

1. REPORT DATE: 00/00/00 :  
 2. BUREAU: FUS :  
 3. SECTION(S): : 4. PUBLIC MEETING DATE:  
 5. APPROVED BY: : 00/00/00  
 DIRECTOR: :  
 SUPERVISOR: :  
 6. PERSON IN CHARGE: : 7. DATE FILED: 02/26/02  
 8. DOCKET NO: A-110156 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT:

RESPONDENT/APPLICANT: TRACTEBEL ENERGY SERVICES INC

COMP/APP COUNTY:

UTILITY CODE: 110156

ALLEGATION OR SUBJECT

APPLICATION OF TRACTEBEL ENERGY SERVICES, INC., FOR APPROVAL TO OFFER, RENDER, FURNISH OR SUPPLY ELECTRICITY OR ELECTRIC GENERATION SERVICES AS A BROKER/MARKETER ENGAGED IN THE BUSINESS OF SUPPLYING ELECTRICITY TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA.

DOCUMENT  
FOLDER

DOCKETED

MAR 04 2002

FOX • ROTHSCHILD  
O'BRIEN & FRANKEL LLP

ATTORNEYS AT LAW

2000 MARKET STREET • TENTH FLOOR • PHILADELPHIA, PA 19103-3291  
215-299-2000 • FAX 215-299-2150 • www.frof.com

DOCUMENT  
FOLDER

Barnett Satinsky  
Direct Dial: (215) 299-2088  
Internet Address: bsatinsky@frof.com

February 26, 2002

**VIA FEDERAL EXPRESS**

Mr. James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

A-110156

RECEIVED  
FEB 26 2002  
PA...  
UTILITY COMMISSION  
SECRETARY'S BUREAU

Re: Electric Generation Supplier License Application of Tractebel Energy Services, Inc.

Dear Secretary McNulty:

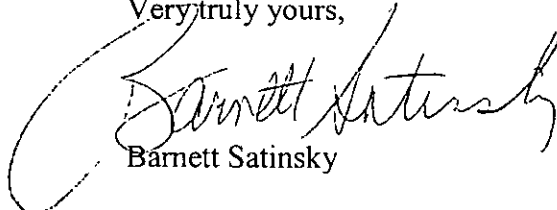
Enclosed for filing are a signed and verified original, eight copies and an electronic version of the Electric Generation Supplier License Application of Tractebel Energy Services, Inc.

We shall provide at a future date the required bond, Proof of Service of the Application on the entities listed under Item 14 of the Application and certification of publication of notice of the filing of the Application.

Kindly date-stamp and provide a docket number on the enclosed additional copy of the Application and return it in the Federal Express envelope provided so that we may proceed with publication of the notice of filing of the Application.

Thank you for your anticipated cooperation.

Very truly yours,

  
Barnett Satinsky

Enclosure

66

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Tractebel Energy Services, Inc., d/b/a N/A, for approval to offer, render, furnish, or supply electricity or electric generation services as a Broker/Marketer engaged in the business of supplying electricity to the public in the Commonwealth of Pennsylvania.

A - 110156

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are:

Tractebel Energy Services, Inc.  
3 Barker Avenue  
White Plains, NY 10601

Phone: 914-272-6013  
Fax: 914-272-6501

DOCUMENT  
FOLDER

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number.

None

2. a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:

Barbara Rodriguez  
Director of Supply Strategy  
Tractebel Energy Services, Inc.  
C/o Trigen Energy Corporation  
3 Barker Avenue  
White Plains, NY 10601

Phone: 866-999-TESE  
Fax: 914-272-6501

RECEIVED

FEB 26 2002

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

- b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:

Barbara Rodriguez  
Director of Supply Strategy  
Tractebel Energy Services, Inc.  
C/o Trigen Energy Corporation  
3 Barker Avenue  
White Plains, NY 10601

Phone: 866-999-TESE  
Fax: 914-272-6501

DOCKETED

MAR 04 2002

3. a. **ATTORNEY:** If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:

Dennis Haines, Esq.  
General Counsel  
Tractebel Energy Services, Inc.  
C/o Trigen Energy Corporation  
3 Barker Avenue  
White Plains, NY 10601

Phone: 914-272-6616

Fax: 914-272-6501

b. **REGISTERED AGENT:** If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:

CT Corporation System  
1515 Market Street  
Suite 1210  
Philadelphia, PA 19102

Phone: 215-563-7750

Fax: 215-563-7771

4. **FICTITIOUS NAME:** (select and complete appropriate statement)

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

Attach to the Application a copy of the Applicant's filing with the Commonwealth'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.

5. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** (select and complete appropriate statement)

The Applicant is a sole proprietor.

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

**OR**

The Applicant is a:

- domestic general partnership (\*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

Provide proof of compliance with appropriate Department of State filing requirements as indicated above.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

- \* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

or

- The Applicant is a :
- domestic corporation (none)
  - foreign corporation (15 Pa. C.S. §4124)
  - domestic limited liability company (15 Pa. C.S. §8913)
  - foreign limited liability company (15 Pa. C.S. §8981)
  - Other \_\_\_\_\_

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation.

Give name and address of officers.

See attached.

The Applicant is incorporated in the state of Delaware.

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

- Affiliate(s) of the Applicant doing business in Pennsylvania are:

Trigen-Philadelphia Energy Corporation  
Trigen-Schuylkill Cogeneration, Inc.  
Philadelphia Thermal Development Corporation  
Philadelphia United Power Corporation  
Tractebel Energy Marketing, Inc.  
Northeastern Power Company  
NEPCO Services, Inc.  
EFV Northumberland, Inc.  
Viking Energy of Northumberland A Limited Partnership  
Viking Energy of Northumberland, Inc.  
Tractebel North America Services, Inc.

Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.

1. Trigen-Philadelphia Energy Corporation was previously known as Philadelphia Thermal Energy Corporation and as Philadelphia Thermal Corporation. Its address is 2600 Christian Street, Philadelphia, PA 19146. It is a jurisdictional public utility.
- 2, 3, and 4. Trigen-Schuylkill Cogeneration, Inc., Philadelphia Thermal Development Corporation and Philadelphia United Power Corporation (previously known as United Thermal Development Corporation) each have an address at 2600 Christian Street, Philadelphia, PA 19146. None are jurisdictional public utilities.
5. Tractebel Energy Marketing, Inc., Northeastern Power Company, NEPCO Services, Inc., EFV Northumberland, Inc., Viking Energy of Northumberland Alimited Partnership, Viking Energy of Northumberland, Inc. and Tractebel North America Services, Inc. all have an address at 1177 West Loop South, Houston, TX 77027. None are jurisdictional public utilities.

State of Delaware  
*Office of the Secretary of State*

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PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "TRACTEBEL ENERGY SERVICES, INC.", FILED IN THIS OFFICE ON THE TWELFTH DAY OF JUNE, A.D. 2001, AT 2:30 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

3402518 8100

AUTHENTICATION: 1184756

010281779

DATE: 06-12-01

**CERTIFICATE OF INCORPORATION  
OF  
TRACTEBEL ENERGY SERVICES, INC.**

**Article One**

The name of the corporation is Tractebel Energy Services, Inc.

**Article Two**

The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

**Article Three**

The purpose for which the corporation is organized is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

**Article Four**

The total number of shares of stock which the corporation shall have authority to issue is One Thousand (1,000) shares of Common Stock, and the par value of each such share is One Dollar (\$1.00).

**Article Five**

The name and mailing address of the incorporator is Susan Rozman, 1177 West Loop South, Suite 900, Houston, Texas 77027.

**Article Six**

The names and mailing addresses of the persons who are to serve as the initial directors of the corporation are as follows:

<b><u>Name</u></b>	<b><u>Address</u></b>
William P. Utt	1177 West Loop South, Suite 900 Houston, Texas 77027
Timothy R. Dunne	1177 West Loop South, Suite 900 Houston, Texas 77027
Rachel W. Kilpatrick	1177 West Loop South, Suite 900 Houston, Texas 77027



**Article Seven**

Directors need not be elected by written ballot unless required by the bylaws of the corporation.

**Article Eight**

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to adopt, amend or repeal the bylaws of the corporation.

**Article Nine**

The corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by statute. All rights conferred upon stockholders herein are granted subject to this reservation.

**Article Ten**

No director shall personally be liable to the corporation or the stockholders for monetary damages for any breach of this fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or the stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law or other applicable law is amended after approval by the stockholders of this article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law or such other applicable law, as so amended. Any repeal or modification of this article by the stockholders shall not adversely affect any right or protection of a director existing at the time of such repeal or modification.

I, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 6th day of June, 2001.

Susan Rozman  
Susan Rozman, Incorporator

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Application for Certificate of Authority  
(15 Pa.C.S.)

Entity Number

3046817

- Foreign Business Corporation (§ 4124)
- Foreign Nonprofit Corporation (§ 6124)

Name

Address

City

State

Zip Code

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



Fee: \$180

Filed in the Department of State on

JAN 14 2002

Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned, hereby states that:

1. The name of the corporation is:

TRACTEBEL ENERGY SERVICES, INC.

2. Complete only when the corporation must adopt a corporate designator for use in Pennsylvania.

The name which the corporation adopts for use in this Commonwealth is:

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

The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is:

The corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors under the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

4. The name of the jurisdiction under the laws of which the corporation is incorporated is:

DELAWARE

5. The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

1209 ORANGE STREET

WILMINGTON

DELAWARE

19801

Number and street

City

State

Zip

DSCB:15-4124/6124-2

6. The (a) address of this corporation's proposed 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				County
c/o: C T CORPORATION SYSTEM				PHILADELPHIA

7. Check one of the following:

*Business Corporation:* The corporation is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

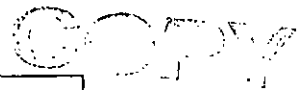
*Nonprofit Corporation:* The corporation is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this Application for Certificate of Authority to be signed by a duly authorized officer thereof this 8TH day of JANUARY, 2002.

TRACTEBEL ENERGY SERVICES, INC.  
Name of Corporation

William P. Holt  
Signature

VICE PRESIDENT  
Title



PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Application for Certificate of Authority  
(15 Pa.C.S.)

Entity Number

- Foreign Business Corporation (§ 4124)
- Foreign Nonprofit Corporation (§ 6124)

Name

Address

City

State

Zip Code

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



Fee: \$180

Filed in the Department of State on \_\_\_\_\_

Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned, hereby states that:

1. The name of the corporation is:  
TRACTEBEL ENERGY SERVICES, INC.

2. Complete only when the corporation must adopt a corporate designator for use in Pennsylvania.  
The name which the corporation adopts for use in this Commonwealth is:

3. If the name set forth in paragraph 1 or 2 is not available for use in this Commonwealth, complete the following:  
The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is:

The corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors under the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

4. The name of the jurisdiction under the laws of which the corporation is incorporated is:  
DELAWARE

5. The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

<u>1209 ORANGE STREET</u>	<u>WILMINGTON</u>	<u>DELAWARE</u>	<u>19801</u>
Number and street	City	State	Zip

PA DEPT OF STATE  
2002 JAN 14 PM 12:22

DSCB:15-4124/6124-2

6. The (a) address of this corporation's proposed 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				County
c/o: C T CORPORATION SYSTEM				PHILADELPHIA

7. Check one of the following:

*Business Corporation:* The corporation is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

*Nonprofit Corporation:* The corporation is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this Application for Certificate of Authority to be signed by a duly authorized officer thereof this 8TH day of JANUARY, 2002.

TRACTEBEL ENERGY SERVICES, INC.  
Name of Corporation

William P. Holt  
Signature

VICE PRESIDENT  
Title

Docketing Statement DSCB:15-134A (Rev 2001)  
Departments of State and Revenue

One (1) copy required

**BUREAU USE ONLY:**  
 Dept. of State Entity # \_\_\_\_\_  
 Dept. of Rev. Box # \_\_\_\_\_  
 Filing Period \_\_\_\_\_ Date 3 4 5 \_\_\_\_\_  
 SIC/NAICS \_\_\_\_\_ Report Code \_\_\_\_\_

Check proper box:

*Pennsylvania Entities*

business stock  
 business non-stock  
 professional  
 nonprofit stock  
 nonprofit non-stock  
 statutory close  
 management  
 cooperative  
 insurance  
 limited liability company  
 restricted professional  
 limited liability company  
 business trust

*Foreign Entities*

State/Country DE \_\_\_\_\_ Date 06/12/01

business  
 nonprofit  
 limited liability company  
 restricted professional  
 limited liability company  
 business trust

*Other*

domestication  
 division  
 consolidation

1. Entity Name:  
 TRACTEBEL ENERGY SERVICES, INC.

2. Individual name and mailing address responsible for initial tax reports:  
 SYDNEY FREE, SUITE 900      1177 WEST LOOP SOUTH      HOUSTON      TX      77027  
 Name                                      Number and street                      City                      State                      Zip

3. Description of business activity:  
 TO ENGAGE IN RETAIL ENERGY SERVICES TO INDUSTRIAL AND COMMERCIAL CUSTOMERS

4. Specified effective date, if any:  
 \_\_\_\_\_  
 month/day/year                      hour, if any

5. EIN (Employee Identification Number), if any:  
 76-0685946

6. Fiscal Year End:  
 DECEMBER 31

7. Fictitious Name (only if foreign corporation is transacting business in PA under a fictitious name):  
 \_\_\_\_\_

PA.008 - 10/01/2001 CT System Online

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Item 5 Attachment

TRACTEBEL ENERGY SERVICES INC.

List of Officers

Richard E. Kessel  
President and CEO  
One Water Street  
White Plains, NY 10601  
914-286-6645  
914-948-9157 fax  
[rkessel@trigen.com](mailto:rkessel@trigen.com)

Wilfrid Petrie  
Vice President  
One Water Street  
White Plains, NY 10601  
914-286-6615  
914-948-9157 fax  
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Jay Halloran  
Vice President  
One Water Street  
White Plains, NY 10601  
914-286-6612  
914-948-9157 fax  
[jhalloran@trigen.com](mailto:jhalloran@trigen.com)

William P. Utt  
Vice President  
1171 West Loop South, Ste 800  
Houston, TX 77027  
713-552-2036  
713-548-5152 fax  
[wutt@tractebelusa.com](mailto:wutt@tractebelusa.com)

Steven G. Smith  
Vice President  
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White Plains, NY 10601  
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[ssmith@trigen.com](mailto:ssmith@trigen.com)

Dennis Haines  
Secretary  
One Water Street  
White Plains, NY 10601  
914-286-6688  
914-948-9157 fax  
[dhaines@trigen.com](mailto:dhaines@trigen.com)

Stephen T. Ward  
Treasurer  
One Water Street  
White Plains, NY 10601  
914-286-6623  
914-948-9157 fax  
[sward@trigen.com](mailto:sward@trigen.com)

Timothy Dunne  
Assistant Secretary  
1177 West Loop South, Ste 800  
Houston, TX 77027  
713-599-2603  
713-552-2364 fax  
[tdunne@tractebellusa.com](mailto:tdunne@tractebellusa.com)

Rachel Kilpatrick

Assistant Treasurer  
1177 West Loop South, Ste 800  
Houston, TX 77027  
713-552-2134  
713-552-2345 fax  
[rkilpatrick@tractebelusa.com](mailto:rkilpatrick@tractebelusa.com)

Board of Directors

Richard E. Kessel  
President and CEO  
One Water Street  
White Plains, NY 10601  
914-286-6645  
914-948-9157 fax  
[rkessel@trigen.com](mailto:rkessel@trigen.com)

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Vice President  
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713-548-5152 fax  
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Le Tivoli  
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92000 Nanterre, France  
011-33-1-41-20-1381  
011-33-1-41-20-1300 fax  
[michel.bleitrach@elyo.fr](mailto:michel.bleitrach@elyo.fr)

Zin Smati  
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713-350-1614  
  
[zsmati@tractebelusa.com](mailto:zsmati@tractebelusa.com)

Jacques Lubetzki  
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011-32-2-510-7024 fax  
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Christine Morin-Postel  
16, rue de la Ville l'Eveque  
75383 Paris, Cedex 08  
011-33-1-40-06-6739  
011-33-1-40-06-6770 fax  
[cmorinpostel@suez.fr](mailto:cmorinpostel@suez.fr)



x If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.

See immediately previous answer.

**or**

The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.

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

- The Applicant is presently doing business in Pennsylvania as a
- vertically-integrated provider of generation, transmission, and distribution services.
  - municipal electric corporation providing service outside its municipal limits.
  - electric cooperative
  - local gas distribution company
  - nonintegrated provider of electric generation, transmission or distribution services.
  - Other. (Identify the nature of service being rendered.)

