expected to become operational in the second quarter of 2011. The Company has significant influence and applies the equity method of accounting for its investment in Astoria II.

In January 2009, the Company completed the purchase of a group of exploration and production (E&P) assets in the Gulf of Mexico at a cost of $208.9 million. During 2009, impairment expense of $152.1 million was recorded related to these assets (see Note 23). During 2010, additional impairment of $43.5 million was taken. In January 2011, the majority of the assets were sold to an affiliate (see Note 24).

During 2009, the Company achieved commercial operations on three facilities: a 95.7-megawatt dual-fuel fired simple cycle power generation facility located in Waterbury, Connecticut; a 99-megawatt wind farm in New Brunswick, Canada; and a 79 megawatt expansion of the West Cape facility.

On May 1, 2010, the Northfield Mountain hydro facility began the drawdown of its upper reservoir as part of a planned dewatering outage that was scheduled to last 23 days. The cost estimates for the projects were approximately $2.4 million. During the drawdown of Northfield's upper reservoir, a significant quantity of silt migrated to the intake channel and into the pressure shaft intake structure. The removal of the silt, especially from the tailrace, was more challenging than initially anticipated. The station returned to service on November 21st. The total cost of the outage was $47.7 million, with $6.1 million related to parts replacement (capitalized) and $41.6 million related to silt removal. $21.2 million of the total estimated silt removal costs have been capitalized as a new major maintenance asset at Northfield that will be depreciated over the next five years, which is the estimated time until the next dewatering major maintenance. The Company expensed costs of $20.4 million as of December 31, 2010 related to silt removal. Additionally, $6.8 million of the costs associated with undepreciated values of assets that were replaced were recognized as loss on disposal.

The Company has filed an insurance claim for business interruption insurance to recover lost margin during the Northfield Mountain outage. In addition, the Company believes that a significant portion of the $47.7 million is eligible for recovery through a property damage claim and has filed an insurance claim for recovery. On October 14, 2010, the Company requested partial payment on their insurance claim in the amount of $14.8 million for physical damage and $17.3 million for business interruption. The Company expects the property claim to cover essentially all of the silt-related costs and the cost to repair/replace any equipment damaged by the silt. The Company has not received a response from the insurance carrier. Consequently, on December 6, the Company filed a complaint in federal court in Massachusetts against the insurance carrier. As of December 31, 2010, no receivables for the insurance claims have been recorded.

The Company purchased an option to invest in a Plainfield biomass plant in July 2009. On February 16, 2010, GSENA exercised the option to reimburse the developers for the cost incurred on the project to date. On April 1, 2010, GSENA made the decision to not move forward with the project. On April 15, 2010, the developers made the decision to exercise their option to take back the project. GSENA had $6.5 million in costs in the project ($5.2 million capital), which under the terms of the contract is reimbursable by developers upon certain triggering events. GSENA is continuing to pursue recoverability of this cost but as it does not believe it is probable as defined by IAS 37, the Company has impaired the full amount of these costs.

The Company was recently subject to tax audits by the Internal Revenue Service (IRS) for tax years 2004-2007. The IRS began an audit 2008 and 2009 on March 9, 2011. The results of the 2004-2005 and 2006-2007 IRS field audits are in the appeals stage at this time. The Company established a $50 million reserve for these audits in 2008. In 2010, a portion of the reserve was released for issues that were effectively settled at the field level. As of December 31, 2010, the Company has a $35.4 million reserve (see Note 5.6), which the Company believes is adequate for accrual under IAS 37.

4. REVENUES

The Company's revenues for the years ended December 31, 2010 and 2009, are as follows (in thousands) (see Note 2.L):

	2010	2009
Revenues:		
Electricity and thermal	$4,029,899	$3,541,083
Natural gas	1,131,821	1,349,371
Gross margin from energy trading	(11,590)	78,620
Total revenues	$5,150,130	$4,969,074

5. INCOME TAXES

5.1.1 Breakdown of Income Tax Expense — Income tax expense for 2010 and 2009 consisted of the following (in thousands):

	2010	2009
Current (benefit) expense	(47,718)	42,833
Deferred expense (benefit)	25,892	(55,763)
Provision for income taxes	$(21,826)	$(12,930)

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

	2010	2009
Computed "expected" tax expense at 35%	$ (6,030)	$ 22,387
Increase (decrease) in income taxes resulting from:		
State and local income taxes — net of federal benefit	4,394	1,302
Other income taxed at a rate lower/higher than standard rate	(606)	64
Tax credits, primarily Section 45 credits federal benefit	-	(9,045)
Change in valuation allowance, related to net operating losses	3,392	(11,607)
Revisions in estimates of deferred taxes	14,176	(17,893)
Standard timing difference adjustment	(2,562)	-
Impact of permanent differences due to equity-based compensation	577	(2,268)
Impact of other permanent differences — current year	675	-
Impact of other permanent differences — prior year	(1,825)	-
Ventus dual consolidated loss reversal	920	3,698
Dividends from Mexican-controlled foreign corporations	579	2,151
Decrease in tax reserves	(30,473)	-
Revision in derivative adjustment	(1,619)	-
Minority interest and other book revisions	(3,213)	-
Other	(211)	(1,719)
Provision for income taxes	$(21,826)	$(12,930)

The 2010 effective tax rate varies significantly when compared to 2009, primarily due to:

- Decrease in tax reserves based on re-measurement of tax benefits related to audit controversy
- Revisions in deferred taxes
- Expiration of IRC Section 45 renewable energy credits

5.1.3 Deferred Tax Expense by Nature — Impacts on the consolidated statements of income for the years ended December 31, 2010 and 2009, are as follows (in thousands):

	2010	2009
Deferred tax assets:		
Loss carryforwards	$(22,942)	$(36,740)
Accruals and allowances	(29,618)	40,134
Derivative instruments	28,792	1,108
Tax credit carryforward, including AMT and Section 45 credits	(3,064)	3,333
Other	(5,713)	9,359
Deferred tax assets	(32,545)	17,194
Deferred tax liabilities		
Depreciation	60,304	(10,940)
Investments in partnerships	(7,909)	(62,199)
Other	6,042	182
Deferred tax liabilities	58,437	(72,957)
Net deferred tax assets (liabilities)	$ 25,892	$(55,763)

5.2 Income Taxes Recorded Directly into Equity

At December 31, 2010 and 2009, changes in deferred taxes recognized directly into equity resulted from cash flow hedges and can be analyzed as follows:

	2009	Change	2010
Cash flow hedges	$101,418	$(28,596)	$72,822
Net investment hedges	321	398	719
Total	$101,739	$(28,198)	$73,541

5.3 Deferred Income Taxes — Analysis of the net deferred tax position recognized in the consolidated balance sheet at December 31, 2010 and 2009 (before netting of deferred tax assets and liabilities by tax entity), by type of temporary difference is as follows (in thousands):

	2010	2009
Deferred tax assets:		
Loss carryforwards	$ 104,980	$ 82,038
Accruals and allowances	53,614	23,997
Derivative instruments	18,245	47,037
Derivative instruments — OCI	73,541	101,739
Tax credit carryforward, including AMT and Section 45 credits	13,403	10,339
Other	479	(3,880)
Gross deferred tax assets	264,262	261,270
Deferred tax liabilities:		
Depreciation	(309,315)	(249,012)
Investments in partnerships	(44,372)	(52,281)
Other	(6,201)	(182)
Gross deferred tax liabilities	(359,888)	(301,475)
Net deferred tax liabilities	$ (95,626)	$ (40,205)

Deferred taxes are reported in the consolidated balance sheets as of December 31, 2010 and 2009, as (in thousands):

	2010	2009
Noncurrent deferred income tax asset	$ 1,751	$ 21,892
Noncurrent deferred income tax liability	(97,377)	(62,097)
Net deferred tax liability	$(95,626)	$(40,205)

The increase in net deferred tax liabilities is mainly attributable to increased accelerated tax depreciation. This increase is offset by decrease in fair value of derivative instruments, and increases in tax loss carryforwards .

5.4.1 Deductible Temporary Differences not Recognized in the Consolidated Balance Sheets

The Company had unrecognized tax benefits relating primarily to Canadian and state loss carryforwards and other deductible state temporary differences in the amount of $41.7 million and $44.3 million at December 31, 2010 and 2009, respectively, that, if recognized, would decrease the effective tax rate.

The expiration dates for the unrecognized tax loss carryforwards at December 31, 2010, are presented as follows (in thousands):

Years Ending December 31	Ordinary Tax Loss
2011	$ 1,176
2012	4,282
2013	587
2014	1,373
2015 and beyond	34,254
Total	$41,672

The Company has not provided deferred tax on the undistributed earnings from its foreign subsidiaries, as the Company has no plans to repatriate earnings. This amount may become taxable upon an actual or deemed repatriation of assets from the subsidiaries or a sale or liquidation of the subsidiaries. The Company estimates that the total net undistributed earnings upon which it has not provided deferred taxes to be approximately $222 million and $64 million at December 31, 2010 and 2009, respectively.

5.4.2 Uncertain Tax Positions — A reconciliation of the Company's uncertain tax positions as of December 31, 2010, is as follows (in thousands):

	Unrecognized Tax Benefits
Balance — January 1, 2010	$ 66,356
Decreases based on tax positions relating to 2009	(31,533)
Increases related to settlements with taxing authorities	530
Balance — December 31, 2010	$ 35,353

6. INTANGIBLE ASSETS

The Company's intangible assets as of December 31, 2010 and 2009, were as follows (in thousands):

2010	Intangible Asset Gross	Accumulated Amortization	Impairment	Carrying Amounts
Power purchase agreements	$470,678	$(432,742)	$ -	$ 37,936
Fuel, administrative, operating and maintenance, and other contracts	20,851	(8,715)	-	12,136
Leaseholds	20,510	(20,504)	-	6
E&P licenses	189,903	-	(189,768)	135
Noncompete agreements and other	50,289	(12,692)	(5,137)	32,460
Total intangible assets	$752,231	$(474,653)	$(194,905)	$ 82,673
2009				
Power purchase agreements	$470,678	$(365,973)	$ -	$104,705
Fuel, administrative, operating and maintenance, and other contracts	37,094	(10,558)	-	26,536
Leaseholds	20,510	(20,498)	-	12
E&P licenses	189,938	-	(152,112)	37,826
Noncompete agreements and other	36,642	(33,271)	-	3,371
Total intangible assets	$754,862	$(430,300)	$(152,112)	$172,450

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 $12.9 million related to water rights and transmission credits with indefinite lives, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

The carrying amount for the power purchase agreements is for Northeast Energy LP (NELP), a joint venture, and is being amortized over the life of the contracts through 2011 and 2016. The change in intangibles during 2010 is primarily due to the amortization of the power purchase agreement (PPA) for NELP and the impairment taken on the E&P licenses. See discussion of E&P in Note 23. There was an addition to intangibles to the Choctaw Gas Generation facility of $4 million relating to transmission credits for upgrade of the customer's physical transmission system.

Amortization expense for intangible and other assets for the years ended December 31, 2010 and 2009, was $40.9 million and $45.8 million, respectively.

7. GOODWILL

Goodwill is the cost of a business combination over the Company's interest in the fair value of identifiable assets, liabilities, and contingent liabilities at the acquisition date. Goodwill is tested for impairment each year as of June 30, and upon review of triggering events in the second half of the year. No impairment of goodwill has been recorded through December 31, 2010. Movements in the carrying amount of goodwill at December 31, 2010 and 2009, are as follows (in thousands):

Gross amount — January 1, 2009	$873,353
Acquisitions adjustment	(5,960)
Translation adjustments	26,265
Gross amount — December 31, 2009	893,658
Acquisitions	1,493
Translation adjustments	10,202
Gross amount — December 31, 2010	$905,353

The 2009 acquisition adjustment is related to a recalculation of taxes related to the 2008 acquisition of FirstLight. The 2010 acquisition is from Astoria I — see Note 3.

All goodwill CGUs are tested for impairment based on data as of June 30, 2010. 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 forecast covering an explicit period of six years and resulting in medium-term business plan approved by the corresponding business unit's business controllers and CEO. When the discounted method is used, value in use is calculated on the basis of three scenarios ("low," "medium," and "high"). The "medium" scenario, which management deems most probable, is usually preferred. The CGUs, as determined in accordance with IAS 36, are the primary subsidiaries listed in Note 1, with the exceptions of GSEMNA, which no longer has separate assets. The merchant assets in the past were considered part of GSEMNA and are now included with Generation. The only cash flow that GSEMNA will independently generate is related to trading and origination, which does not rely directly on physical assets. The majority of GSEMNA activity relates to optimizing and protecting the value of GSENA assets; GSEMNA is no longer considered a stand-alone CGU.

