



ORIGINAL

DM 15-373

NHPUC 95EP'15 PM 4:26

New Hampshire Public Utilities Commission
Attn: Debra Howland, Executive Director
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

September 3, 2015

**RE: Direct Energy Business, LLC Competitive Electric Power Supplier Initial Registration
Pursuant to New Hampshire Chapter Puc 2000**

Dear Debra Howland:

Enclosed is the original initial competitive electric supplier license registration for Direct Energy Business, LLC. In addition, you will find the original Direct Energy Business, LLC bond certificate, 2014 Centrica plc financial statement and a check issued to the State of New Hampshire for the \$250 initial CEPS registration fee. Please note Direct Energy Business, LLC is a subsidiary of Direct Energy Services, LLC. Direct Energy Services, LLC is an indirect wholly owned subsidiary of Centrica plc (Centrica plc 2014 complete financial statements (https://www.centrica.com/sites/default/files/2014_ara.pdf)).

- NH Competitive Electric Power Supplier license fee in the amount of \$250.00 for Direct Energy Business, LLC. The check number is 7660001701.

If you have any questions or comments regarding the above, please feel free to contact me.

Regards,

Otibo Arthur
Compliance Operations
(713) 877-3534
Otibo.Arthur@directenergy.com

Enclosure



NHPUC SEP09'15 PM 4:24

New Hampshire Public Utilities Commission
Attn: Debra Howland, Executive Director
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

September 8, 2015

**RE: Direct Energy Business, LLC Competitive Electric Power Supplier Initial Registration
Pursuant to New Hampshire Chapter Puc 2000**

Dear Clare Howard-Pike:

Enclosed, please find a check for \$250 for the initial competitive electric supplier license registration fee for Direct Energy Business, LLC. Please add this to the \$250 sent on September 3, 2015 with the original initial competitive electric supplier license registration to bring the total registration fee payment to \$500.

- NH Competitive Electric Power Supplier license fee in the amount of \$250.00 for Direct Energy Business, LLC. The check number is 7660001867.

If you have any questions or comments regarding the above, please feel free to contact me.

Regards,

A handwritten signature in blue ink, appearing to read "Otibo Arthur", written over a horizontal line.

Otibo Arthur
Compliance Operations
(713) 877-3534
Otibo.Arthur@directenergy.com

Enclosure

PART Puc 2006 FORMS

Puc 2006.01 Form for Initial and Renewal Registration of Competitive Electric Power Suppliers.

(a) The registration application required by Puc 2003.01(a) and Puc 2003.02(b) shall include the following:

(1) The legal name of the applicant as well as any trade name(s) under which it intends to operate in this state, and, if available, its website address;

Direct Energy Business, LLC
www.business.directenergy.com

(2) The applicant's business address, telephone number, e-mail address, and website address, as applicable;

Direct Energy Business, LLC
1001 Liberty Avenue
Pittsburgh, PA 15222
(800) 437-7265
customerrelations@directenergy.com

(3) The applicant's place of incorporation, if anything other than an individual;

Direct Energy Business, LLC is a Limited Liability Company that is organized under the laws of Delaware as of 09/24/1998. Please see Exhibit 1.

(4) The name(s), title(s), business address(es), telephone number(s), and e-mail address(es) of the applicant if an individual, or of the applicant's principal(s) if the applicant is anything other than an individual;

Please see Exhibit 2 for Direct Energy Business, LLC's Directors and Officers.

(5) The following regarding any affiliate and/or subsidiary of the applicant that is conducting business in New Hampshire:

Currently, the only licensed power and natural gas affiliate of Direct Energy Business, LLC conducting business in the state of New Hampshire is Direct Energy Business Marketing, LLC.