**or**

x The Applicant is not presently doing business in Pennsylvania.

8. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- Generator and supplier of electric power.
- Municipal generator and supplier of electric power.
- Electric Cooperative and supplier of electric power
- x Broker/Marketer engaged in the business of supplying electricity.
- Aggregator engaged in the business of supplying electricity
- Other (Describe):

9. **PROPOSED SERVICES:** Generally describe the electric services or the electric generation services which the Applicant proposes to offer.

Tractebel Energy Services, Inc. (TESI) has the technical resources to provide continuous and reliable electric service to its customers and the technical and managerial ability to supply electric service at retail in accordance with customer contracts.

TESI is a newly formed, wholly owned subsidiary of Tractebel North America, Inc. (TNA), which is headquartered in Houston, Texas and has offices in White Plains, New York. TNA is owned by Tractebel, S.A., based in Brussels, Belgium, a worldwide leader in energy and power production, marketing, distribution, and services.

Tractebel, S.A., is the largest independent power producer in continental Europe, with more than 51,000 MW of total capacity installed or under development, and the European leader in industry and energy services. Revenues for 2000 totaled 19.9 billion Euros (approx. US\$18.0 billion). Tractebel, S.A. is part of Suez, S.A., based in Paris, a worldwide group providing product and services in the fields of energy, water, waste services, and communications, with total revenues of 34.6 billion Euros (approx. US\$31.0 billion). Suez is traded on the New York Stock Exchange (SZE) via American Depositary Receipts, in addition to the Paris Bourse and the Brussels, Luxembourg and Zurich Stock Exchanges. For more information on Suez, please see [www.suez.fr](http://www.suez.fr).

TESI, being part of the Tractebel and Suez family, is well positioned to draw upon the unique network of domestic and balance-of-world service-company experience at its disposal to provide retail electric customers the finest services available. Affiliated companies in North America include the following leaders in their respective fields:

- Tractebel Energy Marketing, Inc., based in Houston, a nationwide power trader;
- Tractebel Power, Inc., also based in Houston, owns several major merchant power plant facilities in the United States, including a 350 MW facility in Ennis, Texas; and
- Trigen Energy Corporation, White Plains, New York, the industry leader in high-efficiency power and thermal production for industrial, commercial, and institutional end-users.

Core offerings of TESI will include not only the supply of power to selected industrial customers but also power-usage management and on-site asset management of power. For example, in order to fulfill the needs of an industrial client in Pennsylvania, TESI may, in coordination with Tractebel Power, call upon the Ennis Power Station for the supply of electrical power. Or, it may utilize TEMI's supply desk to seek out the best price for a particular period of unique load-requirements. TESI may identify ways of optimizing the client's self-generated load and other utilities through the help of Trigen, one of the other industrial-services companies within Suez, or the usage of real-time consumption management tools. By having the experience of the Tractebel and Suez networks available, TESI will be able to offer the right combination of these and other services in order to maximize value for its customers.

TESI will maximize customer value with experienced energy personnel. Power-supply procurement and deliveries will be supported by other members of the TESI team, TEMI, Tractebel Power, and other members of the Tractebel team in Houston. Overall management of TESI will be under the auspices of the end-user management team at Trigen.

10. **SERVICE AREA:** Generally describe the geographic area in which Applicant proposes to offer services.

Commonwealth of Pennsylvania

11. **CUSTOMERS:** Applicant proposes to initially provide services to:

- Residential Customers
- Commercial Customers - (25 kW and Under)
- x Commercial Customers - (Over 25 kW)
- x Industrial Customers
- x Governmental Customers
- All of above
- Other (Describe):

12. **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

13. **START DATE:** The Applicant proposes to begin delivering services on March 1, 2002. (approximate date).

14. **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following:

Irwin A. Popowsky  
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

Bernard A. Ryan, Jr.  
Commerce Building, Suite 1102  
Small Business Advocate  
300 North Second Street  
Harrisburg, PA 17101

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

Any of the following Electric Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

Frank M. Nadolny, General  
Manager of Regulatory Affairs Unit  
Duquesne Light Company  
411 Seventh Street  
P.O. Box 1930  
Pittsburgh, PA 15230-1930

John P. Litz, Division Controller  
UGI Utilities, Inc.  
Electric Division  
400 Stewart Road  
P.O. Box 3200  
Hanover Industrial Estates  
Wilkes-Barre, PA 18773-3200

(Metropolitan Edison Company or Pennsylvania Electric Company)

Blaine W. Uplinger, Jr., Director of Governmental and  
Regulatory Affairs  
GPU Energy  
100 APC Building  
800 North third Street  
Harrisburg, PA 17102-2025

Paul E. Russell, Associate  
General Counsel  
Pennsylvania Power & Light  
Company  
Two North Ninth Street  
Allentown, PA 18108-1179

Thomas P. Hill, Vice President and Controller  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

Stephen L. Feld, Attorney  
Pennsylvania Power Company  
First Energy Corporation  
76 South Main Street  
Akron, OH 44308

John L. Munsch, Attorney  
Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. 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.

15. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix B to this application.

16. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

Neither the Applicant nor any affiliate, predecessor or person identified in the Application has been convicted of a crime involving fraud or similar activity.

17. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** 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.

a. **Contacts for Consumer Service and Complaints:** Provide the name, title, address, telephone number and FAX number 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 Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission or other agencies.

Barbara Rodriguez  
Director of Supply Strategy  
Tractebel Energy Services, Inc.  
C/o Trigen Energy Corporation  
3 Barker Avenue  
White Plains, NY 10601

Phone: 866-999-TESE  
Fax: 914-272-6501

Alternative: Mark Ladrow  
Manager of Energy Marketing  
Tractebel Energy Services, Inc.  
C/o Trigen Energy Corporation  
3 Barker Avenue  
White Plains, NY 10601

Phone: 914-272-6673  
Fax: 914-272-6501

b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.

N/A.

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

N/A

18. **BONDING:** In accordance with 66 PA. C.S. Section 2809(C) (1)(I), the Applicant is:

Furnishing a copy of initial bond, letter of credit or proof of bonding to the Commission in the amount of \$250,000.

Furnishing proof of other initial security for Commission approval, to ensure financial responsibility.

- Filing for a modification to the \$250,000 and furnishing a copy of an initial bond, letter of credit or proof of bonding to the Commission for the amount of \$\_\_\_\_\_. Applicant is required to provide information supporting an amount less than \$250,000.

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.

19. **FINANCIAL FITNESS:**

A. Applicant shall 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 Attached.

- Published parent company financial and credit information.

See Attached.

- Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.

See Attached.

- 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 or other independent financial service reports.

Not Applicable. Applicant incorporated in June 2001. Has not yet commenced business.

- 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.

\$10 million liability insurance.

- Audited financial statements

See response above.

- Such other information that demonstrates Applicant's financial fitness.

B. Applicant must provide the following information:

- Identify Applicant's chief officers including names and their professional resumes.

See attached

- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

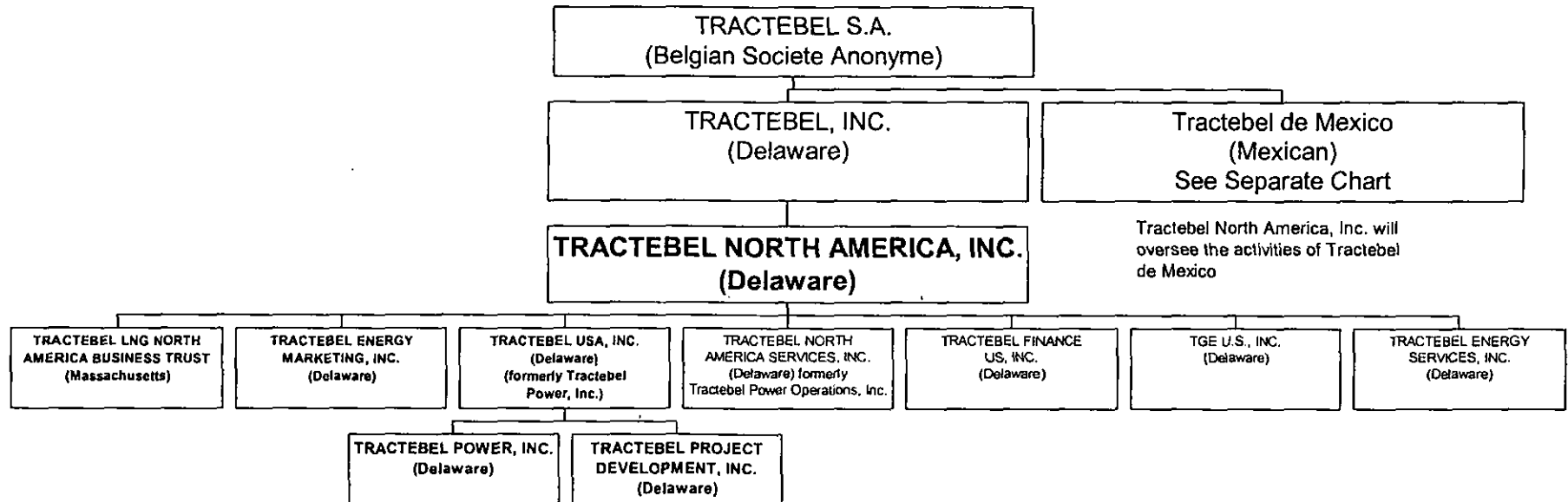
Mr. Valery Perrier  
Controller  
Trigen Energy Corporation  
3 Barker Street  
White Plains, NY 10601

Phone: 914-272-6642

Fax: 914-272-6501

# Tractebel, Inc.

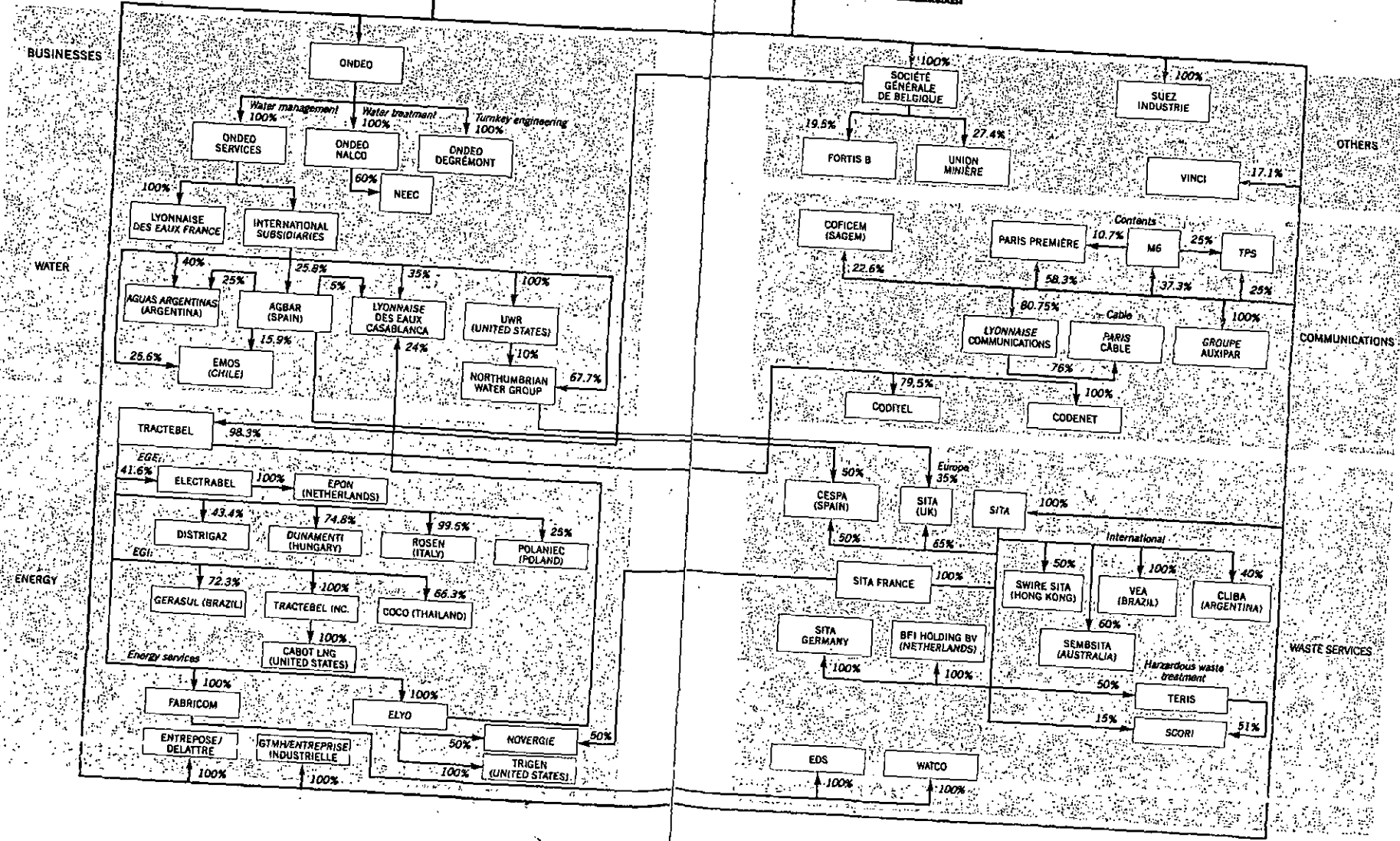
## July 2001



# Simplified organizational chart

at December 31, 2000

## Suez Lyonnaise des Eaux



(participation rate)



***Tractebel, Inc.***

***Consolidated Financial Statements for the Years  
Ended December 31, 2000 and 1999 and  
Independent Auditors' Report***

***Tractebel, Inc.***

*Consolidated Financial Statements for the Years  
Ended December 31, 2000 and 1999 and  
Independent Auditors' Report*

Deloitte & Touche LLP  
Suite 2300  
333 Clay Street  
Houston, Texas 77002-4196

Tel: (713) 982-2000  
Fax: (713) 982-2001  
www.us.deloitte.com

**Deloitte  
& Touche**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Tractebel, Inc.:

We have audited the accompanying consolidated balance sheets of Tractebel, Inc. and subsidiaries (the "Company") as of December 31, 2000 and 1999, and the related consolidated statements of income, stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial position of the Company at December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

February 9, 2001  
(March 26, 2001 as to Note 15)

Deloitte  
Touche  
Tohmatsu

# TRACTEBEL, INC.

## CONSOLIDATED BALANCE SHEETS, DECEMBER 31, 2000 AND 1999 (In Thousands, Except Per Share Items)

ASSETS	2000	1999
CURRENT ASSETS:		
Cash and cash equivalents	\$ 118,329	\$ 102,104
Restricted cash and cash equivalents	23,064	49,290
Accounts receivable	191,539	46,955
Deferred income taxes	4,068	2,581
Other current assets	50,012	12,622
Prepaid contracts	943	19,564
Assets from risk management activities	<u>755,359</u>	<u>56,135</u>
Total current assets	1,143,314	289,251
PROPERTY AND EQUIPMENT, Net	1,467,210	927,725
INVESTMENTS IN PARTNERSHIPS	147,881	154,990
COST METHOD INVESTMENTS	125,079	-
GOODWILL, Net of \$30,084 and \$22,147 of accumulated amortization for 2000 and 1999, respectively	434,451	195,514
LEASEHOLDS, Net of \$12,201 and \$10,901 of accumulated amortization for 2000 and 1999, respectively	8,225	9,534
LONG-TERM ASSETS FROM RISK MANAGEMENT ACTIVITIES	185,926	10,977
LONG-TERM RESTRICTED CASH	18,303	17,218
OTHER ASSETS	38,918	36,761
TOTAL	<u>\$3,569,307</u>	<u>\$1,641,970</u>

See notes to consolidated financial statements.