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

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

Cash — Generating Units	Carrying Amount of Goodwill	Measurement Method	Discount Rate
GSENA — Gas	$245,449	DCF	7.2 %
GSENA — Generation	651,901	DCF	6.1–8.0
GSENA — Retail	8,003	DCF	10.3

8. PROPERTY, PLANT, AND EQUIPMENT

8.1 Movements in Property, Plant, and Equipment — Movements in property, plant, and equipment at December 31, 2010 and 2009, are as follows (in thousands):

	Land	Plant and Equipment	E&P Assets	Capital Lease	Construction in Progress	Total
Gross book value — January 1, 2009 — at cost	$26,302	$ 5,311,820	$ -	$488,745	$ 470,234	$ 6,297,101
Additions	73	21,837	21,936	-	491,128	534,974
Disposals	-	(77,747)	-	(9,212)	-	(86,959)
Transfers	-	450,825	-	6,842	(457,667)	-
Translation	97	69,076	-	-	3,209	72,382
Gross book value — December 31, 2009 — at cost	26,472	5,775,811	21,936	486,375	506,904	6,817,498
Additions	-	23,484	38	-	169,324	192,846
Additions due to additional purchase of Astoria I	40,300	1,121,968	-	-	-	1,162,268
Disposals	(154)	(50,234)	-	(200)	(15)	(50,603)
Transfers	(1,055)	501,056	-	909	(502,425)	(1,515)
Translation	37	32,607	-	-	210	32,854
Gross book value — December 31, 2010 — at cost	$65,600	$ 7,404,692	$ 21,974	$487,084	$ 173,998	$ 8,153,348
Accumulated depreciation and impairment — January 1, 2009	$ -	$(1,369,386)	$ -	$ (77,363)	$ (39,011)	$(1,485,760)
Disposals	-	47,388	-	1,389	-	48,777
Impairment	-	(14,531)	-	-	(9)	(14,540)
Translation	-	(13,139)	-	-	-	(13,139)
Charge for the year	-	(211,073)	(3,055)	(11,693)	-	(225,821)
Accumulated depreciation and impairment — December 31, 2009	-	(1,560,741)	(3,055)	(87,667)	(39,020)	(1,690,483)
Disposals	-	32,118	-	40	1,536	33,694
Impairment	(228)	(10,245)	(5,800)	-	-	(16,273)
Translation	-	(6,673)	-	-	-	(6,673)
Transfers	-	1,500	-	-	15	1,515
Charge for the year	-	(312,578)	(2,659)	(11,348)	-	(326,585)
Accumulated depreciation and impairment — December 31, 2010	$ (228)	$(1,856,619)	$(11,514)	$ (98,975)	$ (37,469)	$(2,004,805)
Carrying amount:						
January 1, 2009	$26,302	$ 3,942,434	$ -	$411,382	$ 431,223	$ 4,811,341
December 31, 2009	26,472	4,215,070	18,881	398,708	467,884	5,127,015
December 31, 2010	65,372	5,548,073	10,460	388,109	136,529	6,148,543

In 2009, the Company impaired property, plant, and equipment of $14.5 million, primarily related to impairment of the Choctaw Generation Limited Partnership facility. The impairment was the result of revisions to future cash flow estimates. These amounts are included in impairment of property, plant, and equipment in the accompanying consolidated statements of income. In 2010 the Company impaired assets totaling $16.3 million, primarily related to impairment at Pinetree Power Fitchburg ("Fitchburg") plant of $10.4 million, and E&P of $5.8 million (see Note 23). The $10.4 million impairment at Fitchburg was due to proposed changes to biomass eligibility for the Massachusetts Renewable Energy Portfolio Standard Program. The Company viewed these changes as a triggering event and noted that the discounted cash flows fair value for the Fitchburg plant was lower than the current book value of property, plant, equipment. Impairments taken prior to January 1, 2009, totaled $554.6 million.

In 2010, GSGNAH reduced the useful life of the Matthew LNG Vessel to coincide with the end of the Atlantic LNG Purchase Contract (18 years) as opposed to its original useful life (23 years). The driving factor for this change in accounting estimate by management is stricter emissions regulations on LNG vessels in the northeast region, coupled with more efficient vessels being built over time. This resulted in a $4.5 million increase in depreciation in 2010 related to the Matthew LNG Vessel. The change was accounted for prospectively in accordance with IAS 8, *Changes in Accounting estimates and errors*.

In 2009, loss on disposal of assets of $39.5 million is primarily related to the major outage replacement of componentized parts that had not been fully depreciated. In 2010, loss on disposal of assets of $16.2 million is comprised of $6.8 million due to dewatering at FirstLight (see Note 3), $1.3 million related to the sale of a portion of Biopower and the remainder is related to the major outage replacement of componentized parts that had not been fully depreciated.

The Company accrued a total of $3.1 million and $19.2 million in construction costs for property, plant, and equipment in 2010 and 2009, respectively. The Company also transferred $25.4 million and $8.5 million from other current assets to property, plant, and equipment related to maintenance performed under long-term service agreements (LTSAs) in 2010 and 2009, respectively.

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):

GSGNAH (Neptune)	$ 11,359
FirstLight	34,542
Total development commitments	45,901
Maintenance — LTSAs	697,067
Total	$742,968

See discussion of Neptune in Note 3. 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 energy production efficiency and began in January 2011 with a planned completion date of May 2014.

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

Borrowing costs capitalized on construction-in-progress expenditures were $3 million and $15.3 million in 2010 and 2009, respectively.

9. INVESTMENTS IN ASSOCIATES

9.1 Breakdown of Investments in Associates — Breakdown of investments in associates as of December 31, 2010 and 2009, are as follows (in thousands):

	Percentage Interest	Carrying Amount of Investments in Associates December 31, 2010	Carrying Amount of Investments in Associates December 31, 2009	Share in Net Income of Associates December 31, 2010	Share in Net Income of Associates December 31, 2009
Astoria Project Partners LLC	14.8 %	$ -	$ 73,569	$(663)	$ (624)
Astoria Project Partners II LLC	30.0	76,983	28,193	111	(2,774)
SUEZ/VWNA/DEGS of Lansing LLC	39.2	433	681	516	1,207
Shreveport Red River Utilities, LLC	39.2	2,909	5,089	(808)	632
Total		$80,325	$107,532	$(844)	$ (1,559)

On January 7, 2010, the Company purchased additional direct and indirect equity interests in Astoria I. After purchasing these interests, the Company obtained control of and consolidated Astoria I.

9.2 Key Figures of Associates — Key figures of associates as of December 31, 2010 and 2009, are as follows (in thousands):

2010	Percentage Interest	Total Assets	Liabilities	Revenues	Net Income
Astoria Project Partners II LLC	30.0 %	$1,095,452	$1,029,554	$ -	$ (6,719)
SUEZ/VWNA/DEGS of Lansing LLC	39.2	2,898	1,794	4,844	1,317
Shreveport Red River Utilities, LLC	39.2	32,670	25,249	8,890	(2,061)
Total		$1,131,020	$1,056,597	$ 13,734	$ (7,463)

2009	Percentage Interest	Total Assets	Liabilities	Revenues	Net Income
Astoria Project Partners LLC	14.8 %	$ 695,207	$ 673,348	$227,114	$ 17,361
Astoria Project Partners II LLC	30.0	618,771	634,710	-	(4,195)
SUEZ/VWNA/DEGS of Lansing LLC	39.2	3,029	1,293	4,868	3,078
Shreveport Red River Utilities, LLC	39.2	40,627	27,644	9,119	1,613
Total		$1,357,634	$1,336,995	$241,101	$ 17,857

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

10. INVESTMENTS IN JOINT VENTURES

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

	Consolidation Percentage	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Revenues	Current Net Income (Loss)
At December 31, 2010:							
Northeast Energy LP	50 %	$55,487	$238,789	$16,396	$ 53,328	$153,754	$39,029
Winooski One Partnership	50	556	4,029	1,012	-	2,133	1,248
Pepco Energy Services — SUEZ Thermal, LLC	50	3,190	7,402	3,941	2,331	1,516	869
Delta Township Utilities, LLC	49	481	2,717	2,704	32	588	244
SUEZ-DEGS Solutions LLC	50	319	175	-	-	-	(30)
SUEZ-DEGS of Ashtabula, LLC	51	4,497	15,157	2,093	-	14,061	1,998
SUEZ-DEGS of Rochester, LLC	51	2,179	513	1,369	-	6,032	978
SUEZ-DEGS of Silver Grove LLC	51	332	2,475	(15)	-	513	440
SUEZ-DEGS of Owings Mills LLC	51	5,840	2,951	300	-	544	543
Owings Mills Energy Equipment Leasing LLC	51	-	1,692	4,918	-	533	60
SUEZ-DEGS of Tuscola, LLC	51	4,914	9,334	2,087	-	9,927	2,463

	Consolidation Percentage	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	Revenues	Current Net Income (Loss)
At December 31, 2009,							
Northeast Energy LP	50 %	$63,128	$291,095	$13,329	$140,218	$129,130	$34,660
Winooski One Partnership	50	556	4,238	470	950	2,305	1,430
Pepco Energy Services — SUEZ Thermal, LLC	50	2,582	7,945	3,174	7,036	1,312	760
Delta Township Utilities, LLC	49	459	5,958	116	5,923	683	327
SUEZ-DEGS Solutions LLC	50	319	205	-	-	-	(30)
SUEZ-DEGS of Ashtabula, LLC	51	3,872	16,838	2,214	-	12,459	1,834
SUEZ-DEGS of Rochester, LLC	51	1,681	884	731	-	6,291	619
SUEZ-DEGS of Silver Grove LLC	51	294	2,575	86	-	491	386
SUEZ-DEGS of Owings Mills LLC	51	46	3,165	401	-	544	(470)
Owings Mills Energy Equipment Leasing LLC	51	-	1,941	88	-	533	47
SUEZ-DEGS of Tuscola, LLC	51	3,310	9,436	860	-	9,833	(305)

In several joint ventures with Duke Energy Generation Services Holding Company, Inc. (DEGS), each partner has 50% of the voting rights, but either 51% or 49% of the rights to the earnings and net assets of the venture.

11. INVENTORIES

Major classes of inventory at December 31, 2010 and 2009, were as follows (in thousands):

	2010	2009
LNG inventory	$ 16,861	$ 29,466
Natural gas and other fuel inventory	79,470	93,446
Spare parts	25,089	17,528
Green certificates	5,284	5,843
Greenhouse (emission allowances)	48,948	46,213
Other inventory	1,531	1,135
Total inventories	$ 177,183	$ 193,631

The Company had fair value adjustments of its natural gas inventory of $(3.1) million and $3.1 million as of December 31, 2010 and 2009, respectively.

12. OTHER ASSETS

12.1 Other Noncurrent Assets — Other noncurrent assets at December 31, 2010 and 2009, were as follows (in thousands):

	2010	2009
Other noncurrent assets:		
Supplemental executive retirement plan cash surrender value	$ 13,452	$ 11,869
Rabbi trust	21,527	19,694
Prepaid broker fees	3,574	7,194
Other long-term assets	21,317	26,780
Long-term restricted cash greater than one year	19,591	36,939
Total other noncurrent assets	$ 79,461	$ 102,476

12.2 Other Current Assets — Other current assets at December 31, 2010 and 2009, were as follows (in thousands):

	2010	2009
Other current assets:		
Prepaid expenses	$ 88,165	$ 26,909
Current taxes	33,116	-
Other current assets	4,160	4,447
Total other current assets	$ 125,441	$ 31,356

13. FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVES

13.1 Financial Assets — The Company's financial assets are classified under the following categories at December 31, 2010 and 2009, (in thousands):

	2010			2009
	Noncurrent	Current	Total	Total
Trade and other receivables	$ -	$ 595,664	$ 595,664	$ 631,634
Short-term notes receivable from affiliates	-	-	-	36,801
Cash and cash equivalents	-	160,201	160,201	152,410
Total financial assets	$ -	$ 755,865	$ 755,865	$ 820,845

13.1.1 Loans and Receivables Carried at Amortized Cost — Loans and receivables carried at amortized cost at December 31, 2010 and 2009, were as follows (in thousands):

	2010			2009
	Noncurrent	Current	Total	Total
Trade and other receivables — net:				
Trade debtors	$ -	$339,508	$339,508	$422,327
Trade-debtors-related accounts	-	37,801	37,801	12,527
Unbilled revenue	-	189,301	189,301	171,330
Allowance for doubtful accounts	-	(21,427)	(21,427)	(7,948)
Total trade and other receivables — net	-	545,183	545,183	598,236
Collateral cash — asset	-	50,481	50,481	33,398
Notes receivable from affiliates — cash pool	-	-	-	36,801
Total notes receivable from affiliates	-	-	-	36,801
Total	$ -	$595,664	$595,664	$668,435

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.F. Cash and cash equivalents totaled $160.2 million and $152.4 million at December 31, 2010 and 2009, respectively, which includes restricted cash of $26.4 million at December 31, 2010, and $28.9 million at December 31, 2009, and excludes noncurrent restricted cash of $19.6 million and $36.9 million at December 31, 2010 and 2009, 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 derivative instruments line items in the consolidated statements of financial position.