(6) The telephone number of the applicant's customer service department or the name, title, telephone number and e-mail address of the customer service contact person of the applicant, including toll free telephone numbers if available;

<u>Name and Title:</u>	<u>customerrelations@directenergy.com</u>
<u>Address:</u>	<u>1001 Liberty Avenue, Pittsburgh, PA 15222</u>
<u>Telephone:</u>	<u>(800) 437-7265</u>
<u>Fax:</u>	

(7) The name, title, business address, telephone number, and e-mail address of the individual responsible for responding to commission inquiries;

Name and Title: Marc Hanks, Senior Manager Government & Regulatory Affairs
Address: 24 Gary Drive, Westfield, MA 01085
Telephone: (413) 642-3575
Email: marc.hanks@directenergy.com

(8) The name, title, business address, telephone number and e-mail address of the individual who is the applicant's registered agent in New Hampshire for service of process;

Corporate Creations Network Inc.
3 Executive Park Drive #201A
Bedford, NH 03110
Hillsborough County
Phone: 603-369-3031

(9) A copy of the applicant's authorization to do business in New Hampshire from the New Hampshire secretary of state, if anything other than an individual;

Please see Exhibit 1 for a copy of the Certificate of Good Standing.

(10) A listing of the utility franchise areas in which the applicant intends to operate. To the extent an applicant does not intend to provide service in the entire franchise area of a utility, this list shall delineate the cities and towns where the applicant intends to provide service;

Eversource
Liberty Utilities
UES - Unitil Energy Systems
NHEC - New Hampshire Electric Cooperative, Inc.

(11) A description of the types of customers the applicant intends to serve, and the customer classes as identified in the applicable utility's tariff within which those customers are served;

Direct Energy Business, LLC intends to offer power supply to Industrial and commercial customers in New Hampshire at fixed and/or variable rates in the franchise area of the utilities listed above.

(12) A listing of the states where the applicant currently conducts business relating to the sale of Electricity;

Please see Exhibit 3 Direct Energy license inventory.

(13) A listing disclosing the number and type of customer complaints concerning the applicant or its principals, if any, filed with a state licensing/registration agency, attorney general's office or other governmental consumer protection agency for the most recent calendar year in every state in which the applicant has conducted business relating to the sale of electricity;

Direct Energy Business, LLC had no formal complaints filed in 2014. Please see Exhibit 4 for a summary of all complaints filed with a state licensing/registration agency, attorney general's office or other governmental consumer protection agencies for the 2013 calendar year where Direct Energy conducted business related to the sale of electricity.

(14) A statement as to whether the applicant or any of the applicant's principals, as listed in a. through c. below, have ever been convicted of any felony that has not been annulled by a court:

c. For limited liability companies, any of the managers or members;

No director or officer of Direct Energy Business, LLC has been convicted of a felony, business fraud or any antitrust violation pursuant to the referenced laws or their equivalents in other jurisdictions. Additionally, Direct Energy Business, LLC has not been held liable for fraud or antitrust violation.

(15) A statement as to whether the applicant or any of the applicant's principals:

- a. Has, within the 10 years immediately prior to registration, had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation;
- b. Has, within the 10 years immediately prior to registration, settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or
- c. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;

Direct Energy Business, LLC in the past has been the subject of civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation.

(16) If an affirmative answer is given to any item in (14) or (15) above, an explanation of the event;

Please see attached Exhibit 5 for a summary of U.S. Regulatory Investigation or Complaints

(17) For those applicants intending to telemarket, a statement that the applicant shall:

- a. Maintain a list of consumers who request being placed on the applicant's do-not-call list for the purposes of telemarketing;
- b. Obtain monthly updated do-not-call lists from the National Do Not Call Registry; and
- c. Not initiate calls to New Hampshire customers who have either requested being placed on the applicant's do-not-call list(s) or customers who are listed on the National Do Not Call Registry;

Direct Energy Business, LLC is fully compliant with the above statements.

(18) For those applicants that intend not to telemarket, a statement to that effect;

Not Applicable. Please see question #17.

(19) A sample of the bill form(s) the applicant intends to use or a statement that the applicant intends to use the utility's billing service;

Direct Energy Business, LLC intends to use the utilities consolidated billing method.

(20) A copy of each contract to be used for residential and small commercial customers;

Not Applicable - Direct Energy Business, LLC will only serve industrial and commercial customers

(21) A statement certifying that the applicant has the authority to file the application on behalf of the CEPS and that its contents are truthful, accurate and complete; and

(22) The signature of the applicant or its representative.

AFFIDAVIT

STATE OF TEXAS :

:

COUNTY OF HARRIS :

I, Bray Dohrwardt, Secretary of the Applicant, Direct Energy Business, LLC, hereby affirm that the Applicant has the authority to file this application on behalf of Direct Energy Business, LLC.