LIABILITIES AND STOCKHOLDER'S EQUITY	2000	1999
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 156,780	\$ 32,134
Notes payable	310,000	68,000
Subordinated note payable to Parent	-	104,979
Current portion of long-term debt	41,419	36,787
Net current liabilities of discontinued operations	2,424	1,813
Liabilities from risk management activities	<u>723,964</u>	<u>44,618</u>
Total current liabilities	<u>1,234,587</u>	<u>288,331</u>
<b>LONG-TERM DEBT</b>	1,460,366	797,796
<b>NONCURRENT SUBORDINATED NOTES PAYABLE TO PARENT</b>	34,259	39,731
<b>CONSTRUCTION-RELATED OBLIGATIONS</b>	4,713	60,254
<b>NET NONCURRENT LIABILITIES OF DISCONTINUED OPERATIONS</b>	500	2,019
<b>DEFERRED INCOME TAXES</b>	93,144	67,273
<b>LONG-TERM LIABILITIES FROM RISK MANAGEMENT ACTIVITIES</b>	180,467	10,579
<b>OTHER LONG-TERM OBLIGATIONS</b>	56,730	41,319
<b>MINORITY INTEREST</b>	18,806	18,476
<b>STOCKHOLDER'S EQUITY:</b>		
Common stock, \$1 par value: 13,400 shares authorized; 8,950 shares issued and outstanding	8,950	8,950
Paid-in capital	398,073	253,073
Accumulated other comprehensive income	(1,915)	(1,220)
Retained earnings	<u>80,627</u>	<u>55,389</u>
Total stockholder's equity	<u>485,735</u>	<u>316,192</u>
<b>TOTAL</b>	<u>\$3,569,307</u>	<u>\$1,641,970</u>

# TRACTEBEL, INC.

## CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999 (In Thousands)

	2000	1999
<b>REVENUES:</b>		
Electricity and steam sales	\$ 293,396	\$ 211,653
Gas sales	208,295	-
Net profit (loss) from energy trading and marketing	18,194	(19,514)
Operations and administrative service fees	309	779
	<u>520,194</u>	<u>192,918</u>
<b>COSTS AND EXPENSES:</b>		
Plant operations	195,660	133,471
Gas purchases	186,702	-
General and administrative	48,598	33,589
Marketing and project development	8,574	8,463
	<u>439,534</u>	<u>175,523</u>
	<u>14,136</u>	<u>23,426</u>
<b>OPERATING INCOME</b>	94,796	40,821
<b>OTHER INCOME (EXPENSE):</b>		
Nonoperating income	10,122	5,287
Gain on sale of investments, net		3,077
Interest expense	(66,786)	(45,967)
	<u>(56,664)</u>	<u>(37,603)</u>
<b>INCOME BEFORE MINORITY INTEREST AND INCOME TAXES</b>	38,132	3,218
<b>MINORITY INTEREST</b>	(3,434)	(3,006)
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	34,698	212
<b>PROVISION (BENEFIT) FOR INCOME TAXES</b>	9,460	(246)
<b>NET INCOME</b>	<u>\$ 25,238</u>	<u>\$ 458</u>

See notes to consolidated financial statements.

The Company's power generation facilities operate as qualifying facilities, and the related power contracts are subject to the rules and regulations under the Public Utilities Regulatory Policies Act of 1978 ("PURPA"). In order to promote open competition in the industry, proposed legislation in the U.S. Congress has called for either a repeal of PURPA or a complete restructuring of the regulations governing the electric industry including PURPA. These federal initiatives are generally not yet effective, but many states are implementing or considering regulatory initiatives designed to increase competition in the domestic power generation industry. In most cases, any initiatives discussed have indicated that power sales agreements of existing qualifying facilities ("QFs") would be honored. The Company cannot predict the final form or timing of the proposed restructuring on a federal or individual state level or the impact, if any, that such restructuring would have on the Company's existing business or results of operations. The Company believes that any such restructuring would not have a material effect on its power sales agreements and, accordingly, believes that its existing business and results of operations would not be materially adversely affected, although there can be no assurance in this regard.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Principles of Consolidation*** - The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

***Investment in Partnerships*** - The Company accounts for its 20% to 50% ownership interests in certain partnerships, where the Company has significant influence but does not exercise control, using the equity method. The Company accounts for its 20% or less ownership interests in certain corporations, in which it does not have significant influence, using the cost method.

***Use of Estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

***Reclassifications*** - Certain amounts from the prior year have been reclassified to conform to the current year presentation.

***Revenue Recognition*** - Revenues from the sale of electricity and steam are recorded based upon output delivered and capacity provided at rates specified under long-term power supply contracts or rate orders. Revenues from the sale of liquefied natural gas are recorded when delivered at rates specified in the related purchase and sale contracts.

***Accounting for Price Risk Management Activities*** - Physical contracts and financial instruments associated with TEMI's electric power and natural gas trading activities are accounted for using the mark-to-market method of accounting. Under the mark-to-market method of accounting, forwards, swaps, options, and other physical and financial instruments with third parties are reflected at market value, net of future physical delivery related costs and reserves and are shown as "Assets and Liabilities from Risk Management Activities" in the balance sheet. Changes in the market value of these instruments, resulting primarily from newly originated transactions and the impact of commodity price changes, are recognized in net profit (loss) from energy trading and marketing in the period of change in the statement of income. The market prices used to value these transactions reflect management's best estimate considering various factors including closing exchange and over-the-counter quotations,

time value, and volatility factors underlying the commitments. The values are adjusted to reflect the potential impact of liquidating TEMI's position in an orderly manner over a reasonable period of time under present market conditions (see Note 6).

**Cash and Cash Equivalents** - The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Restricted Cash** - Cash balances required to be held by certain agreements, including maintenance reserve funds, debt sinking funds and certain trading related contracts, are classified as restricted. Restricted cash balances that will not be used in the next year are classified as long-term.

**Prepaid Contracts** - Prepaid contracts consists primarily of cash paid by TEMI at the time forward contracts are purchased. The prepaid balances are recorded at fair value and are reduced as the product is delivered or the contract sold to third parties.

**Property and Equipment** - Property and equipment are stated at cost and include all expenditures necessary to prepare a facility for operation, including interest incurred during the construction period. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the assets, which range from 3 to 37 years. Interest capitalized on construction-in-progress expenditures was \$32,450,000 in 2000 and \$8,597,000 in 1999.

**Goodwill** - Goodwill is being amortized on a straight-line basis, over 20 to 40 years. The carrying value of goodwill is reviewed if the facts and circumstances suggest it may be impaired. If this review indicates that the Company's goodwill will not be recoverable, an impairment loss will be recognized.

**Major Maintenance Reserves** - Certain of the Company's subsidiaries are required to maintain reserves for maintenance in accordance with the provisions of agreements. Other subsidiaries accrue for maintenance based on their projected maintenance schedules. At December 31, 2000 and 1999, maintenance reserves were \$10,994,000 and \$7,880,000, respectively, and are included in other long-term obligations in the accompanying balance sheets.

**Income Taxes** - The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," which requires the use of the "liability method." Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured by using enacted tax rates that are applicable to the future years in which deferred tax assets or liabilities are expected to be realized or settled.

**Marketing and Project Development Costs** - Costs incurred in connection with a targeted project's acquisition or development are expensed until such time as the Company determines that it is probable the project will be acquired or developed. Once it is determined acquisition or development of a project is probable, certain incremental costs related to the project are capitalized. The Company reviews these costs periodically and provides a reserve when deemed appropriate.

**Leaseholds** - The cost of leaseholds includes the value allocated to identifiable intangible assets related to the acquisition of Pinetree Power, Inc. and Pinetree Power - Tamworth, Inc., which are being amortized using the straight-line method over the term of the respective power supply agreements (approximately 15 years).



**Long-Lived Assets** - The Company records impairment losses on long-lived assets and leaseholds used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of the assets.

**Risk Management** - The Company uses interest rate swap agreements to effectively convert a portion of its floating-rate debt to a fixed-rate basis, and interest rate collars to convert a portion of its fixed-rate debt to a variable-rate basis within a floor and a ceiling, 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 or the receipt of fixed-rate amounts in exchange for variable-rate interest payments within a set range over the life of the agreements without an exchange of the underlying principal amount. The differential to be paid or received is accrued as interest rates change and recognized as an adjustment to interest expense on the related debt. The fair values of the interest rate swap agreements are not recognized in the financial statements (see Note 8).

The Company limits its exposure to foreign currency fluctuations by entering into agreements which effectively fix the exchange rates of liabilities required to be settled in currencies other than the U.S. dollar. The related amounts receivable from, or payable to, counterparties are included in other current assets or accrued expenses, respectively. The fair values of the foreign currency exchange agreements are not recognized in the financial statements (see Note 8).

The Company has price risk exposure due to changes in its liquefied natural gas sales revenue and liquefied natural gas costs. Commodity swap and option contracts are used by the Company to hedge price risk exposure on firmly committed future sales of liquefied natural gas. Under the swaps, the Company receives a fixed price and pays a floating price, which effectively fixes the price to be received for the gas. Realized gains and losses on commodity swap and option contracts on qualifying hedges are recognized when the related materials are sold. At December 31, 2000, the notional amounts of the commodity swaps and options were 189 million mmbtu's, maturing through December 2005. The fair value of the swaps and options reflected an unrealized loss of approximately \$140 million at December 31, 2000.

**Foreign Currency Translation** - Assets and liabilities of Canadian subsidiaries are translated into U.S. dollars at current exchange rates in effect at the end of the fiscal period, and related revenues and expenses are translated at average exchange rates that prevailed during the period. Resulting translation adjustments, as well as adjustments for intercompany transactions which are long-term in nature, are shown in stockholder's equity as *Accumulated Other Comprehensive Income*. The foreign currency gain/loss on the remeasurement of short-term foreign currency transactions is included in net income.

**Major Customers and Concentrations of Credit Risk** - Each of the Company's power-generating facilities has one primary utility or industrial customer under 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. The operations of such plants are 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 contract were modified or terminated, the Company would be adversely affected to the extent that it would be unable to find other customers at the same level of contract profitability. No collateral is required on these receivables.

Additionally, the Company has two power generation facilities located in California which sell power output to Pacific Gas & Electric and Southern California Edison (the "California Utilities") under long-term power purchase agreements ("PPAs") subject to the rate orders effective in that state for qualified facilities. Presently, the California Utilities have announced they are unable to meet all their financial obligations and have petitioned to have the rates paid to qualified facilities lowered and/or capped. No final approval has been given to any of these petitions, but one draft opinion would call for a modification of the transition formula for energy payments made to qualified facilities that would add a cap of \$67.45 per megawatt hour to these rates. This cap is lower than the rates used to calculate billings under the PPAs in certain periods during 2000. The profitable operation of these power generation facilities is dependent on the continued performance of the California Utilities of their obligations under the PPAs, and, in particular, on their credit quality. A significant modification of the PPAs or the failure of the California Utilities to fulfill their obligations there under could have a material adverse impact on the Company's business, results of operations and financial condition.

***Fair Value of Financial Instruments*** - The Company's non-trading financial instruments consist primarily of cash and cash equivalents, trade receivables, accounts payable, debt instruments, and interest rate and foreign currency swap agreements. 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, and the interest rate and foreign currency swap agreements is discussed in Note 8. See Note 6 for discussion of financial instruments used in TEMI's trading activities.

***Construction-Related Obligations*** - The Company has classified obligations to be funded by project construction loans as long-term, as these amounts will not require the use of the Company's working capital. Included in construction-in-progress was approximately \$4.7 million and \$60 million related to these obligations at December 31, 2000 and 1999, respectively.

***Comprehensive Income*** - The Company discloses components of comprehensive income on its statement of stockholder's equity. The components of comprehensive income are net income and all changes to stockholder's equity, except those due to investments by owners and distributions to owners. Foreign currency translation adjustments comprised the entire balance in accumulated other comprehensive income through December 31, 2000.

***Recent Accounting Standards*** - Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," is effective for all fiscal years beginning after June 15, 2000. SFAS No. 133, as amended and interpreted, establishes accounting and reporting standard for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, will be required to be recorded on the balance sheet at fair value. If the derivative is designated in a fair-value hedge, the changes in the fair value of the derivative and the hedged item will be recognized in earnings. If the derivative is designated in a cash-flow hedge, changes in the fair value of the derivative will be recorded in other comprehensive income ("OCI") and will be recognized in the income statement when the hedged item affects earnings. SFAS 133 defines new requirements for designation and documentation of hedging relationships as well as ongoing effectiveness assessments in order to use hedge accounting. For a derivative that does not qualify as a hedge, changes in fair value will be recognized in earnings.

The Company expects that at January 1, 2001, it will record approximately \$175,000,000 in OCI as a cumulative transition adjustment for derivatives designated in cash flow-type hedges prior to adopting

SFAS 133. The Financial Accounting Standards Board and the Derivatives Implementation Group continue to discuss several issues that once decided could have additional impact on the Company's financial statements.

### 3. ACQUISITIONS, SALES, AND NEW DEVELOPMENT

On September 19, 2000, Tractebel, Inc. acquired Cabot LNG LLC for \$689 million in cash, subject to purchase price adjustments related to actual collection and disbursement in cash. The liquefied natural gas business includes a 10 percent share of a liquefaction plant in Trinidad, a ship to transport that gas to Boston, long-term contracts to supply gas to two large electric generating plants and several utility companies, and the right to build a \$150 million, gas-fired power generating plant at Island End in Everett, MA. Depending on weather conditions, Cabot LNG supplies about 10 percent of all gas burned in New England, mostly distributed by pipeline to local utilities.

The proforma effects of the above acquisition on the Company's results of operations for 1999, had the acquisition occurred on January 1, 1999, would have increased revenue by \$266,588,000 and decreased net income by \$1,480,000. Had the acquisition occurred on January 1, 2000, the proforma effects on the Company's results of operations for 2000 would have increased revenue and net income by \$419,503,000 and \$5,751,000 respectively.

On October 29, 1999, certain subsidiaries of the Company acquired an additional 25% interest in Hopewell Cogeneration Limited Partnership ("Hopewell") for cash consideration of \$21,500,000. Prior to this acquisition, the Company held a 50% interest in Hopewell and accounted for the investment under the equity method. Beginning October 29, 1999, Hopewell was consolidated into the Company. The acquisition primarily resulted in \$104 million of additional long-term debt and \$150 million of additional property, plant and equipment, including the amount paid in excess of equity that was recorded as an increase in the value of the Hopewell plant. The step-up of the investment in the partnership that was included in Investment In Partnerships related to the Hopewell facility was reclassified to property, plant and equipment and is being amortized, along with the excess purchase price, over the remaining life of the facility. Additionally, Investment in Partnerships was reduced \$46 million and minority interest was increased \$11 million as a result of this purchase.

The proforma effects of the above acquisition on the Company's results of operations for 1999 had the acquisition occurred on January 1, 1999, would have increased revenue and net income by \$50,337,000 and \$2,835,000 respectively.

During 1998, the Company began construction on a power-generating facility in Choctaw County, Mississippi. The project will be a 440-megawatt plant and will sell all electrical output to the Tennessee Valley Authority ("TVA") under a 30-year power purchase agreement. The plant is expected to begin commercial operations in May 2001, which is delayed from the original expected commercial operations date.

During 1999, the Company began construction on a power-generating facility near Ennis, Texas. The facility will be a 700-megawatt merchant facility and will market electrical output to wholesale customers within the Electric Reliability Council of Texas ("ERCOT"). The plant is expected to begin commercial operations in 2002.

The Company also had two facilities in the development phase at December 31, 2000 in Wise County, Texas and Chehalis, Washington. These facilities will be merchant facilities and market electrical

output to wholesale customers, and are expected to begin commercial operations in 2003. The Company is in the process of negotiating construction and supply contracts.

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	December 31,	
	2000	1999
	(In Thousands)	
Land	\$ 6,383	\$ 5,672
Plant, machinery, and equipment	867,917	680,895
LNG Tanker	115,000	
Construction-in-progress	610,056	343,316
Buildings and improvements	32,568	32,729
Transportation equipment	1,076	1,076
Furniture and fixtures	1,178	1,122
	<u>1,634,178</u>	<u>1,064,810</u>
Accumulated depreciation	<u>(166,968)</u>	<u>(137,085)</u>
Total	<u>\$1,467,210</u>	<u>\$ 927,725</u>

#### 5. INVESTMENTS IN PARTNERSHIPS AND CORPORATIONS

Summarized combined financial data of partnerships accounted for under the equity method are as follows:

	As of and for the	
	Years Ended December 31,	
	2000	1999
	(In Thousands)	
Financial position:		
Total assets	\$1,347,594	\$1,419,912
Total liabilities	\$1,147,572	\$1,205,175
Results of operations:		
Operating revenues	\$ 376,191	\$ 370,996
Operating income	\$ 91,815	\$ 97,435
Net income	\$ 26,948	\$ 35,512
Share of underlying equity	\$ 145,930	\$ 152,271
Original differences, less amortization	<u>1,951</u>	<u>2,719</u>
Investments in partnerships	<u>\$ 147,881</u>	<u>\$ 154,990</u>

The original difference between the equity investment and the underlying equity of Appomattox Cogeneration Limited Partnership of \$6,192,000, which arose from a purchase accounting adjustment related to the acquisition of CRSS, is being amortized on a straight-line basis over 8 years, the life of the underlying asset.

Cost method investment represents a 10% interest in Atlantic LNG Company of Trinidad and Tobago. Cabot purchases 60% of the LNG produced by Atlantic LNG's liquefaction plant.