The Company's financial liabilities other than derivative instruments at December 31, 2010 and 2009, are as follows (in thousands):

	2010			2009
	Noncurrent	Current	Total	Total
Borrowings (Note 15, financial debt and borrowings)	$3,895,895	$506,229	$4,402,124	$4,086,011
Cash pool (payable)	-	38,886	38,886	-
Trade and other payables	-	430,300	430,300	397,715
Total	$3,895,895	$975,415	$4,871,310	$4,483,726

13.2.1 Trade and Other Payables — Trade and other payables at December 31, 2010 and 2009, were as follows (in thousands):

	2010			2009
	Noncurrent	Current	Total	Total
Trade accounts payable	$ -	$231,945	$231,945	$251,379
Accounts payable — related party	-	17,383	17,383	14,339
Collateral cash	-	1,750	1,750	2,200
Accrued expenses	-	179,222	179,222	129,797
Total	$ -	$430,300	$430,300	$397,715

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.

At December 31, 2010 and 2009, the Company's carrying value of long-term fixed-rate debt was $1.7 billion and $1.3 billion, respectively, with estimated fair values of approximately $1.8 billion and $1.3 billion, respectively (in thousands):

	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term fixed-rate debt	$1,651,558	$1,753,967	$1,304,638	$1,326,298

14. RISK MANAGEMENT ACTIVITIES

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

In accordance with IAS 39, the Company accounts for all derivative-trading activity at fair value under the mark-to-market method of accounting, with changes in the value of open positions recorded through income. GSEMNA conducts its trading activity with instruments of shorter tenor to generate profit from short-term movements in market price, and the assets and liabilities from short-term trading 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 balance sheets. 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 balance sheets. The Company records both realized and unrealized profit and loss from trading activities in revenues in the consolidated statements of income.

14.2 Risk Management Activities — Nontrading — In addition to trading activity, the Company utilizes a variety of financial and physical power 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, 2010 and 2009, was $4.1 million and $5.4 million, respectively, which was included in the derivative instruments line items in the consolidated balance sheets. 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 settle in 2010 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. 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 liabilities required to be settled in currencies other than the U.S. dollar and cross-currency swaps to hedge investments in foreign currencies. The Company entered into a net investment hedge of its exposure to fluctuations in Canadian dollars from its controlling investment in Ventus. The Company also designated foreign currency swaps as fair value hedges of the foreign currency risk of issued Eurobonds. The Company recognized no ineffectiveness from these hedging relationships.

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

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

The Company uses commodity swaps and options to hedge price risk exposure on forecasted purchases of LNG under a designated cash flow hedge program. Under the options and swaps, the Company receives a floating price and pays a fixed price, respectively, which effectively fixes the price the Company expects to pay for its future LNG purchases. Through March 2009, underlying LNG purchases were indexed to European oil indices, and reference an average of settled oil prices for the six months preceding the start of the calendar quarter in which the LNG is purchased. The Company recognized the realized gains and losses on its oil swap and option contracts that qualify as hedges when the related LNG was purchased.

In 2009, the Company began purchasing LNG at a price indexed to natural gas, with a reference to an average of settled gas prices for the six months preceding the start of the calendar quarter in which the LNG is purchased. The Company recognizes the realized gains and losses on these natural gas futures that qualify as hedges when the related LNG is purchased. As of December 31, 2009, $(5.8) million of equity (net of deferred taxes) remained in the consolidated balance sheet to be recognized in 2010 as LNG purchases that reference 2009 gas prices are made. As of December 31, 2010, $(6.8) million of equity (net of deferred taxes) remained in the consolidated balance sheet to be recognized in 2011 as LNG purchases that reference 2010 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 balance sheet and recognizes changes in fair value in net income.

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

The Company uses commodity swap and option contracts, forward physicals, and futures to manage its price risk exposure related to natural gas purchases for its power plants. Under the swaps, the Company pays a fixed price and receives a floating price, which effectively fixes the price it will pay for the gas. The Company enters into commodity swap contracts and forward physicals to mitigate its exposure to the effect of changes in future electricity prices on its power plants' sales. Under the swaps, the Company pays a variable price and receives a fixed price, which effectively fixes the price to be received for the electricity.

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

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

Balance Sheet Treatment — The Company accounts for its nontrading derivatives at fair value on the balance sheet 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, 2010 and 2009, is as follows (in thousands):

	2010			2009
	Noncurrent	Current	Total	Total
Derivative assets at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ -	$ 26,350	$ 26,350	$ 50,460
Derivative instruments (including commodity derivatives) — undesignated hedges	24,799	67,691	92,490	115,175
Derivative instruments — commercial contracts	60,197	11,230	71,427	28,560
Total derivative assets at fair value through income	84,996	105,271	190,267	194,195
Designated hedges:				
Commodity	43,063	82,749	125,812	39,776
Financial	1,724	13,359	15,083	66,699
Total designated hedges	44,787	96,108	140,895	106,475
Total derivative assets	$129,783	$201,379	$331,162	$300,670

	2010			2009
	Noncurrent	Current	Total	Total
Derivative liabilities at fair value through income:				
Derivative instruments (including commodity derivatives) — trading	$ -	$108,855	$108,855	$ 36,111
Derivative instruments (including commodity derivatives) — undesignated hedges	47,839	74,081	121,920	104,048
Derivative instruments — commercial contracts	7,194	6,004	13,198	15,564
Derivative instruments — financial	5,390	3,078	8,468	6,720
Total derivative liabilities at fair value through income	60,423	192,018	252,441	162,443
Designated hedges:				
Commodity	81,166	167,523	248,689	295,026
Financial	45,365	35,235	80,600	81,006
Total designated hedges	126,531	202,758	329,289	376,032
Total derivative liabilities	$186,954	$394,776	$581,730	$538,475

Of the designated hedge values above, fair value hedges had a fair value of $13.4 million and $62.6 million as of December 31, 2010 and 2009, respectively. Net investment hedges had a fair value of $(1.8) million and $0.9 million, as of December 31, 2010 and 2009, respectively. The remaining designated hedge value from above relates to transactions designated as cash flow hedges.

The Company's current and noncurrent derivative assets and liabilities at fair value by type as of December 31, 2010 and 2009, are as follows (in thousands):

	2010				2009			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Designated hedges								
Natural gas								
Forwards/futures	$ 512	$ -	$ (27)	$ -	$ 91	$ -	$ (270)	$ (4)
Swap	62,757	38,486	(4,388)	(3,905)	7,778	28,168	(41,020)	(5,591)
Total natural gas	63,269	38,486	(4,415)	(3,905)	7,869	28,168	(41,290)	(5,595)
Electricity:								
Forwards/futures	-	322	(90,559)	(51,078)	-	2,315	(85,587)	(47,183)
Swap	5,014	3,129	(51,240)	(21,502)	-	62	(71,530)	(25,898)
Total electricity	5,014	3,451	(141,799)	(72,580)	-	2,377	(157,117)	(73,081)
Financial:								
Interest rate	-	1,724	(33,435)	(45,365)	-	-	(45,039)	(35,967)
Exchange	13,359	-	-	-	46,761	19,938	-	-
Total financial	13,359	1,724	(33,435)	(45,365)	46,761	19,938	(45,039)	(35,967)
Other	14,466	1,126	(23,109)	(4,681)	1,333	29	(12,124)	(5,819)
Total designated hedges	$96,108	$44,787	$(202,758)	$(126,531)	$55,963	$50,512	$(255,570)	$(120,462)

	2010				2009			
	Assets		Liabilities		Assets		Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Undesignated hedges								
Natural gas:								
Forwards/futures	$ 459	$ -	$ (6,496)	$ (528)	$ 291	$ 23	$ (8,190)	$ (3,619)
Options	-	-	(518)	(396)	-	-	-	-
Swap	22,917	12,782	(31,290)	(7,773)	24,648	6,916	(23,038)	(5,307)
Total natural gas	23,376	12,782	(38,304)	(8,697)	24,939	6,939	(31,228)	(8,926)
Electricity:								
Forwards/futures	7,258	3,423	(12,534)	(22,464)	8,673	7,674	(13,429)	(15,866)
Options	128	15	(354)	(68)	1,223	-	(779)	-
Swap	45,813	8,181	(20,524)	(17,784)	38,769	19,075	(20,127)	(14,567)
Total electricity	53,199	11,619	(33,412)	(40,316)	48,665	26,749	(34,335)	(30,433)
Oil products — forwards/futures	-	290	(6,060)	-	1,332	-	-	-
Warrants (Note 21)	-	4,095	-	-	4,864	574	-	-
Interest rate	-	-	(3,078)	(5,390)	-	-	(3,428)	(3,292)
Other	(8,884)	(3,987)	3,695	1,174	260	853	420	454
Trading assets and liabilities	26,350	-	(108,855)	-	50,460	-	(30,111)	-
Commercial contracts	11,230	60,197	(6,004)	(7,194)	7,136	21,424	(5,207)	(10,357)
Total fair value	$105,271	$84,996	$(192,018)	$(60,423)	$ 137,656	$56,539	$(103,889)	$(52,554)

Commercial contracts marked to market as disclosed in the above table refers to contracts that support the Company's core business lines, but are required to be marked to market under IAS 39, as they are not scoped out of IAS 39 under the "own use" scope exception and they do not qualify as hedges. Examples include medium-term and long-term sales of natural gas with volumetric variability, renewable energy credit sales, and certain transportation capacity contracts. The table above discloses the unrealized profit and loss of the contracts in each reporting period. Specifically, the profit and loss effect of the application of IAS 39 to these contracts has been disclosed in the table above. 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 in a manner that differs from the methodology used to allocate the liquidity reserve to assets on the liabilities on the balance sheet. This allows for the total fair value of each of the assets and liabilities in the table above to match the balance sheet asset and liabilities, while still reflecting the gross assets and liabilities by category and type in the table above.

Accounting for the Change in Risk Management Derivative Values — the Company immediately recognizes changes in the fair value of nonhedge derivatives in mark to market on commodity contracts other than trading instruments in the consolidated statements of income. The Company applies cash flow hedge accounting to certain of its financial and commodity risk management derivatives and applies fair value hedge accounting to certain of its financial risk management derivatives. The Company recognizes changes in fair values of derivatives appropriately documented as fair value hedges in earnings as offsets to the changes in fair value of related hedged assets, liabilities, and firm commitments.

The Eurobond hedges discussed above are the only instances of fair value hedges. The earnings results from the Company's derivatives designated as fair value hedges and from the hedged item as of December 31, 2010 and 2009, are as follows (in thousands):

	2010	2009
Fair value hedges		
Gains (losses) on the hedging instrument	$ 5,220	$ (7,335)
(Losses) gains on the hedged item	(5,220)	7,335
Total fair value hedges	$ -	$ -

The Company recognizes the changes in fair values of derivatives appropriately documented as cash flow hedges of forecasted transactions in equity until the hedged transactions occur and are recognized in earnings.