I also affirm that I have reviewed the statements made in the above application and to the best of my knowledge, that they are true and correct and complete in all material respects.

I further affirm that I am authorized by the applicant to file this Competitive Electric Supplier Application on its behalf.

Dated this 31st day of August, 2015

Signature: _____

Title: Secretary – DEB, LLC

Notarized by: _____

Notarial Seal:



ORIGINAL

Exhibit 1

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Direct Energy Business, LLC, a(n) Delaware limited liability company registered to do business in New Hampshire on Augsut 31, 1999. I further certify that it is in good standing as far as this office is concerned, having filed the annual report(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 7th day of August, A.D. 2015

A handwritten signature in cursive script, reading "William M. Gardner", is written in dark ink.

William M. Gardner
Secretary of State

Exhibit 2

Direct Energy Business, LLC – Officers and Directors

Direct Energy Business, LLC

Current Appointments

Board Positions

Name	Position	Appointed	Appt. Grp.
Schultz, John	Director	08/14/2014	
User Group	Alternate To	Level	Notes
		1	

Officers

Name	Position	Appointed	Appt. Grp.
Schultz, John	President	08/14/2014	
User Group	Alternate To	Level	Notes
		1	
Galligan, Craig	Assistant Secretary	03/15/2013	
User Group	Alternate To	Level	Notes
		1	
Kruger, Randy	Treasurer	08/14/2014	
User Group	Alternate To	Level	Notes
		1	
Dohrwardt, Bray	Secretary	02/03/2012	
User Group	Alternate To	Level	Notes
		1	

Exhibit 3

ORIGINAL

Exhibit 3
Jurisdictions of Operation – Direct Energy Business, LLC

Name: Direct Energy Business, LLC
Business Address: 1001 Liberty Avenue, Pittsburgh, PA 15222

States where Direct Energy is licensed and now engaged in the retail sale of electricity or gas:

License #/State of Issuance: License # R1837770-1(Power)/Arizona; License # 1351(Power)/California; Docket # 00-05-14(Power)/Connecticut; Docket No. 99-400(Power)/Delaware; License # EA-04-4-4(Power)/D.C.; Docket No. 04-0811(Power)/Illinois; Docket No. 2011-201(Power)/Maine; License # IR-437(Power)/Maryland; License # CS-021(Power)/Massachusetts; License # GS-052(Gas)/Massachusetts; Docket # U-13609(Power)/Michigan; License # ESL-0027(Power)/New Jersey; License # GSL-0122(Gas)/New Jersey; Letter Order 2015 (Power & Gas)/New York; Certificate # 00-005(5)(Power)/Ohio; License # A-110025(Power)/Pennsylvania; Docket # D-96-6(Z)(Power)/Rhode Island; Certificate # 10011(Power)/Texas

State Not Currently Serving Customers
License # IR-2697(Gas)/Maryland

Affiliate(s) other than a regulated electricity of natural gas utility currently serving retail customers or engaged in the retail sale of electricity, or electricity supply services, or natural gas:

Name: Direct Energy, LP
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: Rep# 10040/Texas

Name: CPL Retail Energy, LP
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: Rep# 10023/Texas

Name: WTU Retail Energy, LP
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: Rep# 10022/Texas

Name: First Choice Power Special Purpose, LP
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: Rep# 10008/Texas

Name: Gateway Energy Services Corporation
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: License # A-2009-2137275(Electric)/Pennsylvania; License # IR-334 (Gas)/Maryland & License # IR-340 (Electric); License # GE11070457L (Gas)/New Jersey & License # EE11070456L(Electric);

Name: Bounce Energy, Inc.
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: License # 10162(Electric)/Texas

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Name: Bounce Energy PA, LLC
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: License # A-2011-2246617(Electric)/Pennsylvania

Name: Bounce Energy NY, LLC
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: New York

Name: NYSEG Solutions, LLC
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: New York

Name: Energetix DE, LLC
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: License # A-2009-2139967(Electric)/Pennsylvania; License # A-2009-2139809 (Gas)/Pennsylvania; New York