## 6. PRICE RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

**Risk Management Activities** - TEMI utilizes forward purchase and sales contracts, futures and option contracts traded on the NYMEX, and swaps and options traded in the over-the-counter financial markets to manage and hedge its purchase and sales commitments, to provide price commitments as a service to its customers and suppliers, and to reduce its exposure relative to the volatility of cash market prices. TEMI may, at times, have an open position in the market, within established guidelines, resulting from the management of its portfolio. In addition, by utilizing exchange for physical transactions allowed by the NYMEX, which enable entities to take delivery of, or sell, a physical quantity of natural gas in exchange for a futures position, TEMI is able to secure additional sources of physical natural gas supply, or create additional markets for existing supply, through the use of natural gas futures contracts. These activities are referred to herein as risk management activities.

TEMI participates in the forward physical and financial markets utilizing technical knowledge, customer demand, and market experience to select its commodity position. TEMI, as is consistent with the energy commodity marketing industry, attempts to profit from price differentials resulting from location, time, or cross commodity. TEMI utilizes a combination of physical and financial instruments to achieve these objectives, while maintaining compliance with the Company's risk profile and limits.

The following table discloses the estimated fair values of risk management assets and liabilities as of December 31, 2000 and 1999, and the average fair value during 2000 (in thousands).

	Ending Fair Value 2000	Ending Fair Value 1999	Average Fair Value 2000 (1)
<b>ASSETS:</b>			
Swaps	\$ 348,122	\$ 24,058	\$ 186,090
Options	51,545	4,381	27,693
Futures	2,779	1,879	4,658
Forward contracts	<u>538,839</u>	<u>36,794</u>	<u>286,817</u>
<b>Total</b>	<u><u>\$ 941,285</u></u>	<u><u>\$ 67,112</u></u>	<u><u>\$ 505,258</u></u>
<b>LIABILITIES:</b>			
Swaps	\$ 308,126	\$ 11,199	\$ 159,662
Options	71,369	3,317	37,343
Futures	3,095	3,312	3,204
Forward contracts	<u>521,841</u>	<u>37,369</u>	<u>279,605</u>
<b>Total</b>	<u><u>\$ 904,431</u></u>	<u><u>\$ 55,197</u></u>	<u><u>\$ 479,814</u></u>

(1) Average fair value was based upon quarterly amounts.

As these positions may be changed by new transactions at any time in response to changing market conditions, they are not indicative of likely future cash flows. TEMI's net gains and losses on swaps, options, futures, and forward contracts held during 2000 were \$68,381, \$(23,030), \$(871), \$(25,040),

respectively. TEMI's net gains and losses on swaps, options, futures, and forward contracts held during 1999 were \$(23,853), \$(2,666), \$448, and \$6,557, respectively.

In valuing its electric power and natural gas portfolios, TEMI considers a number of market risks and estimated costs and continuously monitors the valuation of identified risks and adjusts them based on present market conditions. Considerable judgment is required to develop the estimates of fair value; therefore, the estimates provided herein are not necessarily indicative of the amounts that TEMI could realize in the current market.

**Market Risk** - TEMI generally attempts to balance its physical and financial purchase and sales obligations. However, net open positions often exist or are established due to the origination of new transactions, and TEMI will participate in the market when it believes, based upon competitive information gained from its energy marketing and trading activities, that future price movements will be consistent with its net open position. To the extent a net open position exists, TEMI is exposed to the risk that fluctuating market prices may adversely impact its financial position or results of operations. The net open position is actively managed, and the impact of a change in price on TEMI's financial condition at a point in time is not necessarily indicative of the impact of price movements throughout the year.

**Credit Exposure** - Counterparties in TEMI's trading portfolio consist principally of financial institutions, major oil and gas companies, energy marketing companies, major utility companies, and other companies which engage in risk management activities. The creditworthiness of these counterparties impacts its overall exposure to credit risk, either positively or negatively; however, with regard to its counterparties, TEMI maintains credit policies that management believes minimize overall credit risk. Determination of the credit quality of its counterparties is based upon a number of factors, including credit ratings, financial condition, and current economic conditions. The counterparties associated with assets from price risk management activities at December 31, 2000 and 1999 (in thousands) are summarized as follows:

	2000		1999	
	Investment Grade	Total	Investment Grade	Total
Oil and gas producers	\$ 120,656	\$ 124,922	\$ 167	\$ 167
Energy marketers	616,673	703,409	46,597	49,524
Gas and electric utilities	33,914	44,385	7,666	9,371
Financial institutions	55,105	55,746	7,776	7,776
Industrials	26	12,823	260	274
<b>Total</b>	<b>\$ 826,374</b>	<b>\$ 941,285</b>	<b>\$ 62,466</b>	<b>\$ 67,112</b>

TEMI sets credit limits based on counterparty credit worthiness prior to entering into transactions. If a counterparty is deemed not creditworthy TEMI's credit policies require a letter of credit or a parent guarantee. Based on these policies and its current exposures, TEMI does not anticipate nonperformance by the counterparties, but does provide a reserve for general credit exposure. As of December 31, 2000, the entities with the five largest credit exposures totaled \$41 million, or 65% of the total credit exposure associated with financial instruments used to manage price risk.

**Reserves** - In connection with the market valuation of its fixed-price contracts, TEMI 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 creditworthiness of its counterparties and liquidity of the portfolio as well as consideration of the time value of money for long-term contracts. Management believes its reserves are adequate to address these issues.

**Commodity Risk** - TEMI offers price risk management products to energy-related businesses through a variety of financial and other instruments, including forward contracts involving physical delivery of an energy commodity, swap agreements, which require receipts from (or payments to) counterparties based on the differential between a fixed and variable price, options, and other structured arrangements.

The following table is a summary of the contract or notional amounts and maturities of TEMI's trading activities related to commodity risk management as of December 31:

Natural Gas and Electricity Contracts	Purchase (Long) (In Thousands of MWH Equivalents)	Sale (Short)	Maximum Term (In Years)
2000:			
Swaps	363,856	358,384	5
Options	70,716	69,263	1
Futures	10,410	10,410	1
Forward contracts	58,973	63,606	4
1999:			
Swaps	69,031	54,250	1
Options	39	440	1
Futures	21,344	21,418	4
Forward contracts	39,436	44,149	4

## 7. DISCONTINUED OPERATIONS

Net liabilities of discontinued operations relate to the discontinuance of CRSS's design, engineering, construction management, and acid rain/pollution control segments. These segments were discontinued prior to the Company's acquisition of CRSS, which occurred in 1995. These items consisted primarily of the assets and liabilities of certain retained contracts (primarily receivables and payables) and cash, net of claims reserves, held by CRSS's captive insurance company, legal claims reserves, and other accrued discontinuance costs.

The reduction of net liabilities of discontinued operations from 1999 to 2000 resulted primarily from the settlement of legal claims. Net liabilities of discontinued operations include management's best estimates of the amounts expected to be settled. The amounts the Company will ultimately realize or pay could differ from these estimates.

## 8. NOTES PAYABLE AND LONG-TERM DEBT

Long-term debt consisted of the following:

	December 31,	
	2000	1999
	(In Thousands)	
Project financing:		
Construction loan related to Choctaw Generation LP; variable interest rate (7.31% and 6.62% at December 2000 and 1999); periodic interest payments; principal payments beginning in 2001	\$ 363,696	\$ 228,007
Tax-exempt bonds related to Choctaw Generation LP; variable interest rate (4.60% and 5.75% at December 31, 2000 and 1999); interest payable annually; matures October 2028	71,000	65,000
Taxable bonds related to Choctaw Generation LP; interest at 6%; principal and interest paid at maturity; matures September 2009	200	
Construction loan related to West Windsor Power; variable interest rate (7.27% and 6.44% at December 31, 2000 and 1999 - see discussion of swap agreement below); principal payments and interest paid annually; matures December 31, 2010	75,493	82,999
Project loan related to Hopewell; variable interest rates (7.77% and 6.73% - 7.19% at December 31, 2000 and 1999 - see discussion of swap agreement below); monthly interest payments, quarterly principal payments, matures in 2005; secured by the assets of Hopewell	86,946	100,434
Term loan, Series A; interest at 8.07%; semiannual interest and principal payments through October 2012; secured by the assets of Viking Energy of McBain, Inc., Viking Energy of Lincoln, Inc., Viking Energy of Northumberland, LP, Viking Energy Corporation, and Pinetree Power Fitchburg, Inc.	43,803	46,009
Term loan, Series B; variable interest at London Interbank Offered Rate ("LIBOR") plus 1.40% (8.22% and 7.28% at December 31, 2000 and 1999); semiannual interest and principal payments through October 2012; secured by the assets of Viking Energy of McBain, Inc., Viking Energy of Lincoln, Inc., Viking Energy of Northumberland, LP, Viking Energy Corporation, and Pinetree Power Fitchburg, Inc.	35,839	37,644
Industrial revenue bonds related to Ryegate Associates; variable interest rate (4.12% and 5.85% at December 31, 2000 and 1999, respectively - see discussion of swap agreement below); payments to a sinking fund beginning June 1, 2001 for annual redemption amounts beginning December 1, 2001; mature December 1, 2015; secured by an irrevocable letter of credit	26,300	26,300
Term loan; variable interest rate (7.63% and 7.11% at December 31, 2000 and 1999, respectively); monthly or quarterly interest payments; quarterly principal payments through June 1, 2001; secured by the assets of the Ryegate facility	367	1,434



	December 31,	
	2000	1999
	(In Thousands)	
Resource recovery bonds, Series 1997A; variable interest rate (4.85% and 3.70% at December 31, 2000 and 1999, respectively - see discussion of swap agreement below); subject to mandatory serial redemptions; mature December 1, 2008; secured by bank letters of credit which are secured by substantially all assets of Northeastern Power Company	\$ 29,200	\$ 29,200
Resource recovery bonds, Series 1997B; variable interest rate (4.95% and 3.70% at December 31, 2000 and 1999, respectively - see discussion of swap agreement below); subject to mandatory serial redemptions; mature December 1, 2008; secured by bank letters of credit which are secured by substantially all assets of Northeastern Power Company	48,600	48,600
Corporate financing:		
Term loan; variable interest rate (7.12% and 6.61% at December 31, 2000 and 1999, respectively); interest payable periodically, principal payments semiannually; matures December 2007	75,160	84,160
Foreign bonds payable to investors; interest at 6.81%; interest payable annually through October 2005; matures October 2005; guaranteed by the Parent	66,335	66,335
Term loan; interest at LIBOR plus 0.425% (7.04% and 6.60% at December 31, 2000 and 1999, respectively); interest payable semiannually and principal due 2004	13,846	18,461
Revolver; interest at LIBOR plus 0.5% (7.27% at December 31, 2000); interest payable monthly and principal due 2003	55,000	
Revolver; interest at LIBOR plus 0.25% (6.94% at December 31, 2000); interest payable monthly and principal due 2005; guaranteed by the Parent	<u>510,000</u>	
Total long-term debt	1,501,785	834,583
Less current portion of long-term debt	<u>41,419</u>	<u>36,787</u>
Total	<u>\$ 1,460,366</u>	<u>\$ 797,796</u>

During 1998, a subsidiary of the Company obtained financing for the Choctaw facility. Financing to date for the project consists of a facility loan, tax-exempt bonds, and taxable bonds. The facility loan is for \$470,000,000, of which \$363,696,000 had been drawn at December 31, 2000. Payments on the loan are to begin at the earlier of the conversion date or September 30, 2001, however the debt is expected to be refinanced. Under the existing agreement, the debt is due in total in 2003. Proceeds from tax-exempt bonds issued by the state of Mississippi were \$71,000,000. Proceeds from taxable bonds issued by the state of Mississippi were \$200,000. To protect the future refinancing of the facility loan from interest rate risk, the subsidiary has entered into interest rate hedging agreements totaling \$291,000,000 that lock in average long-term rates below 6.72%. If the plant does not begin operations by September 2001, the Company will be in default of the credit agreement along with liquidating damages.

Certain of the Company's credit agreements contain restrictive covenants and place restrictions on certain cash amounts used for making debt payments and maintenance and repair expenditures for plant facilities. Management believes the Company is in compliance with all such covenants.

The Company and certain subsidiaries have entered into interest rate swap agreements for notional principal amounts aggregating \$276,082,000 and \$201,974,000 at December 31, 2000 and 1999, respectively. All but one of the agreements effectively change the variable interest rate on the portion of the debt covered by the notional amounts to fixed rates ranging from 4.64% to 10.56% at December 31, 2000. The collar on the foreign bonds with a notional amount of \$66,335,000 swaps fixed interest rate for variable. The agreements expire at various dates from June 2005 to December 2010. The Company has entered into currency swap agreements related to the foreign bonds which fix the exchange rate through maturity for the principal and interest. These agreements expire in October 2005.

The Company has entered into forward starting swaps with notional principal amounts aggregating \$286,335,000 at December 31, 2000. All but one of the agreements effectively change the variable interest rate on the portion of the debt covered by the notional amounts to fixed rates ranging from 6.32% to 6.89% at December 31, 2000. The swaps related to Choctaw begin in May 2001 and expire in May 2011 and May 2021. The swap on the foreign bonds with a notional amount of \$66,335,000 swaps fixed interest rate for variable. The agreement begins after the expiration of the collar in October 2005 and expires in October 2010.

The Company was exposed to interest rate fluctuations on approximately \$619,000,000 and \$586,600,000 of variable rate debt at December 31, 2000 and 1999, respectively. In the event of default by the counterparties on the interest rate and currency swap agreements discussed above, the Company and/or its subsidiaries would be exposed to fluctuations in the interest rates and/or currencies. However, the Company does not anticipate nonperformance by the counterparties.

At December 31, 2000, the Company had available third-party lines of credit of up to \$1,345,000,000, bearing interest at variable rates, as defined, which mature in 2000. The Company had advances of \$875,000,000 outstanding related to these lines of credit, as well as \$71,565,000 in letters of credit, resulting in \$398,435,000 available as of December 31, 2000. Notes payable at December 31, 2000 include outstanding advances of \$30,000,000 due June 2001 and \$80,000,000 due December 2001. Additionally, the Company, through certain subsidiaries, had letters of credit totaling \$212,984,000. See Note 11 for discussion of related party notes payable.

Scheduled maturities of long-term debt at December 31, 2000 are as follows (in thousands):

2001	\$ 41,419
2002	80,514
2003	427,365
2004	50,184
2005	623,142
Thereafter	<u>279,161</u>
Total	<u>\$1,501,785</u>

**Fair Value** - The fair value of the Company's fixed-rate long-term debt is estimated based on the current rates offered to the Company for debt of the same remaining maturities and security structure. The fair value of foreign currency and interest rate swap agreements are estimated using available

market information and appropriate valuation methodologies as of December 31, 2000 and 1999. The fair value of the Company's floating-rate debt approximated its carrying value at December 31, 2000 and 1999. The Company does not estimate the fair value of receivables and payables with its Parent due to the related-party nature of the transactions.

The estimated fair values of fixed-rate debt and financial instruments (based upon amounts the Company would receive or (pay) upon termination for swaps) were as follows (in thousands):

	2000		1999	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term fixed-rate debt	\$ 110,138	\$ 109,197	\$ 112,344	\$ 109,556
Foreign currency swaps	-	(18,125)	-	(10,874)
Interest rate swaps and collars	-	(21,628)	-	(22,710)
Forward starting swaps	-	(12,941)	-	24,445

## 9. INCOME TAXES

The income tax provision consisted of the following:

	2000	1999
	(In Thousands)	
Current:		
Federal	\$ 520	\$ -
State and local	2,132	1,295
Foreign	479	286
Total current	3,131	1,581
Deferred:		
Federal	7,667	(4,025)
State and local	(854)	1,024
Foreign	(484)	1,174
Total deferred	6,329	(1,827)
Total provision for income tax	\$9,460	\$ (246)

Income tax expense differs from the amount computed by applying the statutory federal income tax rate to income before income taxes, as adjusted, because of the effect of a reversal of a valuation reserve related to net operating losses, goodwill amortization, state and local taxes (net of federal income tax benefit), and higher Canadian income tax rates.