The following table shows the year in which the Company expects the derivatives that it has designated as cash flow hedges to affect earnings. The first table discloses the notional amount of the commodity hedged forecasted transaction (in GWh) and the second table discloses the notional amount of the financial instrument hedged forecasted transactions (in thousands):

	Year of Earnings Impact (GWh)				
	2011	2012	2013	2014	Total
Commodity:					
Natural gas	(7,194)	(5,597)	(3,449)	(1,054)	(17,294)
Electricity	19,110	8,514	2,032	196	29,852
Total commodity hedges	11,916	2,917	(1,417)	(858)	12,558

	Year of Earnings Impact (000's)				
	2011	2012	2013	2014 +	Total
Financial hedges — expected swap settlements	$ 126,188	$ 17,877	$33,136	$ 8,305	$ 185,506
Total financial hedges	$ 126,188	$ 17,877	$33,136	$ 8,305	$ 185,506

The Company formally assesses, both at inception and at least quarterly thereafter, whether the derivatives that are used in fair value and cash flow hedging relationships have been highly effective in offsetting the changes in either the fair value or 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 equity resulting from the Company's cash flow hedge activity, including the recognition of ineffectiveness in earnings as of December 31, 2010 and 2009, are as follows (in thousands):

	2010	2009
Equity movements:		
Losses recognized in equity — effective portion of the hedge	$ (87,870)	$ (17,255)
Gains reclassified from equity into income — settlement	172,252	28,276
Profit and loss — gains (losses) recognized for hedge ineffectiveness	8,538	(380)

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, 2010 and 2009, the Company recorded $(259.2) million and $(385.6) million, respectively, in gross margin for the settlement of risk management derivatives, including both designated and undesignated hedges.

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

The Company's trading and nontrading financial and commodity derivative results as of December 31, 2010 and 2009, are as follows (in thousands):

	2010			2009		
	Expenses	Income	Net	Expenses	Income	Net
Finance cost on borrowings:						
Interest on gross borrowings, including guarantee and other fees	$(282,965)	$ -	$(282,965)	$(239,722)	$ -	$(239,722)
Bank and other interest income	(6,507)	4,076	(2,431)	(2,857)	8,561	5,704
Gains and losses on hedges of borrowings	(2,044)	16,498	14,454	(6,024)	20,380	14,356
Financial (expense) income	(291,516)	20,574	(270,942)	(248,603)	28,941	(219,662)
Commodity derivative (loss) income						
Unrealized change in undesignated hedges	(12,924)	-	(12,924)	(1,558)	-	(1,558)
Designated hedge ineffectiveness	-	8,549	8,549	(380)	-	(380)
Unrealized change in value of commercial contracts marked to market	-	45,233	45,233	(5,002)	-	(5,002)
Mark to market on commodity contracts other than trading instruments	(12,924)	53,782	40,858	(6,940)	-	(6,940)
Gross margin from energy trading (Note 4)	(11,590)	-	(11,590)	-	78,620	78,620
Total financial (expense) income	$(316,030)	$74,356	$(241,674)	$(255,543)	$107,561	$(147,982)

14.3 Market Risk — The Company's commodity and financing activities subject it to the risk of changes in forward commodity prices, interest rates, and foreign currency exchange rates. To manage its risks, the Company has established and monitors various controls. GSEMNA has established a risk committee composed of members of senior management that meets at least monthly to analyze any transaction that is not explicitly approved by GSEMNA's documented hedging policies. The Company's

trading activity is governed through the use of various limits, including VaR, deal tenor, and location restrictions, which the risk committee periodically reviews and updates. VaR measures the Company's maximum exposure to an economic loss on its commodity portfolio over one-day holding period. It is not an indication of expected results. The Company measures VaR at a 95% confidence interval. Trading VaR includes the risk attributed to positions executed in connection with trading activities, with the exception of the Company's storage-trading positions. Storage-trading activity includes storage capacity contracts, stored physical gas, and derivatives, such as swaps, futures, and options that are used to optimize the value of the stored gas. Storage activity is governed by volumetric and tenor limits. The Company's VaR measurements for its trading portfolio as of December 31, 2010 and 2009, are as follows (in millions):

	Trading
Opening VaR:	
December 31, 2010	$ 0.04
December 31, 2009	1.27
Closing VaR:	
December 31, 2010	0.39
December 31, 2009	0.04
Average VaR:	
December 31, 2010	0.31
December 31, 2009	0.94
Maximum VaR:	
December 31, 2010	1.22
December 31, 2009	2.52
Minimum VaR:	
December 31, 2010	0.03
December 31, 2009	0.04

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). Sensitivity of income to market risk arises mainly from economic hedges not eligible for hedge accounting under IFRS (in thousands).

		2010		2009	
Sensitivity Analysis	Price Movements	Pretax Impact on Income	Pretax Impact on Equity	Pretax Impact on Income	Pretax Impact on Equity
Natural gas	$4/MWh	$ (71,577)	$ 21,484	$ (84,792)	$ 17,045
Electricity	$7/MWh	208,959	30,247	185,492	30,842
Coal	$10/ton	-	(1,600)	-	-
Emission rights	$3/ton	-	645	-	164
Capacity	$7/MW	-	6,292	-	7,784

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* section below. The undiscounted cash flows that the Company expects to receive or pay by the year of expected payment on its derivative contracts as of December 31, 2010 and 2009, are as follows (in millions):

	< 1 Year	2 Years	3 Years	4 Years	5+ Years	Total
December 31, 2010:						
Derivative financial liabilities	$ (392.4)	$ (126.0)	$ (41.9)	$ (7.9)	$ (4.1)	$ (572.3)
Derivative financial assets	206.4	62.2	18.6	9.7	42.6	339.5
Total December 31, 2010	$ (186.0)	$ (63.8)	$ (23.3)	$ 1.8	$ 38.5	$ (232.8)
December 31, 2009:						
Derivative financial liabilities	$ (404.1)	$ (130.5)	$ (49.3)	$ (16.2)	$ (5.2)	$ (605.3)
Derivative financial assets	236.0	91.8	21.1	7.2	19.2	375.3
Total December 31, 2009	$ (168.1)	$ (38.7)	$ (28.2)	$ (9.0)	$ 14.0	$ (230.0)

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. Credit enhancements, such as parental guarantees, letters of credit, and margin deposits are also utilized. The fair value of essentially all credit enhancements held by the Company is equal to its notional amount. Credit exposure is monitored daily and the financial condition of our counterparties is reviewed periodically. As of year-end 2010 and 2009, respectively, the Company held $20.1 million and $21.2 million of cash collateral and posted $15.9 million and $1.8 million of cash collateral with counterparties. Cash collateral provided to counterparties is included in the trade and other receivables item on the balance sheet, and cash collateral held is included in the trade and other payables balance.

Other than cash collateral held, there were no instances in which the Company took possession of collateral held as security during 2010 and 2009.

Many of the Company's power-generating facilities have one primary utility or industrial customer under a long-term contract. A cogeneration facility may also have a single industrial customer to which it provides steam under a long-term contract. The Company does not believe that these customers represent a significant credit risk. However, changes in economic, regulatory, or other factors could have a significant effect on the Company's contractual relationships. Successful financial operations of these plants are largely dependent on the continued performance by customers and suppliers of their obligations under the relevant power sales contract and, in particular, on the credit quality of the

purchasers. If a substantial portion of the Company's long-term power sales contracts was modified or terminated, the Company would be adversely affected to the extent that it might be unable to find other customers at the same level of contract profitability.

GSGNAH's primary customer base consists of local gas distribution companies, electric power producers, and natural gas marketers operating in the northern United States as well as an electric power producer in Puerto Rico. As of December 31, 2010 and 2009, GSGNAH's largest unaffiliated customer accounted for 32% and 25%, respectively, of gas sales and its two largest unaffiliated receivable balances represented 59% and 55% of GSGNAH's total receivables, respectively.

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.

No individual counterparty of GSERNA, GSEMNA, or GSEGNA presented a significant concentration of credit risk for the years ended December 31, 2010 and 2009. 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 exposures to counterparties and 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 thousands):

	2010		2009	
	Investment Grade	Total	Investment Grade	Total
Counterparty exposure:				
Gross exposure	$ 122.8	$ 127.6	$ 167.7	$ 170.8
Net exposure	122.8	127.6	167.7	170.8

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, 2010 and 2009, 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
2010	$595,664	$580,996	$ 21,308	$ (6,640)	$17,103	$2,195	$ 1,341	$ 670
2009	$631,634	$534,765	$104,817	$ (7,948)	$48,102	$4,166	$47,877	$4,672

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

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

The Company classifies the fair value measurements in its 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, 2010 and 2009, are as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Fair value by Level as of December 31, 2010:				
Portfolio management:				
Derivative assets	$ 191,730	$ 305,143	$ 80,690	$ 577,563
Derivative liabilities	(117,695)	(609,714)	(22,325)	(749,734)
Trading activities:				
Derivative assets	166,267	18,365	-	184,632
Derivative liabilities	(238,459)	(28,676)	-	(267,135)
Total December 31, 2010	$ 1,843	$(314,882)	$ 58,365	$(254,674)

	Level 1	Level 2	Level 3	Total
Fair value by Level as of December 31, 2009:				
Portfolio management:				
Derivative assets	$ 81,465	$ 422,109	$ 62,162	$ 565,736
Derivative liabilities	(82,895)	(680,549)	(53,580)	(817,024)
Trading activities:				
Derivative assets	169,924	92,977	-	262,901
Derivative liabilities	(159,639)	(89,779)	-	(249,418)
Total December 31, 2009	$ 8,855	$(255,242)	$ 8,582	$(237,805)

There have been no transfers of assets or liabilities between levels of fair value. The movement of Level 3 values between December 31, 2010 and 2009, are as follows (in thousands):

	Assets	Liabilities
Level 3 fair value — December 31, 2009	$62,160	$(53,580)
Gains (losses) recorded through earnings	23,540	28,006
Gains (losses) recorded through OCI	-	-
Settlements	(4,574)	3,319
Level 3 fair value — December 31, 2010	$81,126	$(22,255)
Total gains or (losses) for the period recorded through income statement for derivatives held at December 31, 2010	$45,640	$ 1,593

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 on the consolidated statements of income. The Company has not recognized a gain or loss from the purchase, sale, or issue of assets or liabilities with a fair value measured using Level 3 inputs.

The Level 3 fair values above include liabilities related to a long-term gas sales contract. The value of this contract is largely dependent upon the gas price at two locations in the northeast United States. The pricing information for these locations is considered illiquid. In order to account for the illiquidity of the prices, the Company reduces the spread between the two locational prices when they are used for valuing the gas sales contract. The spread reduction is based on statistical analysis of price movements at each location. If the spread had not been reduced, liabilities would have been $4.5 million and $4.6 million higher at December 31, 2010 and 2009, respectively. Net earnings for 2010 would have been $0.1 million higher.

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 hedge 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 limited liquidity. 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, 2010 and 2009, is as follows (in thousands):

	2010	2009
Inception reserves:		
Beginning unamortized balance	$ 19,242	$ 28,271
Deferral on new transactions	1,249	7,901
Amortization	(7,349)	(14,307)
Reserve reversal due to inputs becoming observable	-	(2,623)
Ending balance	$ 13,142	$ 19,242