Name: Direct Energy Services, LLC
Business Address: 12 Greenway Plaza, Suite 250 Houston, TX 7704612
License #/State of Issuance: Docket # 06-06-06(Electric)/Connecticut; Registration # 01-04/Connecticut; Order No. 13816(Power)/D.C.; Certificate No. 6790(Electric)/Delaware; Docket # 05-0722(Power)/Illinois; Docket # 05-0086(Gas)/Illinois; License # CS-047(Power)/Massachusetts; License # GS-028(Gas)/Massachusetts; License # IR-719(Power)/Maryland; License # IR-791(Gas)/Maryland; Docket # 2005-479(Power)/Maine; Case No. U-14537(Gas)/Michigan; License # ESL-0078(Power)/New Jersey; License # GSL-0088(Gas)/New Jersey; Letter Order 2015 (Power & Gas)/New York; License # 02-024(3)(Gas)/Ohio; Docket # 00-019E(6)(Power)/Ohio; License # A-110164(Power)/Pennsylvania; License # A-125135(Gas)/Pennsylvania; Docket # D-96-6(U2)(Power)/Rhode Island; Docket # 2379(T1)(Gas)/Rhode Island;

States Not Currently Serving Customers

Case No. U-14724(Power)/Michigan; License # 1341(Power)/California

Name: Direct Energy Small Business, LLC
Business Address: 12 Greenway Plaza, Suite 600,, Houston, TX 77046
License #/State of Issuance: License # A-2012-2292611(Electric)/Pennsylvania; License # A-2012-2301127 (Gas)/Pennsylvania; Maryland & License # IR-2796 (Electric); License # ESL0116(Electric)/New Jersey; License # GSL0113(Gas)/New Jersey; New York

Name: Direct Energy Business Marketing, LLC
Business Address: Greenway Plaza, Suite 600, Houston, TX 77046

States where Direct Energy is licensed and now engaged in the retail sale of electricity or gas:

License #/State of Issuance: Docket # GA-2013-03-1/D.C.; Gas
 License #/State of Issuance: Docket # EA-2013-12/D.C.; Power
 License #/State of Issuance: Certificate No. 8425/Delaware; Power
 License #/State of Issuance: License # IR-3108/Maryland; Gas
 License #/State of Issuance: License # IR-3123/Maryland; Power

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License #/State of Issuance:
License #/State of Issuance:
License #/State of Issuance:
License #/State of Issuance:
License #/State of Issuance:
License #/State of Issuance:
License #/State of Issuance:
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License #/State of Issuance:
License #/State of Issuance:
License #/State of Issuance:
License #/State of Issuance:

License # CS-108/Massachusetts; Power
License # GS-051/Massachusetts; Gas
Docket 2013-00404/Maine; Power
DM 13-260/New Hampshire; Power
DM 13-121/New Hampshire; Gas
Docket # 2005-479/Maine; Power
License # ESL0142/New Jersey; Power
License # GSL0128/New Jersey; Gas
Docket # 13-1278-EL-CRS/Ohio; Power
Docket # 13-0835-GA-CRS/Ohio; Gas
Letter Order 2015/New York; Power & Gas
License G-7/Virginia; Gas
License A-2013-2368464/Pennsylvania; Power
License A-2013-2365792/Pennsylvania; Natural Gas
License A-2013-2364766/Pennsylvania; Power
Docket # D-96-6(J6)/Rhode Island; Power

Exhibit 4

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

- Direct Energy, LP has been the subject of regulatory and disciplinary proceedings in Texas.
- Direct Energy Services, LLC has been the subject of regulatory and disciplinary proceedings in Michigan.
- First Choice Power Special Purpose, LP has been the subject of regulatory and disciplinary proceedings in Texas.

Direct Energy, LP: Texas

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

Direct Energy Services, LLC: Michigan

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

First Choice Power Special Purpose, LP: Texas

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

addition, First Choice has initiated review processes of submitted enrollments to look for signs of agent fraud, and has acted to remove such agents, where appropriate

Exhibit 5

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

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

Energy America: Georgia

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

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

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

Summary of U.S. Regulatory Investigation or Complaints

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

Energy America: Michigan

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

Direct Energy, LP: Texas

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

Direct Energy, LP: Texas

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

The Stipulation and Settlement Agreement also addressed certain complaints that arose out of Republic Power's telemarketing efforts, as conducted by several third party telemarketing firms. It was learned that in violation of Republic Power's instructions, the telemarketing firms had switched certain customers without obtaining proper approval or without making certain required disclosures required by PUCT rules. Republic Power addressed this situation by suspending

telemarketing activities, terminating relationships with these vendors, and implementing a number of controls and compliance measures before resuming telemarketing activities. Pursuant to the Stipulation and Settlement Agreement, in consideration of an administrative penalty of \$750,000, all matters that were the subject of the NOV and customer switching related complaints the occurred on or before August 31, 2003 were deemed fully resolved. As part of the settlement, the PUCT staff and Republic Power acknowledged that customer confusion about the restructured retail electric market may have been a contributing factor to the lodging of some customer complaints. The parties pledged to work together cooperatively to identify and expeditiously resolve any further problems.