Deferred income taxes, which arise because of differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases, were as follows:

	<u>December 31,</u>	
	<u>2000</u>	<u>1999</u>
	(In Thousands)	
Deferred tax assets:		
Federal net operating loss carryforward	\$ 17,557	\$ 23,841
Other loss carryforwards (primarily capital)	8,922	12,381
Accruals and allowances	12,046	9,357
Related-party interest	10,741	6,733
Alternative minimum tax credit carryforwards	<u>4,093</u>	<u>3,596</u>
Gross deferred tax assets	53,359	55,908
Deferred tax asset valuation allowance	<u>(8,922)</u>	<u>(14,700)</u>
Deferred tax assets, net of valuation allowance	<u>44,437</u>	<u>41,208</u>
Deferred tax liabilities:		
Depreciation	53,793	47,627
Investments in partnerships	40,888	25,493
State deferred tax liabilities	7,413	3,732
Foreign deferred tax liabilities	23,693	24,674
Other	<u>7,726</u>	<u>4,374</u>
Deferred tax liabilities	<u>133,513</u>	<u>105,900</u>
Net deferred tax liability	89,076	64,692
Current deferred income tax asset	<u>4,068</u>	<u>2,581</u>
Noncurrent deferred income tax liability	<u>\$ 93,144</u>	<u>\$ 67,273</u>

As of December 31, 2000, the Company has operating loss carryforwards of \$50,162,000, which are scheduled to expire from 2004 through 2019 and capital loss carryforwards of \$12,297,000, which are scheduled to expire from 2000 through 2003. Additionally, the Company has \$30,689,000 of disallowed related-party interest carryforwards related to earnings stripping, which can be carried forward indefinitely. The Company has established valuation allowances where it is more likely than not a deferred tax asset will not be realized in the future. The change in the valuation allowance during 2000 was the result of a reversal for capital losses that were used during the year.

The Company has not provided for U.S. federal income and foreign withholding taxes on approximately \$13,545,000 of a Canadian subsidiary's undistributed earnings as of December 31, 2000 because such earnings are intended to be reinvested indefinitely.

During 1999, there was a change in the Canadian tax law to decrease the statutory rate from 38% to 31%. The change is to be phased in as a 1% decrease in 1999 and a 2% decrease in 2000 through 2002. Deferred taxes were adjusted to reflect this change for 2000 and 2001, and the rate changes related to 2002 will be recognized next year.

## 10. COMMITMENTS AND CONTINGENCIES

**Lease Commitments** - Two of the Company's power-generating facilities operate under operating leases. Additionally, the Company leases its office facilities under an operating lease agreement. Certain of these leases contain renewal options and escalation clauses. Total lease expense for both 2000 and 1999 was approximately \$7,106,000.

The following is a schedule of future noncancelable minimum lease payments under leases with an initial or remaining term of more than one year (in thousands):

2001	\$ 7,176
2002	7,222
2003	6,580
2004	5,649
2005	3,131
Thereafter	<u>1,328</u>
Total	<u>\$31,086</u>

**Wood Fuel Supply Agreements** - Certain subsidiaries have entered into wood fuel supply agreements which provide for the purchase of substantially all wood fuel requirements of the respective plant facilities. The terms of the agreements vary in length and are for set prices that vary by contract. Each of these contracts allows the project to cancel these commitments in the event of default by the supplier or project equipment failure.

**Fuel Handling and Supply Agreements** - A subsidiary of the Company has two fuel handling agreements with third parties through June 30, 2002. Each of the agreements requires payment of minimum fees for the term of the agreement. The subsidiary also has two fuel supply agreements with third parties through July 31, 2002. These agreements each stipulate a minimum annual quantity of fuel to be taken by the subsidiary at fixed prices.

**Hopewell** - Hopewell Cogeneration Limited Partnership ("Hopewell") has a fuel management, purchase and sale agreement (the "Agreement") with a third party through June 30, 2005. The fuel management fee escalates from \$12,000 per month to \$18,000 per month during the term of the Agreement. The Agreement allows for monthly nominations of gas or fuel oil from zero to 80,000 Mmbtu per day and requires Hopewell to purchase the base quantity of gas required to provide steam to the steam host, and the dispatch quantity on any day on which the Facility is dispatched by Virginia Power. The prices paid for gas or fuel oil are based upon index prices plus a markup. Hopewell paid \$21,472,000 and \$13,025,000 for fuel purchases and \$144,000 for fuel management fees under the Agreement in 2000 and 1999, respectively. Early termination requires a payment of \$5,000 per month for the remaining months of the Agreement.

In January 1999, Hopewell entered into a fuel oil option agreement with a third party through August 31, 2005. The option premium payments escalate from \$105,000 per month to \$400,543 per month and are accounted for on a straight-line basis resulting in fuel oil option expense of \$2,609,000 in 1999. During 2000, the Company entered into a new fuel oil purchase agreement and determined they would not purchase fuel oil under the option 1999 agreement. As a result of the determination, the Company recognized the present value of the 1999 option commitment of \$10,201,000 as a liability during 2000.

In July 2000, Hopewell entered into a fuel oil option agreement with a third party through November 15, 2001. The option premium of \$543,900 was paid and capitalized at the beginning of the term. The premium is being amortized on a straight-line basis over the term resulting in fuel oil option expense of \$344,000 in 2000.

Hopewell was consolidated into the Company beginning October 29, 1999, thus a portion of these amounts are included in equity income in partnerships in 1999.

**Royalty Payments** - A subsidiary has a royalty agreement with a former owner of the Ryegate facility. The agreement requires payments to the former owner of an annual royalty equal to 2.5% of the gross revenues of the Ryegate project. Royalty expense for 2000 and 1999 was \$309,000 and \$302,000, respectively, net of minority interest.

**Guarantees** - The Company is obligated to compensate the Parent for guaranteeing certain obligations and unused lines of credit. Such guarantee fees are 0.4% - 0.5% of the respective obligations and unused lines of credit annually.

**Rate Negotiations with the Public Service Company of New Hampshire** - As a result of the bankruptcy filing by the Public Service Company of New Hampshire ("PSNH"), the only customer of two subsidiaries, Pinetree Power, Inc. and Pinetree Power - Tamworth, Inc. (the "Pinetree Companies"), on January 28, 1988 and subsequent rate plan agreements between PSNH's parent, Northeast Utilities ("NU"), and the State of New Hampshire, to resolve the Federal Bankruptcy Court reorganization of PSNH, NU has attempted to renegotiate the long-term rate orders with the Pinetree Companies. Currently, power is being sold to PSNH at rates established in the long-term rate orders.

The Pinetree Companies have participated in various negotiations and non-binding mediation since 1992. During 1995, documentation proposing changes to the rate orders was submitted to the PUC, which must approve any revised rate orders. On May 11, 1998, the PUC declined to approve the proposed rate order changes. In connection with the implementation of the restructuring legislation discussed in Note 1, numerous issues have been raised before the PUC regarding PSNH's recovery of the Pinetree Companies' rate orders as a stranded cost. The PUC's initial ruling regarding PSNH's restructuring and general stranded cost recovery was submitted by PSNH to the Federal District Court for review. On August 2, 1999, PSNH and the Governor's office entered into a comprehensive Settlement Agreement to resolve the Federal District Court lawsuit and restructuring and stranded cost issues. The Settlement Agreement purports to provide full recovery of the rate order costs to PSNH under certain assumptions. In April 2000 the PUC approved the Settlement Agreement and in June 2000 the Governor signed into law Senate Bill 472 approving the Settlement Agreement with modifications and authorizing the issuance of bonds the proceeds of which will be used to pay PSNH for certain ratepayer obligations and otherwise refinance PSNH. In September 2000 the PUC issued orders approving the Settlement Agreement as modified and the issuance of bonds by PSNH. The Settlement Agreement order was appealed to the New Hampshire State Supreme Court by certain parties and in January 2001 the court affirmed the PUC orders. The appellants have publicly stated their intention to seek discretionary review of the Court's ruling to the United States Supreme Court. At present, it is not possible to predict the ultimate outcome of any negotiations or Settlement Agreement review; however, any changes to the current rate order structure or any decision which would not allow PSNH to fully recover the cost of the rate orders in connection with restructuring legislation are expected to negatively impact future earnings and cash flows of the Pinetree Companies.

**Power Sales Agreements** - Ryegate Associates ("Ryegate") has granted a second mortgage which conveys all rights, title and interest in Ryegate's facility to its power purchaser under the terms of its power sales agreement. The second mortgage is to secure payment of the cumulative present value difference ("CPVD") and performance under the power sales agreement. The CPVD is the difference between the levelized rates used to calculate payments under the power sales agreement and non-levelized rates stated in the agreement. The CPVD balance at December 31, 2000 was approximately \$57 million. Since the nonlevelized rates used to calculate the CPVD increase substantially above the levelized rates during the last ten years of the agreement, management believes there will be no balance due to the power purchaser at the end of the contract term.

**Choctaw Generation LP** - Total construction costs of the Choctaw facility (see Note 3) are expected to be \$515,000,000 (see discussion of financing at Note 8). The Company has an equity commitment of \$70,000,000, plus an additional \$19,000,000 contingency for possible cost overruns occurring during construction. A subsidiary of the Company also will provide guarantees related to the operation of the facility. The Company has 30-year coal supply and power purchase agreements in place to begin upon commercial operations of the plant. If the plant does not begin operations by September 30, 2001, the Company may be required to pay liquidating damages. The Company expects to receive appropriate compensation from the construction company in return. Costs incurred and capitalized as of December 31, 2000 were \$404,088,000 (see Note 15).

**Ennis TPC, LLC** - During 1999, the Company entered a construction contract related to a facility to be constructed near Ennis, Texas (see Note 3). Total construction costs of the Ennis facility are expected to be \$196,000,000. Development and construction costs are currently being funded by corporate debt. Costs incurred and capitalized as of December 31, 2000 were \$137,190,000.

**Turbine Purchases** - The Company has entered into a cancelable contract to purchase two gas turbine generators for use in future projects for \$68.5 million, and began progress payments under this contract in 1999. Also during 1999, the Company negotiated a cancelable contract for the purchase of ten combined cycle thermal islands (ten gas turbines and five steam turbines) for a price of approximately \$800 million. A non-refundable down payment of \$20 million was made in 1999 related to this contract. Costs incurred and capitalized as of December 31, 2000 were \$68,894,000.

**LNG Commitments** - Cabot LNG has two purchase agreements for liquefied natural gas ("LNG") that contain firm take provisions. One agreement has a firm take of 83 million mmbtu's (30 LNG cargoes) per year at current prices and expires in 2019. The other agreement has a firm take of 51 million mmbtu's (18 LNG cargoes) per year at current prices for the winter season and negotiated prices the remainder of the year and expires in 2003. Both contracts require about half of the quantities to be purchased during the winter season.

**Power Purchase Agreement** - In November 2000, TEMI entered into a 20-year agreement to purchase substantially all the output from a 900 megawatt power plant to be completed in 2003. The plant will be built and operated by a third party and TEMI will have dispatch rights for the plant. TEMI's total commitment under this contract, which is expected to begin in 2003, is approximately \$53.5 million annually for capacity plus a floating price related to the price of natural gas for the power produced subject to an annual minimum take of 13.5 million megawatt hours. The agreement contains certain cancellation rights with penalties payable to TEMI of up to \$17.5 million.

## 11. RELATED-PARTY TRANSACTIONS

The Company and certain of its subsidiaries provide management, administrative, and development services for certain of the partnerships in which it has a significant ownership interest. Revenues earned by the Company related to these services were \$309,000 and \$779,000 during 2000 and 1999, respectively. Accounts receivable due the Company from these partnerships were \$24,000 and \$154,000 at December 31, 2000 and 1999, respectively.

The Company pays certain expenses on behalf of the Parent. At December 31, 2000 and 1999, the Company had outstanding balances of \$1,576,000 and \$1,807,000, respectively, due from the Parent included in accounts receivable.

The Company receives certain services from the Parent as well as certain financial guarantees. Expenses incurred during 2000 and 1999 related to these services and guarantees were \$2,097,000 and \$638,000, respectively.

The Company had \$92,000,000 outstanding as of December 31, 1999, under a \$100,000,000 subordinated revolving credit facility with the Parent. The note was paid in full in September 2000. Interest expense related to this note and other loans from the Parent that were received and paid during 2000 and 1999 totaled \$3,591,000 and \$3,275,000 during 2000 and 1999, respectively.

In 1999, the Company, on behalf of TEMI, temporarily increased the revolving credit facility with the Parent by \$10 million until March 31, 2000. At December 31, 1999, accrued interest and principal outstanding under this portion of the credit facility was \$4,033,000. TEMI also entered into a \$11,259,000 note payable with the parent in November 1999 which is due in monthly installments through April 2000 and bears interest at 6.5%. The principal and accrued interest outstanding under this note was \$8,979,000 at December 31, 1999. The note was repaid in 2000.

Tractebel Canada, Inc. had a subordinated loan agreement with the Parent which had a balance of \$34,259,000 and \$39,731,000 at December 31, 2000 and 1999, respectively and is due November 1, 2006. The loan is being prepaid as allowed by the agreement. The loan bears interest at Canadian LIBOR plus 1.20%.

Cabot entered into a \$200,000,000 note payable agreement with Suez Finance Company ("Suez"), an affiliate of Tractebel S.A.'s parent, in December 2000 which is included in notes payable. The note bears interest at LIBOR plus .45% (7.01% at December 31, 2000) and was originally due and payable on January 19, 2001. Suez has extended this note on a monthly basis.

In December 1999, the Company received an equity contribution of \$68 million from the Parent, which has been reflected as additional paid-in capital. In December 2000, the Company received an equity contribution of \$145 million from the Parent, which has been reflected as additional paid-in capital.

## 12. FOREIGN OPERATIONS

The Company has operations in Canada. Net income (loss) related to Canadian operations totaled \$2,882,000 and \$3,179,000 during 2000 and 1999, respectively. Net assets related to Canadian operations totaled \$171,354,000 and \$183,995,000 as of December 31, 2000 and 1999, respectively.

A subsidiary of the Company has pledged its partnership equity in the WWP as collateral for certain of WWP's loans to banks.



### 13. LEGAL PROCEEDINGS

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

### 14. 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. A participating employee may also elect to make after-tax contributions to the 401(k) Plan. 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 \$160,000. The employees vest immediately in the Company's contributions. For the years ended December 31, 2000 and 1999, the Company's contribution expense was \$1,235,000 and \$941,000, respectively.

**Deferred Compensation and Supplemental Retirement 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, 2000 and 1999 was \$6,446,000 and \$7,519,000, respectively, and is included in other long-term obligations. Such amounts are invested in securities through a trust and are included in other 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.

**Long-Term Incentive Compensation Program** - The Company initiated the CRSS 1997 Long-Term Incentive Compensation Program (the "Program") as of March 1, 1997. The Program has a ten-year overall life and a five-year duration for the vesting and valuation of phantom stock awards and phantom stock options. Valuation is based upon the increase in the market value from the date of grant through the five-year vesting period. A total of 20,000,000 shares, 5% as phantom stock and 95% as phantom options, have been established for the Program. The Program was terminated in 2000 and replaced with the Performance Unit Plan. At December 31, 2000 and 1999, respectively, 758,548 and 668,910 shares and options were outstanding. The Company recognized \$1,606,000 for amounts vested under the Program during 2000 and \$2,569,000 for amounts vested in 1999.

**Performance Unit Plan** - The Company initiated the Performance Unit Plan (the "Plan") as of January 1, 2000. The Plan 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 \$1,163,000 for amounts awarded under the Program during 2000.

## 15. SUBSEQUENT EVENTS

*Preferred Stock Program* - In January 2001, TPI issued preferred stock through an Auction Market Preferred Stock Subscription Agreement with BNP Paribus. TPI received \$50 million for the stock which is subject to an action procedure every five years where the dividend rate is reset. Dividends are dependent upon earnings and are not cumulative. The Company will reflect this preferred stock of a subsidiary as long-term debt and any dividends will be treated as interest.

*Choctaw Generation LP* - The expected commercial operations date of the Choctaw facility has been delayed to May 15, 2001. As a result of this delay, Choctaw began drawing upon a letter of credit provided by the construction contractor for delay-liquidating damages on December 27, 2000 and has requested subsequent draws weekly for \$1,375,500 each week. Amounts drawn to date are \$17,128,000. Choctaw also paid \$3,315,800 in liquidating damages to their fuel supplier in March 2001, and will continue to incur liquidating damages at a rate of \$56,200 per day until lignite can be delivered. The construction contractor filed a force majeure claim for labor shortage in February 2001, which is being reviewed by Choctaw. If the force majeure claim is upheld, Choctaw will be required to repay the letter of credit draws plus interest, however; Choctaw believes that the force majeure claim does not have merit.

Choctaw estimates that commercial operation will be achieved by May 15, 2001, however; if commercial operation is delayed beyond June 1, 2001, Choctaw may be required to purchase replacement power for peak hours for TVA. Based on June forward rates, Choctaw estimates that the cost to provide replacement peak power for June 2001 is approximately \$290,000 per day. This will be offset by an increase in the delay-liquidated damage rate to be paid by the construction contractor to approximately \$531,000 per day. Choctaw is evaluating entering into options to purchase this replacement power.