15. FINANCIAL DEBT AND BORROWINGS

	Maturity	Rate at December 31, 2010	2009	2010	2009
Affiliated debt:					
Revolving line of credit	2011–2024	1.86%–4.15%	1.75%–4.10%	$ 978,141	$1,148,709
Line of credit related to GSGNAH	2015	6.45	6.45	225,000	225,000
Term loan related to GSGNA	2014	2.13	2.12	250,000	250,000
Term loan related to Hot Springs	2015	1.93	1.92	45,000	115,000
Term loan related to Canada Inc. (Ventus)	2011	2.66	1.58%–2.59%	343,174	325,817
Term loan related to Astoria I	2013	1.90	1.85	48,200	48,200
Term loan related to Choctaw Gas	2017	1.94	-	69,375	-
Term loan related to Viking	2015	2.03	-	9,712	-
Term loan related to Ennis	2015	1.75	-	76,831	-
Term loan related to GSEGNA	2015	1.84	-	66,335	-
Term loan related to GSENA	2015	1.85	-	127,835	-
Term loan related to E & P	2014	4.48	-	114,853	-
Term loan related to GSENA on behalf of E&P	2014	2.13	2.12–4.73%	24,655	137,253
Total affiliated debt				2,379,111	2,249,979
Project financing:					
Lease financing obligation-Choctaw Generation LP	2047	7.23	7.23	349,521	357,275
Equip. lease financing obligations-Choctaw Generation LP	2011	5.75	5.75	304	430
Project loans related to West Windsor Power		-	2.50	-	11,050
Project loans related to West Windsor Power	2015	8.60	8.60	37,838	43,109
Project loans related to West Cape Wind Energy	2027	6.20	6.20	15,029	14,506
Project loans related to Norway Wind Energy	2026	6.12	6.12	10,026	9,831
Term loan Series A Viking Energy Corp		-	8.07	-	14,270
Term loan Series B Viking Energy Corp		-	3.12	-	11,676
Industrial revenue bonds related to Ryegate Associates	2012	0.50	0.40	6,600	12,300
Bonds related to Nassau Energy Corporation	2015	0.35	0.29	14,350	14,350
Senior Secured Bonds Series related to FirstLight	2026	8.81	8.81	296,750	304,750
Second Lien Credit Agreement related to FirstLight	2014	4.81	4.81	167,506	166,686
First Lien Credit Agreement related to FirstLight	2013	2.82	2.75	311,594	423,754
Construction Loan Facility — Waterbury Generation, LLC	2019	1.66	1.66	73,397	78,677
Construction Loan Facility — Waterbury Generation, LLC	2020	3.31	3.31	17,730	18,000
Project loans related to Delta Township Utilities, LLC	2017	7.27	7.27	2,812	3,139
Project loan related to Northeast Energy LP (NELP)	2011	8.46	8.46	1,144	32,612
Project loan related to NELP		-	7.99	-	57,200
Project loan related to NELP		-	9.77	-	4,309
Term loan related to Winooski	2012	2.05	2.03	569	946
Revenue bonds — Pepco Energy Services	2022	0.44	0.42	3,908	4,563
Bowery Bay	2018	8.00	8.00	58,164	22,118
Astoria Partners LLC (CDPQ INVESTMENTS)	2015	14.00	-	47,322	-
Astoria Energy LLC Loan (LC Facility)	2015	2.50	-	3,400	-
Astoria Energy LLC 2nd Lien Debt-bullet maturity	2021	10.20	-	219,727	-
Astoria Energy LLC 1 First Lien Loan	2016	7.10	-	341,443	-
Total project financing				1,979,134	1,605,551
Corporate financing:					
Foreign bonds Series A	2011	4.50	4.50	66,810	72,030
Foreign bonds Series B	2010	-	5.00	-	144,060
Total corporate financing				66,810	216,090
Total borrowings before accrued interest and deferred financing costs				4,425,055	4,071,620
Accrued interest				23,871	22,522
Deferred financing costs				(7,916)	(8,131)
Total borrowings				4,441,010	4,086,011
Less current portion of borrowings				545,115	655,565
Total long-term borrowings				$3,895,895	$3,430,446

15.1 Notes Payable to Affiliate — The Company has a line of credit with an affiliate of GDF SUEZ for up to $1.5 billion at December 31, 2010. 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, net of receivables under this line of credit, of $1.20 billion outstanding and $0.3 billion available at December 31, 2010. The amounts outstanding under the credit lines are included in long-term borrowings and short-term borrowings at December 31, 2010 and 2009, respectively, as appropriate.

15.2 Project Financing — During 2002, the Company sold and leased back the Choctaw Generation, LP facility in a transaction accounted for as a financing lease. The transaction was accounted for as a financing lease due to continued involvement in the form of additional collateral provided by the existing power contract. As a result of the sale/leaseback transaction, the Company recorded a financing obligation equal to the sales proceeds received of $390.4 million, which is being amortized over the 45-year term of the sale/leaseback agreement. The effective annual interest rate imputed to reflect the interest cost of the financing obligation is 7.23%. The future minimum lease payments, which include interest, were $939.8 million at the inception of the lease, with annual payments of approximately $32.5 million yearly over the next five years.

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

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

15.3 Interest Rate Swaps — The Company and certain subsidiaries have entered into interest-rate swap agreements for notional principal amounts aggregating to $1.1 billion and $0.8 billion at December 31, 2010 and 2009, respectively. These agreements effectively change the variable interest rate to fixed rates ranging from 1.22% to 3.92% and 3.54% to 9.89% at December 31, 2010 and 2009, on the portion of the debt covered by the notional amounts. The agreements expire at various dates through October 2015. The Company has entered into a currency swap agreement related to the foreign bonds that fix the exchange rates through maturity for the principal and interest. The agreement expired in February 2011.

The Company was exposed to interest rate fluctuations on approximately $1.7 billion and $1.9 billion of variable rate debt at December 31, 2010 and 2009, respectively. In the event of default by the counterparties on the interest rate and currency swap agreements discussed above, the Company would be exposed to fluctuations in the interest rates and/or currencies. The Company does not anticipate nonperformance by the counterparties.

15.4 Letters of Credit — At December 31, 2010 and 2009, the Company had $914.5 million and $923 million, respectively, available to obtain letters of credit for operational obligations for its subsidiaries and affiliates. The Company had issued letters of credit of $523 million and $605 million under these available lines at December 31, 2010 and 2009, respectively.

15.4 Scheduled Maturities — Scheduled maturities of borrowings as of December 31, 2010, are as follows (in thousands):

Years Ending December 31	Maturities
2011	$ 520,436
2012	72,835
2013	437,232
2014	640,018
2015	1,307,709
Thereafter	1,446,825
	$4,425,055

16. PROVISIONS AND OTHER LIABILITIES

16.1 Provisions — Provisions for the years ended December 31, 2010 and 2009, were as follows (in thousands):

	2008	Additions	Used	Disposal	Translation	2009
Noncurrent provisions						
Asset retirement obligations	$ 8,231	$3,669	$ 539	$ (363)	$ 401	$ 12,477
Provision for pensions	13,922	-	-	(6,771)	-	7,151
Accumulated project benefit obligation (APBO) — retiree medical	7,420	-	-	(4,946)	-	2,474
Reserves — environmental	12,945	-	(168)	-	-	12,777
Total noncurrent provisions	42,518	3,669	371	(12,080)	401	34,879
Current provisions:						
Divesture costs	813	-	(566)	-	-	247
Provision for tax contingency	66,169	187	-	-	-	66,356
Total current provisions	66,982	187	(566)	-	-	66,603
Total provisions	$109,500	$3,856	$ (195)	$(12,080)	$ 401	$101,482

	December 31, 2009	Additions	Amounts Used	Disposal	Translation	December 31, 2010
Noncurrent provisions:						
Asset retirement obligations	$ 12,477	$2,848	$ 1,147	$ (691)	$ 185	$ 15,966
Provision for pensions	7,151	-	(3,642)	-	-	3,509
(APBO) — retiree medical	2,474	215	-	-	-	2,689
Reserves — environmental	12,777	-	(211)	-	-	12,566
Total noncurrent provisions	34,879	3,063	(2,706)	(691)	185	34,730
Current provisions						
Divesture costs	247	-	(247)	-	-	-
Provision for tax contingency	66,356	530	(31,533)	-	-	35,353
Total current provisions	66,603	530	(31,780)	-	-	35,353
Total provisions	$101,482	$3,593	$(34,486)	$ (691)	$ 185	$ 70,083

16.1.1 Asset Retirement Obligation — Certain plant and equipment, including conventional power stations, transmission and distribution pipelines, storage facilities, LNG terminals and E&P facilities, 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 as the matching entry for the provision. 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 improved information. The additions in 2010 were due to the consolidation of Astoria assets (see Note 3). The disposal of $0.7 million is attributed to West Windsor Power being released from their liability of removing steam pipe after termination of the contract.

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

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

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

16.1.5 Pensions — See discussion of pensions in Note 20.

16.2 Other Liabilities — Other liabilities for the years ended December 31, 2010 and 2009, were as follows (in thousands):

	2010	2009
Other noncurrent liabilities:		
Deferred revenues	$ 147,879	$ 141,545
Employee-related liabilities	33,795	29,775
Other liabilities — noncurrent	40,237	19,709
Total other noncurrent liabilities	221,911	191,029
Other current liabilities:		
Income tax payable	-	7,163
Other taxes payable	29,393	16,896
Deferred revenue and other operating payables	28,575	35,187
Employee-related payables	63,466	67,158
Acquisition value of coal contract — FirstLight	6,088	8,029
Total other current liabilities	127,522	134,433
Total other liabilities	$349,433	$325,462

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.L).

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

17. LEASES — FINANCE AND OPERATING

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

Noncancelable Finance Leases for Which the Company Acts as the Lessee — The Choctaw Generation, LP facility is leased under a financing lease, as discussed in Note 15.2. Related to this lease at December 31, 2010, $349.5 million is recorded in borrowings in the consolidated balance sheet, and a net capital lease asset of $388.1 million is recorded in property, plant, and equipment (see Note 8).

A reconciliation of maturities of liabilities under finance leases with the maturities of undiscounted future minimum lease payments as of December 31, 2010 and 2009, is as follows (in thousands):

	2010				
	Total	Year 1	Years 2–5 Inclusive	Beyond Year 5	2009 Total
Liabilities under finance leases	$349,521	$ 8,309	$ 35,182	$306,030	$357,275
Impact of discounting future repayments of principal	333,103	25,000	94,027	214,076	358,684
Undiscounted future minimum lease payments at present value	$682,624	$33,309	$129,209	$520,106	$715,959

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. In 2008, the Company had 20-year charter agreements on two LNG carrier ships. In 2009, the Company entered a 20-year agreement with an affiliate for a third ship. 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. In 2010, the Company entered a novation agreement that assigned one of the charter agreements to an affiliate.

Total lease expense for 2010 and 2009 was approximately $49 million and $51.9 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):

	2010	2009
Year 1	$ 26,596	$ 48,135
Years 2 to 5 inclusive	87,526	157,862
Beyond year 5	96,179	194,163
Total future minimum lease payments at present value	$210,301	$400,160

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.M). They concern primarily capacity payments at the various plants. Operating lease income for the years ended December 31, 2010 and 2009, can be analyzed as follows (in thousands):

	2010	2009
Year 1	$ 198,867	$ 196,730
Years 2 to 5 inclusive	739,473	740,931
Beyond year 5	1,300,094	1,385,732
Total future minimum lease payments	$2,238,434	$2,323,393

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, 2010, are as follows (in GWh's):

	2010	Within 1 Year	1 to 5 years	> 5 years	2009
Total commitments given (purchases)	780,334	91,337	304,004	384,993	833,048
Total commitments received (sales)	459,743	58,731	141,337	259,675	432,542

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, some of which relate to discontinued operations of a business acquired by the Company in 1995. While the outcome of these lawsuits and proceedings cannot be predicted with certainty and could possibly have a material adverse effect on the Company's consolidated financial position, results of operations, and cash flows, it is the opinion of management, after consulting with counsel, that the ultimate disposition of such lawsuits will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

GSGNAH had medium-term LNG supply agreements with Gas Natural Aprovisionamientos SDG, S.A. ("GN") (Trains 1 and 2) and Sociedad de Gas de Euskadi, S.A. ("GdE") (Train 3), all of which expired on March 31, 2009. In 2005, GN and GdE's suppliers, Atlantic LNG Company of Trinidad and Tobago and Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited (together, ALNG), initiated three separate arbitration proceedings against GN and GdE, contending that the contract prices under the Train 1, 2, and 3 agreements should be increased in light of recent market developments and the diversion of these LNG supplies away from the primary market in Spain. The contract prices paid by SLNGNA under its medium-term supply agreements with GN and GdE are calculated by reference to the contract prices paid by GN and GdE under their underlying long-term supply agreements with

ALNG. In 2008, the arbitrators issued their Final Award in the Train 1 arbitration proceeding, and following several months negotiation, SLNGNA and GN signed a Memorandum of Understanding (MOU), which provided that (i) GN would pay SLNGNA $105 million in equal payments of $52.5 million on each of December 7, 2009 and December 7, 2010, and (ii) SLNGNA and GN would work toward signing a new LNG supply agreement covering the 21-month period commencing April 1, 2009. The MOU was contingent upon, among other things, (i) the final resolution of the ALNG/GN Train 1 arbitration by the courts and (ii) the negotiation and execution of definitive agreements incorporating the provisions of the MOU. Effective April 1, 2009, SLNGNA and GN executed an LNG Sales Agreement and a Settlement Agreement & General Release embodying the provisions agreed upon in the parties' earlier MOU. SLNGNA recorded a gain of $96.6 million at net present value as of April 1, 2009. GN paid the first installment of $52.5 million on December 7, 2009, and the second installment of $52.5 million on December 7, 2010. The Train 3 arbitration was resolved by settlement in 2008, which resulted in an increase in the Train 3 contract price effective April 1, 2008, for which SLNGNA has paid $9.9 million. GN notified SLNGNA on June 1, 2009, that the Train 2 arbitration proceeding had also been terminated.