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

Direct Energy, LP: Texas

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

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

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

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

On December 14, 2007, the Commission issued a Final Order approving a revised Settlement Agreement between Commission Staff and Direct Energy, in which Direct Energy agreed to: 1) provide notice to all affected customers that they are no longer subject to a term commitment and may choose another service plan or provider without being charged a cancellation fee; 2) provide refunds of early cancellation penalties that may have been levied; and 3) expend \$695,000 to fund the development and presentation of an education program regarding the retail electric market in the Electric Reliability Council of Texas targeted to small commercial customers in lieu of paying an administrative penalty.

Direct Energy, LP: Texas

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

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

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

Direct Energy Business, LLC: California ISO

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

Direct Energy Services, LLC: FERC

On August 11, 2014, FERC issued an Order Approving Stipulation and Consent Agreement, resolving a nonpublic investigation conducted by FERC's Office of Enforcement stemming from a self-report by Direct Energy. The investigation examined whether Direct Energy violated the Commission's Anti-Market Manipulation Rule by manipulating natural gas prices during May 2012 in order to benefit its related financial positions. Direct Energy acted promptly when it became aware of the facts, and following an extensive self-report and cooperation during a subsequent

non-public investigation conducted by Enforcement, Direct Energy agreed to pay a civil penalty of \$20,000 to resolve any potential civil and administrative disputes arising from Enforcement's investigation.

CPL Retail Energy, LP: Texas

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

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

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

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

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

Gateway Energy Services Corp. d/b/a Gateway Power Services (Gateway) entered into a settlement agreement in 2011 with Staff of the Public Utility Commission of Texas (Commission). This agreement resolves and concludes an investigation of Gateway related to the Commission's substantive rules relating to consumer protection. The investigation was initiated as part of a compliance audit program applicable to all retail electric provides as instituted by the Commission. As part of the settlement, Gateway agreed to pay an administrative penalty of \$17,000 for alleged violations committed by the company.

First Choice Power Special Purpose, LP: Texas

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

BOND (License or Permit - Definite Term)Bond No. 8233-17-69

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, Direct Energy Business, LLC,
as Principal, and Federal Insurance Company, a corporation duly
incorporated under the laws of the IN and authorized to do
business in the state of NH , as Surety, are held and firmly bound
unto New Hampshire Public Utilities Commission, as Obligee, in the
penal sum of Three Hundred Fifty Thousand Dollars and 00/100 (\$350,000.00)
Dollars, for the payment of which we hereby bind ourselves, our heirs, executors and
administrators, jointly and severally, firmly by these presents.

WHEREAS, the Principal has obtained or is about to obtain a license or permit for
DEB, LLC Competitive Electric Power Supplier C&I License Expansion, New Hampshire.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, that if
the Principal shall faithfully comply with all applicable laws, statutes, ordinances, rules
or regulations, pertaining to the license or permit issued, then this obligation shall be
null and void; otherwise to remain in full force and effect.

This bond is for a definite term beginning August 31, 2015, and ending
August 31, 2020, and may be continued at the option of the Surety by Continuation
Certificate.

PROVIDED, that regardless of the number of years this bond is in force, the Surety
shall not be liable hereunder for a larger amount, in the aggregate, than the penal sum
listed above.

PROVIDED FURTHER, that the Surety may terminate its liability hereunder as to future
acts of the Principal at any time by giving thirty (30) days written notice of such
termination to the Obligee.

SIGNED, SEALED AND DATED this August 27, 2015.