\* \* \* \* \*

**TRACTEBEL ENERGY SERVICES, Inc.**  
**BALANCE SHEET**  
**As of December 31, 2001**  
**(In Dollars)**

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December 31, 2001

	ACTUAL	BUDGET	VARIANCE	% VAR
<b>ASSETS</b>				
Cash	0	0	0	0%
Marketable Securities	0	0	0	0%
Accounts Receivable	0	0	0	0%
Fixed Assets	0	0	0	0%
Intangible Assets	0	0	0	0%
<b>TOTAL ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>LIABILITIES</b>				
Accounts Payable	0	0	0	0%
Accrued Expenses - Income Taxes	(833,111)	(1,200,000)	(366,889)	31%
Short-term Debt - Due to Trigen	2,072,414	3,215,000	1,142,586	36%
Long-term Debt	0	0	0	0%
Intercompany Payables	0	0	0	0%
<b>TOTAL LIABILITIES</b>	<b>1,239,304</b>	<b>2,015,000</b>	<b>775,696</b>	<b>38%</b>
<b>SHAREHOLDERS' EQUITY</b>				
Beginning of Year Balance	0	0	0	0%
Current Year Profit / (Loss)	(1,239,304)	(2,015,000)	775,696	38%
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>(1,239,304)</b>	<b>(2,015,000)</b>	<b>775,696</b>	<b>38%</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

**TRACTEBEL ENERGY SERVICES, Inc.**  
**INCOME STATEMENT DETAIL COMPARISON**  
**Period Ending: December 31, 2001**  
**(In Dollars)**

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DESCRIPTION	December				YEAR - TO - DATE ACTIVITY			
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR
<b>REVENUES:</b>								
Fees Earned and Other Revenues	0	0	0	0%	0	0	0	0%
<b>TOTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>OPERATING EXPENSES:</b>								
Production & Operating Expense	0	0	0	0%	0	0	0	0%
Operating Labor Expense	0	0	0	0%	0	0	0	0%
Depreciation Expense	0	0	0	0%	0	0	0	0%
<b>TOTAL COST OF SALES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>GENERAL &amp; ADMINISTRATIVE EXP:</b>								
Admin-S & W- Marketing	31,184	120,667	89,483	74%	106,414	426,001	319,587	75%
Admin-S & W- TESI Sales	58,058	129,333	71,275	55%	534,732	673,999	139,267	21%
Admin-S & W- Operations	2,396	86,667	84,271	97%	10,195	260,001	249,806	96%
Admin-S & W- Mid-Office	18,417	92,000	73,583	80%	221,003	509,000	287,997	57%
Admin-S & W- Management	35,417	35,333	(84)	0%	425,000	423,999	(1,001)	0%
Admin-Other Benefits-Marketing	845	0	(845)	100%	845	0	(845)	100%
Admin Salaries & Benefits Exp	146,316	464,000	317,684	68%	1,298,189	2,293,000	994,811	43%
Prof Fees-Consulting-Marketing	0	37,000	37,000	100%	297,963	400,000	102,037	26%
Prof Fees-Consulting-Operations	0	0	0	0%	0	0	0	0%
Professional Fees	0	37,000	37,000	100%	297,963	400,000	102,037	26%
Admin-Temp Living - Marketing	3,411	0	(3,411)	0%	8,034	0	(8,034)	-100%
Admin-Off & Rent.Equip- Sales	0	0	0	0%	558	0	(558)	-100%
Admin-Off & Rent.Equip-Mid-Off	0	0	0	0%	163	0	(163)	-100%
Admin-Dues & Subscrip.- Marketing	0	0	0	0%	500	0	(500)	-100%
Admin-Telephone- Marketing	42	0	(42)	-100%	117	0	(117)	-100%
Admin-Lic./Tax/Fees-Marketing	300	0	(300)	-100%	300	0	(300)	-100%
Admin-Recruiting- Marketing	5,555	45,667	40,112	88%	89,156	205,001	115,846	57%
Admin-Recruiting- Sales	97,161	56,333	(40,828)	-72%	191,807	168,999	(22,808)	-13%
Admin-Recruiting- Mid-Office	0	16,000	16,000	100%	2,195	48,000	45,805	95%
Admin-Recruiting- Management	655	0	(655)	-100%	655	0	(655)	-100%
Admin-Relocation-Sales	43,634	0	(43,634)	0%	70,375	0	(70,375)	-100%
Admin-Educ/Sem/Train-Sales	1,188	0	(1,188)	0%	1,188	0	(1,188)	-100%
Admin-Travel/Other-Marketing	786	0	(786)	0%	2,065	0	(2,065)	-100%
Admin-Travel/Other-Sales	2,214	0	(2,214)	-100%	19,379	0	(19,379)	-100%
Admin-Travel/Other-Operations	0	0	0	0%	4,611	0	(4,611)	-100%
Admin-Travel/Other-Mid-Office	1,644	0	(1,644)	0%	2,789	0	(2,789)	-100%
Admin-Travel/Other-Management	0	0	0	0%	32,586	0	(32,586)	-100%
Admin-Meals & Ent.-Marketing	101	0	(101)	0%	101	0	(101)	-100%
Admin-Meals & Ent.-Sales	103	0	(103)	-100%	103	0	(103)	-100%
Other Administrative Expense	156,793	118,000	(38,793)	-33%	426,679	422,000	(4,679)	-1%
<b>Total General &amp; Admin Expense</b>	<b>303,109</b>	<b>619,000</b>	<b>315,891</b>	<b>51%</b>	<b>2,022,831</b>	<b>3,115,000</b>	<b>1,092,169</b>	<b>35%</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(303,109)</b>	<b>(619,000)</b>	<b>315,891</b>	<b>51%</b>	<b>(2,022,831)</b>	<b>(3,115,000)</b>	<b>1,092,169</b>	<b>35%</b>
Other Income/(Expense)								
Interest due Trigen	(10,476)	(12,500)	(2,024)	16%	(49,583)	(100,000)	50,417	-50%
<b>PRE-TAX INCOME/(LOSS)</b>	<b>(313,585)</b>	<b>(631,500)</b>	<b>317,915</b>	<b>50%</b>	<b>(2,072,414)</b>	<b>(3,215,000)</b>	<b>1,142,586</b>	<b>36%</b>
Income Tax (Benefit) Tax Rate 40.2%	(126,061)	(150,000)	23,939	16%	(833,111)	(1,200,000)	366,889	31%
<b>NET INCOME/(LOSS)</b>	<b>(\$187,524)</b>	<b>(\$481,500)</b>	<b>\$293,976</b>	<b>61%</b>	<b>(\$1,239,304)</b>	<b>(\$2,015,000)</b>	<b>\$775,696</b>	<b>38%</b>

**TRACTEBEL ENERGY SERVICES Inc.**  
**INCOME STATEMENT DETAIL COMPARISON**  
 Management Dept. - 79  
 Period Ending: December 31, 2001  
 (In Dollars)

F:\Year\December 2001.xls\Management-79

DESCRIPTION	December				YEAR - TO - DATE ACTIVITY			
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR
<b>REVENUES:</b>								
Fees Earned and Other Revenues	0	0	0	0%	0	0	0	0%
<b>TOTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>OPERATING EXPENSES:</b>								
Production & Operating Expense	0	0	0	0%	0	0	0	0%
Operating Labor Expense	0	0	0	0%	0	0	0	0%
Depreciation Expense	0	0	0	0%	0	0	0	0%
<b>TOTAL COST OF SALES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>GENERAL &amp; ADMINISTRATIVE EXP:</b>								
Admin-S & W- Management	35,417	35,333	(84)	0%	425,000	423,999	(1,001)	0%
Admin-Other Benefits-Management	0	0	0	0%	0	0	0	0%
<b>Admin Salaries &amp; Benefits Exp</b>	<b>35,417</b>	<b>35,333</b>	<b>(84)</b>	<b>0%</b>	<b>425,000</b>	<b>423,999</b>	<b>(1,001)</b>	<b>0%</b>
Prof Fees-Consulting-Management	0	0	0	0%	0	0	0	0%
Professional Fees	0	0	0	0%	0	0	0	0%
Admin-Recruiting- Management	655	0	(655)	-100%	655	0	(655)	-100%
Admin-Travel/Other-Management	0	0	0	0%	32,586	0	(32,586)	-100%
Other Administrative Expense	655	0	(655)	0%	33,241	0	(33,241)	0%
<b>Total General &amp; Admin Expense</b>	<b>36,072</b>	<b>35,333</b>	<b>(739)</b>	<b>-2%</b>	<b>458,241</b>	<b>423,999</b>	<b>(34,242)</b>	<b>-8%</b>
<b>OPERATING INCOME(LOSS)</b>	<b>(36,072)</b>	<b>(35,333)</b>	<b>(739)</b>	<b>-2%</b>	<b>(458,241)</b>	<b>(423,999)</b>	<b>(34,242)</b>	<b>-8%</b>

TRACTEBEL ENERGY SERVICES Inc.  
 INCOME STATEMENT DETAIL COMPARISON  
 Marketing Dept. - 74  
 Period Ending: December 31, 2001  
 (In Dollars)

E:\res\december 2001.xls\Marketing-74

DESCRIPTION	December				YEAR - TO - DATE ACTIVITY			
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR
<b>REVENUES:</b>								
Fees Earned and Other Revenues	0	0	0	0%	0	0	0	0%
TOTAL REVENUE	0	0	0	0%	0	0	0	0%
<b>OPERATING EXPENSES:</b>								
Production & Operating Expense	0	0	0	0%	0	0	0	0%
Operating Labor Expense	0	0	0	0%	0	0	0	0%
Depreciation Expense	0	0	0	0%	0	0	0	0%
TOTAL COST OF SALES	0	0	0	0%	0	0	0	0%
<b>GENERAL &amp; ADMINISTRATIVE EXP:</b>								
Admin-S & W- Marketing	31,184	120,667	89,483	74%	106,414	426,001	319,587	75%
Admin-Other Benefits-Marketing	845	0	(845)	100%	845	0	(845)	100%
Admin Salaries & Benefits Exp	32,029	120,667	88,638	73%	107,259	426,001	318,742	75%
Prof Fees-Consulting-Marketing	0	37,000	37,000	100%	297,963	400,000	102,037	26%
Other Prof Fees	0	0	0	0%	0	0	0	0%
Professional Fees	0	37,000	37,000	100%	297,963	400,000	102,037	26%
Admin-Temp Living - Marketing	3,411	0	(3,411)	0%	8,034	0	(8,034)	-100%
Admin-Dues & Subscrip.- Marketing	0	0	0	0%	500	0	(500)	-100%
Admin-Telephone- Marketing	42	0	(42)	-100%	117	0	(117)	-100%
Admin-Lic./Tax/Fees-Marketing	300	0	(300)	-100%	300	0	(300)	-100%
Admin-Recruiting- Marketing	5,555	45,667	40,112	88%	89,156	205,001	115,846	57%
Admin-Travel/Other-Marketing	786	0	(786)	0%	2,065	0	(2,065)	-100%
Admin-Meals & Ent.-Marketing	101	0	(101)	0%	101	0	(101)	-100%
Other Administrative Expense	10,195	45,667	35,472	78%	100,272	205,001	104,729	51%
Total General & Admin Expense	42,224	203,334	161,110	79%	505,494	1,031,002	525,508	51%
OPERATING INCOME(LOSS)	(42,224)	(203,334)	161,110	79%	(505,494)	(1,031,002)	525,508	51%

TRACTEBEL ENERGY SERVICES Inc.  
 INCOME STATEMENT DETAIL COMPARISON  
 Sales Dept. - 76  
 Period Ending: December 31, 2001  
 (In Dollars)

E:\real\December 2001.xls\Sales-76

DESCRIPTION	December				YEAR - TO - DATE ACTIVITY			
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR
<b>REVENUES:</b>								
Fees Earned and Other Revenues	0	0	0	0%	0	0	0	0%
<b>TOTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>OPERATING EXPENSES:</b>								
Production & Operating Expense	0	0	0	0%	0	0	0	0%
Operating Labor Expense	0	0	0	0%	0	0	0	0%
Depreciation Expense	0	0	0	0%	0	0	0	0%
<b>TOTAL COST OF SALES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>GENERAL &amp; ADMINISTRATIVE EXP:</b>								
Admin-S & W- TESI Sales	58,058	129,333	71,275	55%	534,732	673,999	139,267	21%
Admin Salaries & Benefits Exp	58,058	129,333	71,275	55%	534,732	673,999	139,267	21%
Prof Fees-Consulting-Sales	0	0	0	0%	0	0	0	0%
Professional Fees	0	0	0	0%	0	0	0	0%
Admin-Off & Rent.Equip- Sales	0	0	0	0%	558	0	(558)	-100%
Admin-Recruiting- Sales	97,161	56,333	(40,828)	-72%	191,807	168,999	(22,808)	-13%
Admin-Relocation-Sales	43,634	0	(43,634)	0%	70,375	0	(70,375)	-100%
Admin-Educ/Sem/Train-Sales	1,188	0	(1,188)	0%	1,188	0	(1,188)	-100%
Admin-Travel/Other-Sales	2,214	0	(2,214)	-100%	19,379	0	(19,379)	-100%
Admin-Meals & Ent.-Sales	103	0	(103)	-100%	103	0	(103)	-100%
Other Administrative Expense	144,300	56,333	(87,967)	-156%	283,409	168,999	(114,410)	-68%
<b>Total General &amp; Admin Expense</b>	<b>202,358</b>	<b>185,666</b>	<b>(16,692)</b>	<b>-9%</b>	<b>818,141</b>	<b>842,998</b>	<b>24,857</b>	<b>3%</b>
<b>OPERATING INCOME(LOSS)</b>	<b>(202,358)</b>	<b>(185,666)</b>	<b>(16,692)</b>	<b>-9%</b>	<b>(818,141)</b>	<b>(842,998)</b>	<b>24,857</b>	<b>3%</b>

TRACTEBEL ENERGY SERVICES Inc.  
 INCOME STATEMENT DETAIL COMPARISON  
 Operations Dept. - 77  
 Period Ending: December 31, 2001  
 (In Dollars)

g:\esr\december 2001.xls\Operations-77

DESCRIPTION	December				YEAR - TO - DATE ACTIVITY			
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR
<b>REVENUES:</b>								
Fees Earned and Other Revenues	0	0	0	0%	0	0	0	0%
<b>TOTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>OPERATING EXPENSES:</b>								
Production & Operating Expense	0	0	0	0%	0	0	0	0%
Operating Labor Expense	0	0	0	0%	0	0	0	0%
Depreciation Expense	0	0	0	0%	0	0	0	0%
<b>TOTAL COST OF SALES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>GENERAL &amp; ADMINISTRATIVE EXP:</b>								
Admin-S & W- Operations	2,396	86,667	84,271	97%	10,195	260,001	249,806	96%
Admin-Other Benefits-Operations	0	0	0	0%	0	0	0	0%
Admin Salaries & Benefits Exp	2,396	86,667	84,271	97%	10,195	260,001	249,806	96%
Prof Fees-Consulting-Operations	0	0	0	0%	0	0	0	0%
Professional Fees	0	0	0	0%	0	0	0	0%
Admin-Travel/Other-Operations	0	0	0	0%	4,611	0	(4,611)	-100%
Admin-Meals & Ent.-Operations	0	0	0	0%	0	0	0	0%
Other Administrative Expense	0	0	0	0%	4,611	0	(4,611)	0%
<b>Total General &amp; Admin Expense</b>	<b>2,396</b>	<b>86,667</b>	<b>84,271</b>	<b>97%</b>	<b>14,806</b>	<b>260,001</b>	<b>245,195</b>	<b>94%</b>
<b>OPERATING INCOME(LOSS)</b>	<b>(2,396)</b>	<b>(86,667)</b>	<b>84,271</b>	<b>97%</b>	<b>(14,806)</b>	<b>(260,001)</b>	<b>245,195</b>	<b>94%</b>



TRACTEBEL ENERGY SERVICES Inc.  
 INCOME STATEMENT DETAIL COMPARISON  
 Mid-Office Dept. - 78  
 Period Ending: December 31, 2001  
 (In Dollars)

E:\esi\december 2001.xls\Mid-Office-78

DESCRIPTION	December				YEAR - TO - DATE ACTIVITY			
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR
<b>REVENUES:</b>								
Fees Earned and Other Revenues	0	0	0	0%	0	0	0	0%
<b>TOTAL REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>OPERATING EXPENSES:</b>								
Production & Operating Expense	0	0	0	0%	0	0	0	0%
Operating Labor Expense	0	0	0	0%	0	0	0	0%
Depreciation Expense	0	0	0	0%	0	0	0	0%
<b>TOTAL COST OF SALES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>GENERAL &amp; ADMINISTRATIVE EXP:</b>								
Admin-S & W- Mid-Office	18,417	92,000	73,583	80%	221,003	509,000	287,997	57%
Admin Salaries & Benefits Exp	18,417	92,000	73,583	80%	221,003	509,000	287,997	57%
Prof Fees-Consulting-Mid-Office	0	0	0	0%	0	0	0	0%
Professional Fees	0	0	0	0%	0	0	0	0%
Admin-Off & Rent.Equip-Mid-Off	0	0	0	0%	163	0	(163)	-100%
Admin-Recruiting- Mid-Office	0	16,000	16,000	100%	2,195	48,000	45,805	95%
Admin-Travel/Other-Mid-Office	1,644	0	(1,644)	0%	2,789	0	(2,789)	-100%
Other Administrative Expense	1,644	16,000	14,356	90%	5,147	48,000	42,853	89%
<b>Total General &amp; Admin Expense</b>	<b>20,060</b>	<b>108,000</b>	<b>87,940</b>	<b>81%</b>	<b>226,150</b>	<b>557,000</b>	<b>330,850</b>	<b>59%</b>
<b>OPERATING INCOME(LOSS)</b>	<b>(20,060)</b>	<b>(108,000)</b>	<b>87,940</b>	<b>81%</b>	<b>(226,150)</b>	<b>(557,000)</b>	<b>330,850</b>	<b>59%</b>

Attachment 19.B.