Millenium Inorganic Chemicals Inc (Millenium), a customer of SUEZ-DEGS of Ashtabula, applied for arbitration over $6 million in alleged overcharges between 2004 and 2009 and subsequently has been increased to $40.7 million (note that GSENA is only liable for 51% of any amount awarded and DEGS will be liable for remaining 49%). The alleged overcharges relate to a contract section that requires SUEZ-DEGS to provide services at a cost equal to or less than comparable services available in the open market. SUEZ-DEGS has rejected each claim arguing that the manner in which Millennium calculated the market-based rate was incorrect. Hearings before a panel of three arbitrators were held in June and closing briefs were submitted on September 29, 2010. On November 30, 2010, final reply briefs were filed with the arbitration board. Since November 30, 2010, the parties have agreed to a settlement whereby contract amendments are to be completed by January 31, 2011, and execution and release of claims will be made shortly thereafter. The proposal requires a joint investment in capital projects for $11.2 million. DEGS of Ashtabula will contribute $10.7 million (GSENA share at 51% and DEGS at 49%) and Millennium will contribute $0.5 million. If the project comes in under $11.2 million, the savings will be shared equally between SUEZ-DEGS of Ashtabula and Millennium up to their respective capital contributions. As part of this agreement, the existing assets of Millennium that were purchased at the beginning of the contract will revert to Millennium. In anticipation of the asset reversion, SUEZ-DEGS of Ashtabula has recorded a contingency loss for the net book value of the assets for $1.2 million.

The GSENA Retail unit operates in the ERCOT, MISO, PJM, NYISO and NE-ISO competitive retail market ISO territories. In all competitive retail markets in which GSENA Retail does not deal in physical energy (that is, all markets except ERCOT), electricity supply for GSENA Retail's load obligation is hedged financially through over-the-counter financial transactions and GSENA Retail schedules its anticipated physical supply needs as a purchase of day-ahead power from the ISO. Because GSENA Retail's actual load varies depending on weather patterns and other factors, anticipated day ahead load never precisely equals actual load. In some hours GSENA Retail ends up having purchased too little day-ahead power and in other hours it has purchased too much day ahead power. When the load turns out to be less than anticipated, excess energy purchased by GSENA Retail is "automatically" sold by the ISO in the ISO's balancing energy market and the proceeds are credited to GSENA Retail. Notwithstanding that such imbalance transactions are automatic by the ISO and without negotiation of price, quantity or other terms by GSENA Retail, in 2010, GSENA Retail's external counsel advised GSENA Retail that the U.S. Federal Energy Regulatory Commission (FERC) considers these imbalance transactions to be wholesale power sales under the Federal Power Act requiring GSENA Retail to have market based rate authorization from FERC (an authorization not held by some retail electricity providers, including GSENA Retail). Consequently, GSENA Retail promptly notified

FERC that GSENA Retail had participated in the "automatic" imbalance transactions and that it did not hold a wholesale marketing certificate. As a consequence, and assuming GSENA Retail transacted without the required FERC authority, under usual FERC precedent GSENA Retail would have to refund the net profit earned from the imbalance transactions (netting all gain against all loss imbalance transactions over the period such transactions occurred) plus interest. Based on this calculation GSENA Retail reported to FERC that GSENA Retail would have zero refund liability. This report was made on a non-public basis. FERC has broad discretion in fashioning penalties for violations of its regulations, and subsequent to this first submission, FERC requested GSENA Retail provide FERC with an alternative calculation of those months where the profits from imbalance transactions in the month exceeded losses from imbalance transactions in the month, without netting gain months against loss months. Under this alternative refund liability calculation method, the aggregate profit from all profitable months over the period of the imbalance transactions, including interest, was approximately $300,000. While FERC has up to $1 million per day penalty authority for violations of its regulations, it has indicated that it will not seek any penalty or reparations from GSENA Retail beyond the refund-plus-interest obligation described above. GSENA Retail has created a reserve for the refund liability of approximately $300,000 for these refunds.

Neptune, a GSENA subsidiary, is involved in disputes with Advanced Production and Loading PLC and its successor entities (collectively, APL) regarding certain costs associated with the construction of the Neptune Deepwater Port Neptune and is currently withholding payment in the amount of $21.2 million against invoices owed to APL pending resolution of the disputes, of which $20.9 million was accrued in December 2010. The Company does not believe that the ultimate resolution of these matters will have a material effect on our financial positions, results of operations, or cash flows.

20. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans — The Company maintains a defined contribution retirement plan (the "401(k) Plan") for its employees. Under the 401(k) Plan, each participant may elect to defer taxation on a portion of his or her eligible earnings, as defined by the 401(k) Plan, by directing the Company to withhold a percentage of such earnings. The Company contributes 2% 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 $6.7 million for each of the years ended December 31, 2009 and 2010.

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, 2010 and 2009, was $21.5 million and $19.7 million, respectively, and is included in other noncurrent obligations in the consolidated balance sheets. 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

$17.1 million and $20.3 million for amounts awarded under the program during 2010 and 2009, 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. Effective January 1, 2009, the former FirstLight retiree medical plan was merged into the Company's plan. Due to differences in benefits under the two plans, at the time of the plan amendment, the Company reduced its liability related to the plan by $4.1 million, with the amount related to negative past service cost of fully vested employees of $1.4 million being recognized immediately as a gain, and the remainder of $2.7 million related to employees that had not fully vested recorded directly to equity. The amount recorded directly to equity will be amortized to expense over the average remaining vesting period of the unvested participants. Amounts expensed in 2010 and 2009 related to the costs of this plan were $0.4 million and $0.5 million, respectively. Under IAS 19, a liability for the accumulated postretirement benefit obligation of $2.7 million and $2.5 million at December 31, 2010 and 2009, respectively, has been recorded in noncurrent provisions in the accompanying consolidated statements of financial position, with the unearned portion of $(2) million and $(2.8) million being recorded in equity.

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, 2010 and 2009, the Company expensed $1.2 million and $1.1 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 the FirstLight nonbargaining employees was amended to cease the accrual of additional benefits. Effective December 31, 2010, the pension plan for a portion of the FirstLight bargaining employees was amended to cease the accrual of additional benefits. The curtailment resulted in a gain of $1.2 million and $7.1 million in 2010 and 2009, respectively. Under IAS 19, a liability for accumulated postretirement benefit obligation of $3.5 million and $7.2 million has been recorded in provisions in the accompanying consolidated balance sheets at December 31, 2010 and 2009, respectively. The information relating to the Company's pension plans is summarized in the table below (in thousands).

	2010	2009
Benefit obligation (Beginning of the plan year)	$ 13,316	17,030
Service cost	518	1,369
Interest cost	721	1,062
Benefit payments	(121)	(65)
Changes in assumptions	421	421
Actuarial loss	(855)	551
Curtailment gain	(1,162)	(7,052)
Benefit obligation (End of the plan year)	$ 12,838	$ 13,316
Change in plan assets:		
Fair value of plan assets (Beginning of the plan year)	$ 6,165	3,108
Employer contributions	2,795	1,759
Benefit payments	(121)	(65)
Actual return on plan assets	490	1,363
Fair value of plan assets (End of the plan year)	$ 9,329	$ 6,165

	2010	2009
Information for pension plans with an accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	$ 12,838	$ 13,316
Fair value of plan assets	9,329	6,165
Accumulated postretirement benefit obligation	$ 3,509	$ 7,151

In December 2010, the Company informed employees of its intent to terminate the nonbargaining defined benefit plan after it receives IRS and Pension Benefit Guaranty Corporation approvals.

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:

	Settlement	Expense for the Year 2010	2009
Stock option plans	Equity	$ 507	$ 830
SARs (stock option replacements)	Cash	543	338
Bonus/performance share plans	Equity	1,392	1,698
Employee share purchases	Cash	1,309	-
SARs (employee share purchase leverage)	Cash	(2,562)	(5,402)
Hedge of stock warrants	Cash	1,344	7,533

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, 2010 and 2009, the fair value of the liability related to these awards was $0.5 million and $3.1 million, respectively, which was determined using the Black-Scholes model. The Company and GDF SUEZ have entered 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 $(1.3) million and $(7.5) million in 2010 and 2009, respectively. Over the five-year term of the SARs and warrant agreements, the net income statement impact will be zero.

22. RELATED-PARTY TRANSACTIONS

The Company frequently engages in transactions with the Parent and ultimate controlling party, subsidiaries, joint ventures, and associates.

Parent and Ultimate Controlling Party — The Company pays certain expenses on behalf of its Parent and affiliates. At December 31, 2010 and 2009, the Company had outstanding balances of $4.2 million and $11.7 million, respectively, due from its Parent and affiliates included in accounts receivable in the consolidated balance sheets.

The Company receives certain services from its Parent, as well as certain financial guarantees. Expenses incurred during 2010 and 2009 related to these services and guarantees were $17.2 million and $20.3 million, respectively.

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 $2.3 million in 2010 and 2009, 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 $16.3 million and $22.6 million of reimbursement income for 2010 and 2009, respectively, related to these transactions. At December 31, 2010 and 2009, the receivable was $0 and $1.6 million, respectively, related to these transactions.

GSGNAH occasionally receives services from its Parent. The Company recognized consulting expense of $2.4 million and $3.8 million, for 2010 and 2009, respectively. Consequently, at December 31, 2010 and 2009, the payable was $6.2 million and $3.8 million, respectively, related to these transactions.

GSGNAH occasionally sells LNG cargos to its Parent. The Company recognized revenue of $29.2 million and $38 million in 2010 and 2009, respectively, from its Parent.

GSGNAH occasionally purchases LNG cargos from its Parent. The Company recognized expense of $77 million and $69.9 million in 2010 and 2009, respectively, related to these transactions.

Other Related Parties — GSGNAH occasionally sells LNG cargos to affiliated companies. The Company recognized revenue of $53.2 million and $25 million in 2010 and 2009, respectively. The related-party receivable related to these cargo sales was $18.8 million and $0 at December 31, 2010 and 2009, respectively. The Company agreed to a settlement from the delay of Yemen supply and recognized revenue of $4.2 million and $0.8 million in 2010 and 2009, respectively, related to these transactions. The related-party receivable was $0 and $0.8 million at December 31, 2010 and 2009, respectively.

GSGNAH is under long-term charters with affiliated companies. The Company recognized expenses of $36.7 million and $0 million in 2010 and 2009, respectively, related to these transactions. GSGNAH also reassigned a charter to an affiliate in 2010. The Company recognized income of $13.3 million and $0 in 2010 and 2009, respectively, related to these transactions. GSGNAH entered a Contract of Affreightment agreement with an affiliate in 2010. The Company recognized expenses of $1.9 million and $0 in 2010 and 2009, respectively, related to these transactions.

GSGNAH occasionally receives services from its affiliates. At December 31, 2010 and 2009, the related-party payable was $0.3 million.

GSGNAH occasionally purchases LNG cargos from affiliates. The Company recognized expense of $148.8 million and $0 million, for 2010 and 2009, respectively. The payable related to these transactions at December 31, 2010 and 2009, was $13.3 million and $0.3 million, respectively.

GSGNAH recorded a payable balance at December 31, 2009, of $10.9 million for modification made to the vessel SUEZ Neptune in order to comply with requirements by the receiving pipeline for the Neptune Deepwater Port. The balance was settled in 2010, leading to no outstanding payables at December 31, 2010.

The Company and its subsidiaries receive certain services from its affiliates. At December 31, 2010 and 2009, the accrued related-party expense was $4.1 million and $6.1 million, respectively.

The Company and its subsidiaries enter into certain pass-through deals on behalf of its Parent and affiliates. At December 31, 2010 and 2009, the Company had losses of $46 million and $67.4 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 year ended December 31, 2010, relating to a project construction oversight agreement between SEA II and Astoria II. The Company recorded an intangible related to this contract with the associate and with other owners of the associate (see Note 6). On December 31, 2009, a subsidiary of the Company provided services to its associate, Astoria I, and recognized administrative and management fees of $2.1 million.

See Note 15 for discussion of debt agreements with the Ultimate Parent 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, 2010 and 2009, is as follows (in thousands):

	2010	2009
Short-term benefits	$10,752	$10,234
Postemployment benefits	942	704
Share-based payment	718	522
Total	$12,412	$11,460

23. E&P ACTIVITIES

In December 2008, the Company made a refundable deposit for the purchase of offshore E&P licenses and assets in the Gulf of Mexico. On January 21, 2009, the Company completed the acquisition of working interests ranging between 20% and 40% in eight offshore drilling licenses, and a 10% and a 33% working interest in two producing assets, for a total group purchase price of $208.9 million.