Direct Energy Business, LLC

By: 

Principal

Federal Insurance Company



By: Laura E. Sudduth

Attorney-in-Fact





**Chubb
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint **David Alan Castillo, Judy M. Dold, Mary Ann Garcia, Mark H. Hilliard, Jo Ann Parker, Cynthia A. Peters, Larry H. Senkel and Laura E. Sudduth of Houston, Texas**

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this **10th** day of **February, 2015**.

Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

David B. Norris, Jr.

David B. Norris, Jr., Vice President



STATE OF NEW JERSEY

ss.

County of Somerset

On this **10th** day of **February, 2015** before me, a Notary Public of New Jersey, personally came Dawn M. Chloros, to me known to be Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY**, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros, being by me duly sworn, did depose and say that she is Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that she signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that she is acquainted with David B. Norris, Jr., and knows him to be Vice President of said Companies; and that the signature of David B. Norris, Jr., subscribed to said Power of Attorney is in the genuine handwriting of David B. Norris, Jr., and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 16, 2019

Katherine J. Adelaar

Notary Public

CERTIFICATION

Extract from the By-Laws of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY**:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Dawn M. Chloros, Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in the U.S. Virgin Islands, and Federal is licensed in Guam, Puerto Rico, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **8/27/2015**



Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903-3493 Fax (908) 903-3656 e-mail: surety@chubb.com

GROUP INCOME STATEMENT

Year ended 31 December	Notes	2014			2013		
		Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m	Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m
Group revenue	4(b)	29,408	–	29,408	26,571	–	26,571
Cost of sales before exceptional items and certain re-measurements	5	(25,043)	–	(25,043)	(21,464)	–	(21,464)
Exceptional items – onerous provision	7	–	–	–	–	(125)	(125)
Re-measurement of energy contracts	7	–	(1,134)	(1,134)	–	413	413
Cost of sales	5	(25,043)	(1,134)	(26,177)	(21,464)	288	(21,176)
Gross profit		4,365	(1,134)	3,231	5,107	288	5,395
Operating costs before exceptional items	5	(2,903)	–	(2,903)	(2,735)	–	(2,735)
Exceptional items – impairments	7	–	(1,938)	(1,938)	–	(939)	(939)
Exceptional items – gains on disposals	7	–	341	341	–	–	–
Operating costs	5	(2,903)	(1,597)	(4,500)	(2,735)	(939)	(3,674)
Share of profits of joint ventures and associates, net of interest and taxation	6, 7	106	26	132	146	25	171
Group operating (loss)/profit	4(c)	1,568	(2,705)	(1,137)	2,518	(626)	1,892
Financing costs	8	(318)	–	(318)	(297)	–	(297)
Investment income	8	52	–	52	54	–	54
Net finance cost		(266)	–	(266)	(243)	–	(243)
(Loss)/profit before taxation		1,302	(2,705)	(1,403)	2,275	(626)	1,649
Taxation on (loss)/profit	7, 9	(375)	773	398	(942)	243	(699)
(Loss)/profit for the year		927	(1,932)	(1,005)	1,333	(383)	950
Attributable to:							
Owners of the parent		903	(1,915)	(1,012)	1,333	(383)	950
Non-controlling interests		24	(17)	7	–	–	–
Earnings per ordinary share				Pence			Pence
Basic	10			(20.2)			18.4
Diluted	10			(20.2)			18.3
Interim dividend paid per ordinary share	11			5.10			4.92
Final dividend proposed per ordinary share	11			8.40			12.08

The notes on pages 96 to 165 form part of these Financial Statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December	Notes	2014 £m	2013 £m
(Loss)/profit for the year		(1,005)	950
Other comprehensive income/(loss):			
Items that will be or have been recycled to the Group Income Statement:			
Gains on revaluation of available-for-sale securities, net of taxation	S4	4	3
Net losses on cash flow hedges	S4	(44)	(25)
Transferred to income and expense on cash flow hedges	S4	46	34
Transferred to assets and liabilities on cash flow hedges	S4	6	–
Taxation on cash flow hedges	S4	(1)	(1)
		7	8
Exchange differences on translation of foreign operations		(165)	(217)
Share of other comprehensive (loss)/income of joint ventures and associates, net of taxation	S4	(15)	18
		(169)	(188)
Items that will not be recycled to the Group Income Statement:			
Net actuarial losses on defined benefit pension schemes	S4	(83)	(179)
Taxation on net actuarial losses on defined benefit pension schemes	S4	18	31
		(65)	(148)
Reversal of revaluation reserve, net of taxation and exchange differences	S4	(10)	(17)
Share of other comprehensive income/(loss) of joint ventures and associates, net of taxation	S4	21	(15)
Other comprehensive loss net of taxation		(223)	(368)
Total comprehensive (loss)/income for the year		(1,228)	582
Attributable to:			
Owners of the parent		(1,234)	590
Non-controlling interests		6	(8)