Biographies of Individuals involved in Retail Supply for Tractebel Energy Services:

**RICHARD E. KESSEL**  
**President and CEO**

Richard E. Kessel is Vice Chairman, President and CEO of Trigen Energy Corporation as well as President and CEO of Tractebel Energy Services, Inc. Mr. Kessel also serves as Chairman of Tractebel Power Inc. (TPI), Director of Tractebel Project Development Inc., Tractebel North America's project development company, Director of Tractebel North America and he is a Member of the Executive Committee of Elyo. In addition, Mr. Kessel also serves as the Non-Executive Chairman of TERIS, a joint venture of Sita and Rhodia, specializing in industrial hazardous waste in North America.

Mr. Kessel joined Trigen in 1993 as its Chief Operating Officer, upon Trigen's acquisition of United Thermal Corporation (UTC), a NASDAQ listed company, where he was the Managing Director and Chief Executive Officer. Prior to Trigen/UTC, he was Chief Operating Officer of Sithe Energies USA, Inc., an international independent power producer with a focus on cogeneration and hydro development. Earlier he held various positions at Ebasco Services Incorporated, an international engineering and construction company, the last being Vice President-Business/Project Development.

Mr. Kessel received a Bachelor in Electrical Engineering degree from Manhattan College, an MBA in Finance from New York University and an Advanced Management Degree from the Wharton School for Executive Management.

**STEVEN G. SMITH**  
**President, Operating Assets**

Steven G. Smith, President of Trigen Energy Operating Assets, has 35 years experience in the energy and utility industry. He joined Trigen in June 1988 and was made Vice President & General Manager of Trigen-Philadelphia in October, 1988 and in January, 1990 he was named President. In October 1997, Mr. Smith was named president of Trigen's Operating Assets Division with responsibility for Trigen operations in 36 locations in North America, which produce steam, electricity and chilled water. Prior to joining the Company, Mr. Smith was with the Dayton Power & Light Company for 22 years. During this period he held various positions including Manager -Electric Production; Chief Engineer; Vice President of Engineering and Project Control; and Vice President - Customer Service and Operations.

During his career, Mr. Smith has been directly involved in the development, engineering and operation of energy production facilities totaling over 4,000 megawatts.

Mr. Smith has a degree in Electrical Engineering from the University of Dayton and graduate work at the University of Michigan and Stanford University.

**WILFRID PETRIE**  
**President, Development Group**

Wilfrid Petrie is the Executive Vice President, and President, Development Group, of Trigen Energy Corporation. Mr. Petrie serves on the Executive Committee for Suez Industrial Systems (SIS) North America, in addition to serving on the Board of Directors for Tractemex (TMX).

Mr. Petrie joined Trigen Energy Corporation in April 2001 as the President, Development Group. He comes to Trigen from Elyo, where he was the Vice President of On-Site Energy and Utilities at Elyo's headquarters in Paris from 1999 - 2001. Prior to 1999, he held various positions at Air Liquide, the most recent positions including Director of European Merchant Sales, the General Manager of activities related to environmental markets, and Manager of the on-site oxygen business unit.

Mr. Petrie is a graduate from the Ecole Polytechnique in Paris.

**JAMES E. HALLORAN III**  
**Vice President, Sales and Marketing**

Mr. Halloran is the Vice President of Sales and Marketing and is a 21 year veteran energy professional with a wide array of marketing and sales accomplishments. At Tractebel Energy Services, Inc, he is driving the value added philosophies throughout the Suez chain of companies and associated product lines and directing these capabilities deep within the end use customer's business. He combines marketing management with financial analysis to guarantee customer driven results. Prior to Tractebel, Mr. Halloran was the VP of Commercial & Industrial sales for a National Energy Services company. Responsible for developing and implementing the national account strategy for energy consulting, project implementation and asset monetization. Duties include senior level sales and marketing to Fortune 1000 companies, preparation of comprehensive business development proposals and presentations with supporting documentation and effective follow-through. Complex contract negotiations with clients, while working closely with engineering & operations staff to ensure the delivery of cost-effective, customer-oriented services.

Education

BS Engineering 1977  
Massachusetts Maritime Academy, Massachusetts

Post Graduate Studies, (Energy Management, Utilities Management) 1990

Boston University

Post Graduate Studies, (Marketing Management, Financial Management)  
Harvard University

1993

**BENOIT ANSART**  
**Vice President Project Advisory**

Benoit Ansart is Vice President, Project Advisory at Trigen's corporate office in White Plains, NY. In his current functions in Trigen, Benoit oversees the activities for commodity risk management and project financial advisory services. Since working in Trigen in 1993, Benoit has started as Director of Engineering and became Vice President of Energy Marketing and Development. Prior to joining Trigen, Benoit was Director of International Development at Elyo, France, the parent company of Trigen. Prior to joining Elyo in 1990, Benoit has held various engineering positions in Serete, France an engineering company.

EDUCATION:

1984 MS Ecole Supérieure d'Electricité, France (electrical engineering)  
1981 BS Ecole préparatoire Stanislas, France (Math-Physics)

**LORI SMITH SCHELL, PHD**  
**Director, Risk Management**

Dr. Lori Schell provides corporate oversight of fuels procurement and risk management for all operating entities within Trigen and Tractebel Energy Services, Inc.. Responsible for development and implementation of Trigen's Corporate Risk Management Policy and Procedures, under which de-centralized operating unit hedging activities are centrally coordinated and orchestrated. Develop short- and long-term fuel price forecasts based on fundamental and technical market analyses. Assess integrated nature of fuels and emissions allowances markets to anticipate directional price changes in each market.

Work Experience

- *Air Products and Chemicals, Inc.*, Manager, Regulatory Affairs and Market Analysis (1995-1999)
- *Air Products and Chemicals, Inc.*, Senior Principal Energy Analyst (1993-94)
- *Benjamin Schlesinger and Associates, Inc.*, Project Manager (1990-93)
- *Benjamin Schlesinger and Associates, Inc.*, Senior Economist (1988-89)
- *U.S. Department of Energy*, Office of Policy, Planning, and Analysis, Division of Oil and Gas Analysis (1985-86)

- *Los Alamos National Laboratory*, Graduate Research Assistant (1984-85-  
summers)

Education and Degrees

- 1982-88      PENNSYLVANIA STATE UNIVERSITY, University Park, Pennsylvania  
Ph.D., Operations Research and Mineral Economics.
- Dissertation (GAMS-based non-linear programming model): "Profit-  
Maximizing Utilization of Transmission and Storage Capacity by a  
Regulated Natural Gas Pipeline Firm."
- 1976-79      UNIVERSITY OF WASHINGTON, Seattle, Washington  
B.A., Economics (Honors). Elected to Mortar Board and *Phi Beta Kappa*.

**BARBARA RODRIGUEZ**  
**Director, Energy Marketing**

Barbara Rodriguez is the Director of Energy Marketing at the corporate office in White Plains, NY, and is a 15-year veteran of the electric and natural gas industry. Responsible for all electric and gas supply aspects, wholesale to retail, for Tractebel Energy Services, Inc. working with customers to determine the best possible supply and risk strategy to meet all needs. Ms. Rodriguez is additionally responsible for nationwide support of all developers for potential and existing projects. She works with developers in determining fuel procurement strategies and electric arbitrage opportunities. Analyze the wholesale electric marketplace for past performance and future expectations, look for purchase and sale combinations to provide the most cost effective options for end-use customers. Ms. Rodriguez has managed gas transportation and interruptible accounts as well as capacity release. She has procured the natural gas supply for the Con Edison's generation for three years managing 50,000 to 200,000 dth/day, as well as managed large swings in usage due to weather, unit outage and provided maximum flexibility to the generators to respond to market price signals. Previous to Trigen, she was the Chief Energy Marketer for the \$300 M/year Megawatt Hour Store at Con Edison, developing plans with System Operations to minimize risk and maximize assets. She authored a cross-commodity business plan for PacifiCorp to extract value from the arbitrage between electricity and natural gas. Ms. Rodriguez was responsible for the management of the Northeast office for Tractebel, dedicated to the sales, marketing and management of electricity and natural gas products.

Education

- |      |                       |               |
|------|-----------------------|---------------|
| 1993 | St. John's University | MBA, Finance  |
| 1991 | Lehman College        | BA, Economics |

**BARRY TRAYERS**  
Manager, Commercial Desk

Barry Trayers, Manager of the Commercial Desk in Tractebel Energy Marketing, Inc. headquartered in Houston, Texas. Barry has been in the power business for over thirty years. Most of those were in the operations areas of Pennsylvania Power and Light Co. culminating in a 6 year stint as Manager of the Power Control Center. For the last 6 years Barry has worked as a power trader focusing on power and natural gas in the Northeast. Recently he has transferred to the newly formed position as the head of the structuring unit of Tractebel.

Education:

B.S. in Mechanical Engineering from Virginia Polytechnic Institute  
MBA from Lehigh University

**MARK LADROW**  
**Manager, Energy Marketing**

Tariff expert for electric and natural gas, responsible for nationwide support of all developers for potential and existing projects. Primary responsibility for analysis of electric and gas tariffs and evaluation of market conditions in support of cogeneration development projects and end use customers. Identify, evaluate, and provide a conduit for cross-corporation synergies between Tractebel Energy Marketing, Inc. and Trigen Energy Corporation. Previous to Trigen, Mark was responsible for implementing marketing strategy for top-twenty energy trading company working from Northeast location. Responsible for locating and evaluating high value swaps, exchanges, tolling arrangements in support of trading group's position. Actively managed day-to-day and short-term energy surplus and deficiencies for 1500MW utility. Evaluated and implemented resource-optimizing capacity exchanges. Responsible for negotiations for several large multi-year contracts. Implemented an experimental Real Time Pricing rate program. Developed and maintained computer dispatch simulation models. Provided written and oral testimony at public utility hearings. Responsibility for supervising plant maintenance at 635 MWe steam plant.

Education

ASME	Waterbury State Technical College
BSME	University of Bridgeport
MBA Program	Southern New Hampshire University

**CHULLEY BOGLE**  
**Commodity Structures Specialist**

Chulley is responsible for financial/pricing analysis and commodity structuring. Tasked with building the foundations of the pricing models for Tractebel Energy Services, Inc. He has extensive experience in the energy retailing industry having worked previously with Enron Energy Services in its formative stages. Chulley has a background in hydraulic engineering and project management.

## Education

BS in Engineering from the University Of The West Indies (Trinidad)  
MBA in Finance and Operations from Columbia University (NY).

### **JASON SWEENEY** **Manager, Real Time Trading**

Jason Sweeney is the Manager of Real Time Energy Trading at TEMI's Houston office, and is a 4-year veteran of the electric industry. Having served TEMI for almost two years, his group has two distinct focus areas, proprietary trading and operations. On the trading side, Real Time actively stands out from many of its peers, as it trades a wide range, from next-hour out to 2 weeks. The group's most actively traded markets are PJM, NYISO, and ISO-New England. Increasingly, with the approaching Commercial Operation Date (COD) of TPI's Ennis plant in 2002, the Real Time group will be spending significant time trading around that asset in ERCOT. On the operations side, the Real Time group executes a host of support roles, for TEMI's at-large trading desk. At any given time, the group may find itself executing forward gas trades on the weekends, monitoring pipeline volumes going to TPI's California plants, executing power schedules with Canadian trade partners, and serving as the prime communication conduit between Ennis and TEMI. Prior to arriving at Tractebel, Jason worked at Coral Energy, scheduling gas, trading both NYISO forwards and east-grid hourlies.

Jason graduated from Texas A&M University with a BA in Political Science.

20. **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. Examples of such information which may be submitted include the following:

- The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes.

See response to item 19.B. above.

- Proposed staffing and employee training commitments

At full complement TESI will directly employ 26 people and matrix hundreds of Tractebel North American employees spread throughout the United States. TESI is committed to top quality professionals who continuously grow and learn about the industry and its customers. TESI shall continue to offer sales, customer management, decision making, electricity and natural gas continuing education.

- Business plans

Tractebel Energy Services Inc. (TESI) is a newly created subsidiary of Tractebel North America dedicated to provide bundled energy and energy related services products to large end-user customers in North America. TESI will supply electricity and natural gas products to large (greater than 1 MW) customers in targeted geographic areas. TESI will provide risk management as well as Demand Side Management to industrial and commercial accounts throughout Pennsylvania.

- Documentation of membership in ECAR, MAAC or other regional reliability councils shall be submitted if applicable to the scope and nature of the applicant's proposed services.

Tractebel Energy Marketing, Inc., an affiliate of Applicant is a member of PJM, NEPOOL, ERCOT and the NY ISO. Applicant is in the process of applying for membership in ERCOT.

See attached re PJM.

- An 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.

21. **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.

22. **ASSESSMENT:** The Applicant acknowledges that Title 66, Chapter 5, Section 510 grants to the Commission the right to make assessments to recover regulatory expenses and that as a supplier of electricity or an electric generation supplier it will be assessed under that section of the Pennsylvania Code. The Applicant also acknowledges that the continuation of its license as a supplier of electricity or an electric generation supplier will be dependent upon the payment of all prior years assessments.

23. **UNIFORM 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.

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

- a. 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.