E&P assets include as of December 31, 2010 and 2009, as follows (in thousands):

	Licenses (Intangible)	Assets In Development Phase	Assets in Production Phase (Tangible)	Total
A. Gross Amount				
Acquisitions	$ 189,938	$ -	$ 18,997	$ 208,935
Asset retirement obligation	-	-	2,939	2,939
At December 31, 2009	189,938	-	21,936	211,874
Adjustments related to Acquisitions	(35)	-	38	3
At December 31, 2010	$ 189,903	$ -	$ 21,974	$ 211,877
B. Accumulated amortization, Depreciation and impairment				
Depreciation	$ -	$ -	$ (3,055)	$ (3,055)
Impairment	(152,112)	-	-	(152,112)
At December 31, 2009	(152,112)	-	(3,055)	(155,167)
Depreciation	-	-	(2,659)	(2,659)
Impairment	(37,656)	-	(5,800)	(43,456)
At December 31, 2010	$(189,768)	$ -	$(11,514)	$(201,282)
C. Carrying amount				
At December 31, 2009	$ 37,826	$ -	$ 18,881	$ 56,707
At December 31, 2010	135	-	10,460	10,595

Impairment was recorded in 2009 for the license acquisition cost of two licenses for which exploration activity took place but no reserves were discovered and no future exploration is planned. Impairment was also taken on five licenses in 2009 and one license in 2010 for which no exploration activity occurred, but based on revised information and the result of drilling nearby, the operator decided to stop drilling. The E&P net book value at December 31, 2010 is $10.5 million less the asset retirement obligation of $3.1 million.

The two producing assets remain on the books, and are being depreciated on the units-of-production basis in line with the depletion of the assets.

A breakdown of the net change in capitalized explorations costs as of December 31, 2010 and 2009, is as follows (in thousands):

At December 31, 2008	$ -
Capitalized costs pending determination of proven reserves	12,868
Amounts previously capitalized and expensed during the year	(12,868)
At December 31, 2009	$ -
At December 31, 2009	$ -
Capitalized costs pending determination of proven reserves	(120)
Amounts previously capitalized and expensed during the year	120
At December 31, 2010	$ -

In 2009, a total cost of $12.9 million was paid through joint interest billings for exploration assets and capitalized as incurred. In September 2009, it was determined the well was dry, and as a result, the total cost was classified as dry hole expense. In 2010, adjustments to the joint interest billings of $0.1 million were made, which reversed the capitalization and reversed dry well expense.

24. SUBSEQUENT EVENTS

On January 3, 2011, the Company entered into a loan agreement with GDF Suez CC for the amount of $343 million set to expire on January 3, 2016, which relates to the loan that was bridged as of December 31, 2010.

On January 19, 2011, the Company sold its E&P assets to related parties for a total price of $10.4 million, resulting in a gain of $3 million.

On January 27, 2011, the Company agreed to pay $55.3 million to Trust Company of the West to pay off the loan balance of $58.2 million for Bowery Bay that was set to expire in December 2018.

On February 3, 2011, the Company's direct parent, Suez-Tractebel S.A., was sold to International Power plc (IP), a London-based company. On that same day, GDF SUEZ, the Company's ultimate parent, acquired a 70% interest in IP, therefore, retaining control over GSENA. IP is listed on the London Stock Exchange.

25. LIST OF THE MAIN CONSOLIDATED COMPANIES

	Percentage Interest		Percentage Control		Consolidation Method	
Company Name	Dec. 2010	Dec. 2009	Dec. 2010	Dec. 2009	Dec. 2010	Dec. 2009
Business units						
GDF SUEZ Energy Generation North America, Inc. (GSEGNA	100 %	100 %	100 %	100 %	FC	FC
GDF SUEZ Gas NA Holdings LLC (GSGNAH)	100	100	100	100	FC	FC
GDF SUEZ Energy Resources NA, Inc (GSERNA)	100	100	100	100	FC	FC
TNA Merchant Projects, Inc. (Merchant)	100	100	100	100	FC	FC
GDF SUEZ Energy Marketing NA, Inc. (GSEMNA)	100	100	100	100	FC	FC
GDF SUEZ Renewable Energy NA, LLC (GSRENA)	100	100	100	100	FC	FC
Generation entities						
Choctaw Generation Limited Partnership	100 %	100 %	100 %	100 %	FC	FC
Northeastern Power Company	100	100	100	100	FC	FC
Northeast Energy LP	50	50	50	50	PC	PC
West Windsor Power	96.10	96.10	96.10	96.10	FC	FC
Astoria Project Partners, LLC	58.54	14.80	Note 9	Note 9	FC	EM
Astoria Project Partners II, LLC	30	30	Note 9	Note 9	EM	EM
Hopewell Cogeneration Limited Partnership	100	100	100	100	FC	FC
FirstLight Power Enterprises, Inc.	100	100	100	100	FC	FC
Choctaw Gas Generation LLC	100	100	100	100	FC	FC
Hot Spring Power Company LLC	100	100	100	100	FC	FC
Ennis Power Company, LLC	100	100	100	100	FC	FC
Wise County Power Company, LLC	100	100	100	100	FC	FC
Wise-Fuels Pipeline, Inc	100	100	100	100	FC	FC
Wharton County Generation LLC	100	100	100	100	FC	FC
Pinetree Power, Inc	100	100	100	100	FC	FC
Pinetree Power-Tamworth, Inc.	100	100	100	100	FC	FC
Ryegate Associates	66.9	66.9	66.9	66.9	FC	FC
Winooski One Partnership	50	50	50	50	PC	PC
Pinetree Power-Fitchburg, Inc	100	100	100	100	FC	FC
SUEZ Energy BioPower, Inc.	-	100	-	100		FC
SUEZ Denver Metro, LLC	100	100	100	100	FC	FC
Viking Energy of Lincoln, Inc	100	100	100	100	FC	FC
Viking Energy of McBain, Inc	100	100	100	100	FC	FC
Viking Energy of Northumberland LLC	100	100	100	100	FC	FC
GDF Suez Energy Canada Inc.	100	100	100	100	FC	FC
West Cape Wind Energy, LP	100	100	100	100	FC	FC
Caribou Wind Park Limited Partnership	100	100	100	100	FC	FC
Norway Wind Energy Limited Partnership	100	100	100	100	FC	FC
Pepco Energy Services - SUEZ Thermal, LLC	50	50	50	50	PC	PC
Nassau Energy Corporation	100	100	100	100	FC	FC
Colorado Energy Nations Company, LLLP	100	100	100	100	FC	FC
Alabama-Decatur Energy Corporation	100	100	100	100	FC	FC
Syracuse Energy Corporation	100	100	100	100	FC	FC
Hawkins Point Energy, LLC	100	100	100	100	FC	FC
College Park Energy, LLC	100	100	100	100	FC	FC
SUEZ-DEGS Solutions, LLC	50	50	50	50	PC	PC
SUEZ-DEGS of Ashtabula, LLC	51	51	50	50	PC	PC
SUEZ-DEGS of Owings Mills, LLC	51	51	50	50	PC	PC
SUEZ-DEGS of Rochester, LLC	51	51	50	50	PC	PC
SUEZ-DEGS of Silver Grove, LLC	51	51	50	50	PC	PC
SUEZ-DEGS of Tuscola, LLC	51	51	50	50	PC	PC
Delta Township Utilities, LLC	49	49	50	50	PC	PC
SUEZ/VWNA/DEGS of Lansing, LLC	39.2	39.2	39.2	39.2	EM	EM
Shreveport Red River Utilities, LLC	39.2	39.2	39.2	39.2	EM	EM
Tractebel Energia de Altamira S.A. de C.V	100	100	100	100	FC	FC
Tractebel Energia de Panuco S.A. de C.V	100	100	100	100	FC	FC
Other entities						
Tractebel Finance US, Inc.	100	100	100	100	FC	FC
GDF SUEZ Plainfield Renewable Company	100	100	100	100	FC	FC
GDF SUEZ NYC, LLC	100	100	100	100	FC	FC
GDF SUEZ North America E&P Corp	100	100	100	100	FC	FC
Calypso U.S. Pipeline, LLC	100	100	100	100	FC	FC
Calypso LNG, LLC	100	100	100	100	FC	FC

FC: fully consolidated; EM: equity method; PC: proportionally consolidated

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** *for approval to offer, render, furnish, or supply* electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

Exhibit 9

Applicant is part of the GDF SUEZ group of companies, one of the world's largest corporations with annual revenues of nearly $110B, and ranked as the world's No. 1 leader in independent power production. GDF SUEZ also ranks as one of the Top 10 Most Accountable Global Corporations by *Fortune* magazine and exhibits its proven financial stability with an "A" credit rating by Standard & Poor's. The GDF SUEZ group had 2010 revenues of $111.32 billion. Globally, the group of companies represents: Market cap of $72.95 billion, $6.2 billion revenue from North America, $3.3 billion revenue from South America, $107.6 billion revenue from Europe, and $4.1 billion revenue from Asia and Pacific.

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Exhibit 10

APPLICANT'S EXPERIENCE IN THE ELECTRICITY INDUSTRY

ROBERT WILSON - President and CEO

Mr. Wilson has over 20 years experience in the natural gas and power industries. Mr. Wilson is responsible for the retail electricity business serving commercial and industrial customers in North America. In his 12 years with GDF SUEZ, Mr. Wilson has engaged in a broad range of activities, including the establishment of the company's North American commodity trading, marketing, and risk management activities. In addition, he managed international energy commodity projects and merger and acquisition activities for the group principally in Northern Europe and North America and later oversaw sales, supply, and shipping arrangements for the company's liquefied natural gas (LNG) operation in New England. Mr. Wilson has most recently served as Head of Strategy, Risk and Portfolio Management, and Chief Business Developer for GDF SUEZ Energy North America. He studied Physics and Education at Queen's University in Kingston, Ontario, Canada, and earned a Global Energy MBA from the University of Houston.

CRAIG SUTTER - Senior Vice President of Sales

Mr. Sutter joined GDF SUEZ in January 2005 and is responsible for sales strategy and day-to-day operations for all customer segments and geographic territories. Mr. Sutter's experience in liberalized energy markets dates back to 1991 and includes senior management roles with Enron Energy Services and Sempra Energy Solutions. Mr. Sutter has more than 15 years of energy sales experience and was most recently the VP of Industrial Sales at Sempra. Mr. Sutter possesses a broad skill set that includes expertise in gas and power markets, operations and maintenance contracts, energy efficiency related capital projects, energy outsourcing and general management. He holds a Bachelor of Arts in Marketing from Wartburg College in Iowa and currently resides in Houston, Texas.

JASON AUSTIN - Vice President and General Counsel

Jason Austin joined the company in November 2006 as Vice President, General Counsel and Corporate Secretary, and is responsible for government affairs, regulatory compliance of retail operations, corporate transactions, litigation, risk management, and all legal matters impacting the retail business unit. Mr. Austin has over 18 years of experience representing energy clientele both in private practice and as in-house counsel, and was most recently Senior Counsel for the wholesale gas and power trading and origination business unit at Fortis Bank. Mr. Austin is a graduate of The University of Kansas and The University of Tulsa College of Law.

JAY HARPOLE - Vice President of Supply

Mr. Harpole joined the company in August 2002 and is responsible for pricing, and portfolio risk management. Mr. Harpole joined GDF SUEZ from Dynegy where he served as Manager of Wholesale and Retail Structuring. Before joining Dynegy, Mr. Harpole worked for Exxon Chemical Americas where he served in the Controllers Department in Houston. Prior to working at Exxon, Mr. Harpole worked for Lamar Advertising Company in Investor Relations and M&A analysis. Mr. Harpole holds a MBA and BS degree in International Trade and Finance from Louisiana State University.

VIKRAM KULKARNI – Group Vice President of Operations

Vikram Kulkarni joined the company in June 2003 and is responsible for a number of critical operational aspects of GDF SUEZ including load analysis, forecasting, order fulfillment and information technology. *Vikram 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 associate with Enron Energy Services prior. Mr. Kulkarni's staff manages the retail business unit's project management, load analytics, data analysis, business services, and customer service. He 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.

DAVID COFFMAN - Vice President of Marketing

David Coffman is Vice President of Marketing for GDF SUEZ and is a member of Applicant's Steering Committee for the Small Customer Initiative. David joined the company in 2007 and is responsible for strategic planning, product development, market research and advertising. Prior to GDF SUEZ, he worked at Aquila Energy where he served in various capacities including product development, risk management consulting and fundamental market analysis within the retail and wholesale markets. He also held similar roles for Black & Veatch Corporation. David earned a Bachelor of Science in Business Administration from the University of Missouri and his Masters of Business Administration from Avila University.

DEENA MORGAN – Vice President and General Manager of Small Customer Initiative

Deena Morgan is Vice President and General Manager of Applicant's Small Customer Initiative Group, and is a member of the Leadership Team and the Steering Committee for the Small Customer Initiative. Deena Morgan has twelve years of experience in the energy market. Prior to GDF Suez, Deena Morgan worked at Reliant Energy as Vice President responsible for Small Business Marketing, C&I Strategy and overall P&L responsibility for non-residential business in PJM. Deena Morgan holds an Applied Mathematics degree from Texas A&M.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

Exhibit 11

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania (Pennsylvania).

Exhibit 12

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LICENSES AS A SUPPLIER OF ELECTRIC SERVICES IN OTHER STATES OF JURISDICTIONS; TYPES OF CUSTOMERS AND NUMBER OF CUSTOMERS APPLICANT CURRENTLY SERVES IN OTHER JURISDICTIONS

Applicant is licensed as a competitive retail electric supplier in the following states:

- Massachusetts – licensed by the MA Department of Public Utilities on August 10, 2011, License No. CS- 087; and
- Maryland – licensed by the MD Public Service Commission on August 17, 2011, License No. IR-2404.

In additional to applying for a license as an electric supplier in the State of Pennsylvania, Applicant is currently in the application review process for licensing in Texas, Illinois, and New Jersey. Applicant will also be submitting electric supplier applications in Connecticut, Maine, Ohio, District of Columbia, and Delaware in late 2011/early 2012. Although Applicant is currently licensed in Maryland and Massachusetts and has license applications pending in Texas, Illinois and New Jersey, it does not currently serve customers and anticipates entering the market to serve customers later this year. Once licensed, Applicant will serve commercial customers in Pennsylvania.

Applicant's parent company and sole managing member is GDF Suez Energy Resources NA, Inc., which is the retail operating group for GDF Suez Energy NA, Inc. GDF Suez Energy Resources NA, Inc. is one of America's largest providers of electricity to businesses and institutions, has over $2 billion in contract value, and an 85 percent rate of customer contract renewal. Applicant's parent company is licensed in the following States:

CT – license 04-06-11 issued 9/2004
DE – license 04-325 issued 11/2004
DC – order no. 13472 issued 1/2005
IL – certificate no. 050257 issued 6/2005
ME – docket no 2003-120 issued 3/2003
MD – license IR-605 issued 3/2004
MA – license CS-037 issued 5/2002
NJ – license –SL-0061 issued 8/2003
NY –issued 9/2004
OH – license 04-118 issued 7/2004
PA – license A-110156 issued 9/2002
TX – license 10053 issued 8/2003

STAFFING STRUCTURE

Applicant's Small Customer Initiative Group will consist of the following internal staff to manage its operations:

- Vice President and Group General Manager
- Director of Supply, managing 2 portfolio managers
- Director of Marketing, managing the strategic pricing manager, marketing and planning manager, *and campaign and analytics manager*
- Director of Sales, managing a channel sales manager for each individual market (3 total), telesales manager, and manager of channel readiness
- Director of Operations and Customer Care, managing an operations manager, customer care manager, and senior operations analyst
- Director of IT, managing customer care and customer facing applications IT manager, back office IT applications manager, and system integration manager
- Director of Business Control, managing billing manager, senior billing analyst, and compliance manager

Applicant has contracted with Vertex Business Services 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. Vertex as ten (10) years of industry experience, currently serving more than 70 North American utility clients, supporting approximately 23 million customers in outsourcing, operational, contract center services, and billing and payment transactional services.

Applicant will also maintain an internal staff as follows: (i) operations and customer care staff to manage the day to day management of the Vertex 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, marketing 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; (v) a business control team to manage all financial control matters including, billing, revenue, accounting, and settlements; and (vi) an exclusive sales channels to manage all direct and indirect sales channels and third-party relationships.

Applicant will also offer e-services and after-hour services for 24/7 availability to customers. Applicant has also contracted with EGS, Energy Services Group to manage and support of EDI, XML and other data translation, transmission, auditing, archiving, business rule validation and, exception identification and resolution, TMS - Transaction Management Services, Market Portal, and Data Exchange.EGS has twelve (12) Years Industry Experience, serving over 80 retail energy suppliers and utilities in twenty (20) states. EGS provides services to companies providing energy services to millions of residential, *commercial and industrial customers; Business Process Solutions; Operations; Transaction* Management Services; Billing Services and Solutions; Wholesale Energy Services; Forecasting; Scheduling; Settlements; and Reporting Services.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **GDF Suez Retail Energy Solutions, LLC** for approval to offer, render, furnish, or supply electricity or electric generation services as a **Supplier of Electricity** to the public in the Commonwealth of Pennsylvania *(Pennsylvania)*.

Exhibit 14

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pjm

955 Jefferson Ave.
Valley Forge Corporate Center
Norristown, PA 19403-2497

July 12, 2011

Mr. Jason Austin
GDF Suez Retail Energy Solutions, LLC
1990 Post Oak
Suite 1900
Houston, TX 77056

Dear Mr. Austin,

Welcome to PJM!

As promised, enclosed are the signed membership agreements for your records. To ensure your needs are met, PJM has assigned Client Manager Helen Burnley, as your primary point of contact. She can be contacted at burnlh@pjm.com or 610-635-3468. You may also contact our Customer Service Center at 866-400-8980 should you have any questions as well.

Thank you,

Leslie Yeager

Leslie Yeager
PJM Interconnection

Rabie, Naveen

From: yeagerl@pjm.com
Sent: Tuesday, July 12, 2011 10:28 AM
To: Rabie, Naveen
Subject: Membership Approval - GDF Suez Retail Energy Solutions, LLC
Attachments: 2011new-member-kit.pdf

Welcome to PJM,

GDF Suez Retail Energy Solutions, LLC has been approved for PJM membership in the Other Supplier Sector and will be announced at the next Members Committee ("MC") meeting to be held August 25, 2011. If you have not already done so, you can register to attend by visiting PJM's web site at www.pjm.com and selecting Committees & Groups. Original copies of your signed agreements will be mailed to the Members Committee representative for your records.

To ensure your needs are met, Client Manager Helen Burnley will be contacting you over the next 5 business days to welcome you to PJM and answer any questions. You can also contact our Customer Service Center at 866-400-8980 should you have any questions in the meantime.

Feel free to visit the following page on our site for a complete list of PJM trainings: http://www.pjm.com/training.aspx
Please see the attached document for your complete Welcome Kit and pjm.com guide.

Thank you,
Leslie

Leslie Yeager
PJM Interconnection Member Relations
955 Jefferson Avenue I Norristown, PA 19403 I www.pjm.com
610-666-4280

How am I doing?

SCHEDULE 4

STANDARD FORM OF AGREEMENT TO BECOME A MEMBER OF THE LLC

Any entity which wishes to become a Member of the LLC shall, pursuant to Section 11.6 of this Agreement, tender to the President an application, upon the acceptance of which it shall execute a supplement to this Agreement in the following form:

Additional Member Agreement

1. This Additional Member Agreement (the "Supplemental Agreement"), dated as of 7/12/2011, is entered into among GDF Suez Retail Energy Solutions, LLC and the President of the LLC acting on behalf of its Members.

2. GDF Suez Retail Energy Solutions, LLC has demonstrated that it meets all of the qualifications required of a Member to the Operating Agreement. If expansion of the PJM Region is required to integrate GDF Suez Retail Energy Solutions, LLC 's facilities, a copy of Attachment J from the PJM Tariff marked to show changes in the PJM Region boundaries is attached hereto. GDF Suez Retail Energy Solutions, LLC agrees to pay for all required metering, telemetering and hardware and software appropriate for it to become a member.

3. GDF Suez Retail Energy Solutions, LLC agrees to be bound by and accepts all the terms of the Operating Agreement as of the above date.

4. GDF Suez Retail Energy Solutions, LLC hereby gives notice that the name and address of its initial representative to the Members Committee under the Operating Agreement shall be:

Jason Austin, 1990 Post Oak, Suite 1900, Houston, TX 77056

5. The President of the LLC is authorized under the Operating Agreement to execute this Supplemental Agreement on behalf of the Members.

6. The Operating Agreement is hereby amended to include GDF Suez Retail Energy Solutions, LLC as a Member of the LLC thereto, effective as of July 12, 2011, the date the President of the LLC countersigned this Agreement.

IN WITNESS WHEREOF, GDF Suez Retail Energy Solutions, LLC and the Members of the LLC have caused this Supplemental Agreement to be executed by their duly authorized representatives.

~~Members of the LLC~~
By: Terry Boston
Name: Terry Boston
Title: President & CEO

By: Jn S. Ast
Name: Jason Austin
Title: VP & General Counsel

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Application for Membership
Between
PJM Interconnection, L.L.C.
and

GDF Suez Retail Energy Solutions, LLC
(Company's Name)

This Application for Membership Agreement ("Agreement") is entered into between PJM Interconnection, L.L.C. ("PJM") and ("Applicant"). The purpose of this Agreement is to apply to become a member of the PJM and to participate under the PJM Amended and Restated Operating Agreement, Third Revised Rates Schedule FERC No. 24 ("Operating Agreement"). The Applicant has read and understands the terms and conditions of the Operating Agreement. The Applicant agrees to accept the concepts and obligations set forth in this Agreement and the Operating Agreement posted on the PJM website at: http://www.pjm.com/documents/agreements/pjm-agreements.aspx.

The Applicant also commits to supply data required for coordination of planning and operating, including data for capacity accounting, and agrees to pay all costs and expenses in accordance with the Operating Agreement and all other applicable costs under the PJM Open Access Transmission Tariff ("Tariff"). Such costs include but are not limited to: (i) payment obligations under Schedule 3 of the Operating Agreement; (ii) costs under Schedule 9 of the PJM Tariff; and (iii) potential default allocation payment obligations pursuant to Section 15.2 of the Operating Agreement (PJM may, under the Operating Agreement, declare members in default for not paying their invoices. If that occurs, PJM may pursue collection of the overdue invoices that exceed the collateral PJM holds from the defaulting member as well as take steps to terminate the defaulting members' membership. According to the Operating Agreement, all members are required to pay a portion of the payment default that exceeds the defaulting member's collateral held by PJM.)

The Applicant will pay the annual fee of $5,000 for the remainder of the year of application upon notification of PJM application approval per Schedule 3.

The Applicant recognizes that it shall become a member of PJM effective as of the date that the Applicant receives the supplement to the Operating Agreement in the form prescribed in Schedule 4 of the Operating Agreement signed by the Applicant and countersigned by the President of PJM pursuant to section 11.6 of the Operating Agreement.

This Agreement will remain in effect until notice of termination is given in writing by the authorized representative of either the Applicant or PJM. Any financial obligations must be satisfied prior to termination of the Applicant's obligations and responsibilities under the PJM Agreement.

Applicant: GDF Suez, Retail Energy Solutions, LLC

Signature: [signature]

Name: Jason Austin Title: VP & General Counsel Date: June 7, 2011

PJM Interconnection, L.L.C.

Signature: [signature]

Name: Terry Boston Title: President & CEO Date: July 12, 2011

From: (713) 636-1607
Naveen Rabie
SUEZ Energy North America
1990 Post Oak Blvd. Suite 1900

Houston, TX 77056

Origin ID: HOUA

FedEx. Express

E

J11201108050225

Ship Date: 19OCT11
ActWgt: 1.0 LB
CAD: 3028311/INET3210

Delivery Address Bar Code

SHIP TO: (713) 636-1607 BILL SENDER

PA Public Utility Commission
Commonwealth of PA
KEYSTONE BUILDING
2ND FLOOR - ROOM N201
HARRISBURG, PA 17120

Ref # sl
Invoice #
PO #
Dept # sl

THU - 20 OCT A1
PRIORITY OVERNIGHT

TRK# 7953 1117 8211
0201

XH MDTA

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PA-US
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2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

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