PJM Member Listing

- A AEN Energy, Inc
- AENPower, Inc
- Advanced Energy
- Advantage Energy, Inc
- ABS Enterprises, Inc
- ABS New Energy, Inc
- ABS Power Direct, LLC
- ABS Power, Inc
- Agway Energy Services - PA, Inc.
- Air Products & Chemicals, Inc
- Alabama Power Company
- Allgheny Electric Cooperative, Inc
- Allgheny Energy Service Corporation
- Allgheny Energy Supply Company, L.L.C.
- Amerarch Hess Corporation
- Amergen Energy Company, L.L.C.
- American Comparative Services
- American Electric Power Service Corporation
- American Energy Solutions, Inc
- American Ref - Fuel Company of Delaware Valley, L.P
- American Ref - Fuel Company of Essex County
- Amerco Energy Trading Corporation
- Apulia Energy Marketing Corporation
- ARC, LP
- B Baltimore Gas and Electric Company
- Bethlehem Steel Corporation
- Bid Home Products & Services, Inc.
- Boeing Company, Rotorscraft
- Borough of Elizabeth
- C Capline Energy Services, L.P.
- Carver Mills Nuclear Power Plant, Inc.
- Cambden Cogent, L.P.
- Carroll - Alliant, L.L.C.
- Carolina Power & Light Company
- Carpenter Technology Corporation
- Central Hudson Enterprises Corporation
- Central Hudson Gas & Electric Corporation
- Cincap VI, LLC
- Energy Capital & Trading, Inc
- Energy Services, Inc
- EMS Marketing, Services and Trading Company
- ENG Energy Services Corporation
- Columbia Electric
- Columbia Energy Power Marketing Corporation
- Commonwealth Gas and Electric, Inc.
- Commonwealth Chesapeake Company, L.L.C.
- Commonwealth Edison Company
- Commonwealth Energy Corporation of the electric AMERICA
- Congra Energy Services, Inc
- Connectiv
- Connectiv Energy Supply, Inc
- Con Edison Energy, Inc
- Consolidated Edison Company of New York, Inc
- Consolidated Edison Solutions, Inc
- Constellation Energy Source, Inc
- Constellation Power Source Generation, Inc
- Constellation Power Source, Inc
- Corel Power, L.L.C.
- D Dayton Power and Light Company
- D.C. Office of the People's Counsel
- Delaware Division of the Public Advocate
- Detroit Edison Company
- Dominion Energy Direct Sales, Inc
- Dominion Retail
- Dominion Virginia Power
- DTE Edison America, Inc
- DTE Energy Marketing, Inc
- DTE Energy Trading, Inc
- Duke Energy Trading and Marketing, L.L.C.
- Duke Power Company
- Duke Solutions, Inc
- Energy Power Marketing, Inc
- E EA Kentworth, Inc
- Eastern Utilities Commission
- Econ Energy Energy Company, Inc
- Econ Energy, PA, Inc
- Edison Mission Marketing and Trading, Inc
- E Paso Merchant Energy, L.P
- EME - Home City Generation & P
- Energy America, L.L.C.
- Energy East Solutions
- Enron Energy Services, Inc
- Enron Power Marketing, Inc
- Essential Gen, Inc
- Exelon Energy
- Exelon Generation Company, L.L.C.
- F First Energy Corporation
- First Energy Services Corporation
- First Energy Trading Services, Inc
- Florida Power & Light Company
- FPL Energy Power Marketing, Inc
- FPL Energy Services, Inc
- G Georgia Power Company
- GP, Advanced Resources, Inc
- GPU Energy
- Great Bay Power Corporation
- Green Mountain Energy Company
- Gulf Power Company
- H H.O. Energy Services (US), Inc
- Hess Energy, Inc
- HIS Power & Water, LLC
- I The Guarant & Gas, L.L.C.
- K Keyspan Energy Services, Inc
- Keyspan - Ravenswood, Inc
- L Lebanon Methane Recovery, Inc
- Legacy Energy Group, L.L.C.
- Lehigh Portland Cement Company
- LEGIS Power Marketing, Inc
- M Mack Services Group
- Maryland Office of People's Counsel
- Maryland Public Service Commission
- Merchant Energy Group Americas, Inc
- Merrill Lynch Capital Services, Inc
- Metromedia Energy, Inc
- MG Industries
- MIECO, Inc
- Mirant Americas Energy Marketing, LP
- Mississippi Power Company
- Morgan Stanley Capital Group, Inc
- N New Power Company
- New York State Electric & Gas Corporation
- New Energy East, L.L.C.
- Niagara Mohawk Energy Marketing, Inc
- Niagara Mohawk Power Corporation
- New Jersey Division of the Ratepayer Advocate
- NJR Natural Energy Company
- North American Energy Conservation, Inc
- Northeast Utilities Service Company
- NRE Power Marketing, Inc
- NVSEB Solutions, Inc
- O Ogden Energy Group, Inc
- Old Dominion Electric Cooperative
- Outback Power Marketing, Inc
- P Pennsylvania Office of Consumer Advocate
- Panda Power Corporation
- PECO Energy Company
- Pedricktown Cogeneration Limited Partnership
- PBI Power Corporation
- Penn Power Energy, Inc
- PEPCO Energy Services, Inc
- PG Energy Power Plus
- PG&E Energy Trading - Power, L.P
- Potomac Electric Power Company
- Potomac Power Resources, Inc
- Power Authority of the State of New York
- PPL Brunner Island, LLC
- PPL Electric Utilities Corporation, d/b/a PPL Utilities
- PPL Energy Plus, LLC
- PPL Hollywood, LLC
- PPL Martins Creek, LLC
- PPL Montour, LLC
- PPL Susquehanna, LLC
- Prexair, Inc
- PS&E Energy Resources & Trade, LLC
- PS&E Energy Technologies, Inc
- Public Service Company of Colorado
- Public Service Electric & Gas Company
- R Rainbow Energy Marketing Corporation
- Reliant Energy Retail, Inc
- Reliant Energy Services, Inc
- Rhoads Energy Corporation
- Rochester Gas and Electric Corporation
- Roswell Energy, Inc
- S Savannah Electric and Power Company
- Schuykill Energy Resources, Inc
- Satco Energy, Inc
- Sempra Energy Solutions
- Sempra Energy Trading Corporation
- Shell Energy Services Company, L.L.C.
- Silber Power Marketing, L.P
- Smart Energy, Inc
- South Jersey Energy Company
- South Jersey Energy Solutions, L.L.C.
- Southern Company Retail Energy Marketing, L.P
- Southern Energy/Potomac River, LLC
- Southern Maryland Electric Cooperative (SMECO)
- Statco Energy Trading, Inc
- Strategic Energy, L.L.C.
- Sunbury Generation, L.L.C.
- Sunoco Power Marketing, L.L.C.
- Sunoco, Inc (R&M)
- T Thomson Consumer Electronics
- Tosco Power, Inc
- Total Gas & Electric, Inc
- Tri-Gen & Electricity (PA), Inc
- Tricube Energy Marketing, Inc
- Transco Energy Marketing (USA), Inc
- TXU Energy Trading Company
- U UGI Energy Services, Inc
- UGI Development Company
- UGI Power Supply, Inc
- UGI Utilities, Inc
- Ultimax, Inc
- V Vermont Municipal Electric Utility
- Virginia State Corporation Commission
- Washington Gas Energy Services, Inc
- Williams Industries, Inc
- Williams Energy Marketing & Trading Services Company
- Woodruff Energy
- WPS Energy Services, Inc



955 Jefferson Avenue  
 Valley Forge Corporate Center  
 Norristown, PA 19403-2497  
 (610) 666-8800  
 www.pjm.com  
 Customer Service  
 (610) 666-8980

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

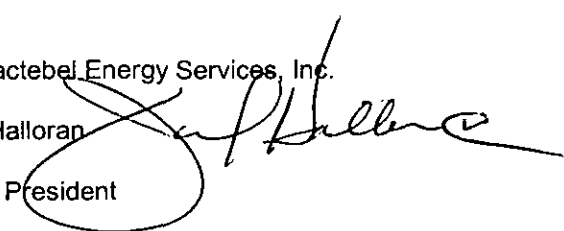
**Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.**

- 25. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing.
- 26. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for 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.
- 27. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

Applicant: Tractebel Energy Services, Inc.

By: Jay Halloran

Title: Vice President



# AFFIDAVIT

State of New York :

:

ss.

County of Westchester:

Jay Halloran, Affiant, being duly sworn according to law, deposes and says that:

He is Vice President of Tractebel Energy Services, Inc.;

That he is authorized to and does make this affidavit for said Applicant:

That Tractebel Energy Services, Inc., the Applicant herein, acknowledges that Tractebel Eergy Services, Inc. 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 Tractebel Energy Services, Inc., the Applicant herein, asserts that 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 Tractebel Energy Services, Inc., 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.

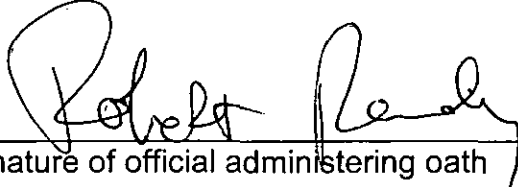
That Tractebel Energy Services, Inc., the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

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 17<sup>th</sup> day of February, 2002.

  
\_\_\_\_\_  
Signature of official administering oath

My commission expires March 13, 2003.

**ROBERT G REIDY**  
Notary Public State of New York  
No 02RE5040368  
Qualified in New York County  
Commission expires March 13, 1903

# AFFIDAVIT

State of New York :

ss.

County of Westchester:

Jay Halloran, Vice President of Tractebel Energy Services Inc., Affiant, being duly sworn according to law, deposes and that:

He is Vice President of Tractebel Energy Services Inc.

That he is authorized to and does make this affidavit for said Applicant;

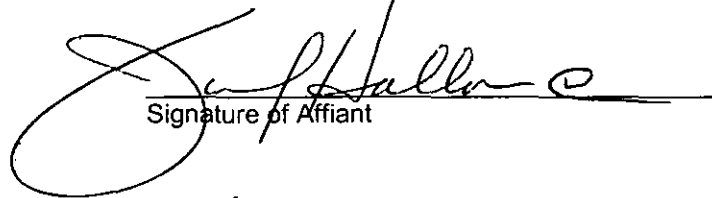
That the Applicant herein, Tractebel Energy Services Inc., has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein, Tractebel Energy Services Inc., has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein, Tractebel Energy Services Inc., 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, Tractebel Energy Services Inc., 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 19<sup>th</sup> day of February, 2003

  
Signature of official administering oath

My commission expires March 13, 2003.

ROBERT G REIDY  
Notary Public State of New York  
No. 02RE5040368  
Qualified in New York County 2003  
Commission Expires March 13, 2003

## APPENDIX B

**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 8 1/2" x 11" paper. Type or print all information requested.

1. Tractebel Energy Services Inc.	2. BUSINESS PHONE NO. (713-552-2405) Becky McKee -Contact person for Tax Accounts
-----------------------------------	--

3. TRADE/FICTITIOUS NAME (IF ANY)  
N/A

4. 3 Barker Street, White Plains, NY 10601

5. TYPE OF ENTITY       SOLE PROPRIETOR                       PARTNERSHIP                       CORPORATION

8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)

See Attached	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)  _ _  -  _ _  -  _ _ _ _ _

9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. **(ALL ITEMS: A, B, AND C MUST BE COMPLETED)**.

<b>A. SALES TAX LICENSE (8 DIGITS)</b> APPLICATION PENDING      N/A  _ _  -  _ _ _ _ _  -  _  <input checked="" type="checkbox"/> <input type="checkbox"/>	<b>C. CORPORATE BOX NUMBER (7 DIGITS)</b> APPLICATION PENDING      N/A  _ _ _ _ _ _  <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>B. EMPLOYER ID (EIN) (9 DIGITS):</b> APPLICATION PENDING      N/A  7 6  -  0 6 8 5 9 4 6  <input type="checkbox"/> <input type="checkbox"/>	

10. Do you have PA employes either resident or non-resident?       YES       NO

11. 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  
Becky McKee - 713-552-2405

PA SALES AND USE TAX Becky McKee - 713-552-2405	EMPLOYER TAXES Becky McKee - 713-552-2405	CORPORATE TAXES Becky McKee - 713-552-2405
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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)

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Item 5 Attachment

TRACTEBEL ENERGY SERVICES INC.

List of Officers

Richard E. Kessel  
President and CEO  
One Water Street  
White Plains, NY 10601  
914-286-6645  
914-948-9157 fax  
[rkessel@trigen.com](mailto:rkessel@trigen.com)

Wilfrid Petrie  
Vice President  
One Water Street  
White Plains, NY 10601  
914-286-6615  
914-948-9157 fax  
[wpetrie@trigen.com](mailto:wpetrie@trigen.com)

Jay Halloran  
Vice President  
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William P. Utt  
Vice President  
1171 West Loop South, Ste 800  
Houston, TX 77027  
713-552-2036  
713-548-5152 fax  
[wutt@tractebelusa.com](mailto:wutt@tractebelusa.com)

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Vice President  
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914-286-6688  
914-948-9157 fax  
[ssmith@trigen.com](mailto:ssmith@trigen.com)

Dennis Haines  
Secretary  
One Water Street  
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914-286-6688  
914-948-9157 fax  
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Stephen T. Ward  
Treasurer  
One Water Street  
White Plains, NY 10601  
914-286-6623  
914-948-9157 fax  
[sward@trigen.com](mailto:sward@trigen.com)

Timothy Dunne  
Assistant Secretary  
1177 West Loop South, Ste 800  
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713-599-2603  
713-552-2364 fax  
[tdunne@tractebellusa.com](mailto:tdunne@tractebellusa.com)

Rachel Kilpatrick

Assistant Treasurer  
1177 West Loop South, Ste 800  
Houston, TX 77027  
713-552-2134  
713-552-2345 fax  
[rkilpatrick@tractebelusa.com](mailto:rkilpatrick@tractebelusa.com)

Board of Directors

Richard E. Kessel  
President and CEO  
One Water Street  
White Plains, NY 10601  
914-286-6645  
914-948-9157 fax  
[rkessel@trigen.com](mailto:rkessel@trigen.com)

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Vice President  
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Houston, TX 77027  
713-552-3036  
713-548-5152 fax  
[wutt@tractebelusa.com](mailto:wutt@tractebelusa.com)

Michel Bleitrach  
Le Tivoli  
235, av. Georges Clemenceau  
92000 Nanterre, France  
011-33-1-41-20-1381  
011-33-1-41-20-1300 fax  
[michel.bleitrach@elyo.fr](mailto:michel.bleitrach@elyo.fr)

Zin Smati  
1171 West Loop South, Ste 800  
Houston, TX 77027  
713-350-1614  
[zsmati@tractebelusa.com](mailto:zsmati@tractebelusa.com)

Jacques Lubetzki  
Le Tivoli  
235, av. Georges Clemenceau  
92000 Nanterre, France  
011-33-1-41-20-1244  
011-33-1-41-20-1300 fax  
[jacques.lubetzki@elyo.fr](mailto:jacques.lubetzki@elyo.fr)

Marc Van Haver  
Place du Trone 1  
B1000 Brussels, Belgium  
011-32-2-510-7042  
011-32-2-510-7024 fax  
[marc.vanhaver@tractebel.be](mailto:marc.vanhaver@tractebel.be)

Christine Morin-Postel  
16, rue de la Ville l'Eveque  
75383 Paris, Cedex 08  
011-33-1-40-06-6739  
011-33-1-40-06-6770 fax  
[cmorinpostel@suez.fr](mailto:cmorinpostel@suez.fr)



DATE: March 4, 2002  
SUBJECT: A-110156  
TO: Bureau of Fixed Utility Services  
FROM: James J. McNulty, Secretary *ddt*

DOCUMENT  
FOLDER

Application of Tractebel Energy Services, Inc

Attached is a copy of the Application of Tractebel Energy Services, Inc., for approval to offer, render, furnish or supply electricity or electric generation services as a broker/marketer to the public in the Commonwealth of Pa.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: Law Bureau

ddt

DOCKETED

MAR 04 2002

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE  
Secretary  
717-787-8009  
A-110156

March 4, 2002

DENNIS HAINES ESQUIRE  
GENERAL COUNSEL  
TRACTEBEL ENERGY SERVICES INC  
C/O TRIGEN ENERGY CORPORATION  
3 BARKER AVENUE  
WHITE PLAINS NY 10601

DOCUMENT  
FOLDER

Dear Mr. Haines:

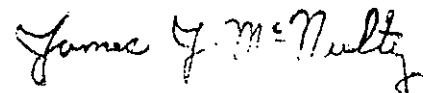
The Application and \$350.00 filing fee of Tractebel Energy Services, Inc., received in this Office on February 26, 2002, for approval to supply electric generation services as a broker/marketer, is hereby acknowledged.

Pursuant to the Commission's Final Order, entered February 13, 1997, at M-00960890F0004, Notice of filing of this Application must be published in newspapers of general circulation covering each county in which you intend to provide service.

You have requested to do business in all of Pennsylvania. Attached is a list of newspapers in which you need to publish in order to meet the publication requirements.

This Application will not be considered complete until a notarized Certification of Publication, along with a photostatic copy of the notice, is filed with this Office.

Sincerely,



James J. McNulty  
Secretary

JJM:ddt

cc: Barbara Rodriguez

DOCKETED

MAR 04 2002

**ELECTRIC GENERATION SUPPLIER APPLICATIONS  
LIST OF NEWSPAPERS FOR PUBLICATION**

Philadelphia Inquirer  
400 North Broad Street  
Philadelphia, PA 19130-4014  
Telephone (215) 854-2000  
Fax: (215) 854-5118  
Advertising Vice President: Todd Brownout (215) 854-5441

Pittsburgh Post-Gazette  
34 Boulevard of the Allies  
Pittsburgh, PA 15222-1204  
Telephone: (412) 263-1100  
Fax: (412) 391-8452  
Advertising Manager: Robert McCray - (412) 263-1252

The Patriot News  
812 Market Street  
Harrisburg, PA 17101-2808  
Telephone: (717) 255-8100  
Fax: (717) 255-8450  
Advertising Director: James J. Stephanak

Morning News  
205 West 12th  
Erie, PA 16534-0001  
Telephone: (814) 870-1600  
Fax: (814) 870-1808  
Advertising Manager: John Anderson

Scranton Times  
149 Penn Avenue  
Scranton, PA 18503-2022  
Telephone: (717) 348-9100  
Fax: (717) 348-9135  
Advertising Manager: Steve Sauder (717) 348-9150

Williamsport Sun Gazette  
252 West 4th Street  
Williamsport, PA 17701-6102  
Telephone: (717) 326-1551  
Fax: (717) 323-0948  
Advertising Manager: John Yahner