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital (note 25) £m	Share premium £m	Retained earnings £m	Other equity (note S4) £m	Total £m	Non-controlling interests (note S10) £m	Total equity £m
1 January 2013	321	929	4,186	491	5,927	–	5,927
Total comprehensive income/(loss)	–	–	950	(360)	590	(8)	582
Employee share schemes	–	2	(15)	70	57	–	57
Purchase of treasury shares	–	–	(2)	(500)	(502)	–	(502)
Amounts arising on acquisition	–	–	–	–	–	81	81
Distribution paid to non-controlling interests	–	–	–	–	–	(8)	(8)
Dividends paid to equity holders (note 11)	–	–	(864)	–	(864)	–	(864)
Taxation on share-based payments	–	–	–	(16)	(16)	–	(16)
31 December 2013	321	931	4,255	(315)	5,192	65	5,257
Total comprehensive (loss)/income	–	–	(1,012)	(222)	(1,234)	6	(1,228)
Employee share schemes	–	–	–	71	71	–	71
Purchase of treasury shares	–	–	(2)	(420)	(422)	–	(422)
Cancellations of shares held in treasury	(10)	–	(549)	559	–	–	–
Investment by non-controlling interests	–	–	–	–	–	283	283
Distribution paid to non-controlling interests	–	–	–	–	–	(18)	(18)
Dividends paid to equity holders (note 11)	–	–	(867)	–	(867)	–	(867)
Taxation on share-based payments	–	–	–	(5)	(5)	–	(5)
31 December 2014	311	931	1,825	(332)	2,735	336	3,071

The notes on pages 96 to 165 form part of these Financial Statements.

GROUP BALANCE SHEET

31 December	Notes	2014 £m	2013 £m
Non-current assets			
Property, plant and equipment	13	6,377	7,446
Interests in joint ventures and associates	14	2,395	2,658
Other intangible assets	15	1,991	1,905
Goodwill	15	2,609	2,819
Deferred tax assets	16	354	105
Trade and other receivables	17	87	150
Derivative financial instruments	19	313	227
Retirement benefit assets	22	185	205
Securities	24	263	202
		14,574	15,717
Current assets			
Trade and other receivables	17	6,226	5,446
Inventories	18	555	530
Derivative financial instruments	19	617	573
Current tax assets		88	151
Securities	24	11	9
Cash and cash equivalents	24	621	719
		8,118	7,428
Assets of disposal groups classified as held for sale		–	301
		8,118	7,729
Total assets		22,692	23,446
Current liabilities			
Derivative financial instruments	19	(1,565)	(506)
Trade and other payables	20	(5,667)	(5,630)
Current tax liabilities		(348)	(645)
Provisions for other liabilities and charges	21	(395)	(258)
Bank overdrafts, loans and other borrowings	24	(1,635)	(859)
		(9,610)	(7,898)
Liabilities of disposal groups classified as held for sale		–	(99)
		(9,610)	(7,997)
Non-current liabilities			
Deferred tax liabilities	16	(663)	(1,426)
Derivative financial instruments	19	(588)	(431)
Trade and other payables	20	(83)	(64)
Provisions for other liabilities and charges	21	(3,203)	(2,934)
Retirement benefit obligations	22	(123)	(165)
Bank overdrafts, loans and other borrowings	24	(5,351)	(5,172)
		(10,011)	(10,192)
Total liabilities		(19,621)	(18,189)
Net assets		3,071	5,257
Share capital	25	311	321
Share premium		931	931
Retained earnings		1,825	4,255
Other equity	S4	(332)	(315)
Total shareholders' equity		2,735	5,192
Non-controlling interests	S10	336	65
Total shareholders' equity and non-controlling interests		3,071	5,257

The Financial Statements on pages 92 to 165, of which the notes on pages 96 to 165 form part, were approved and authorised for issue by the Board of Directors on 19 February 2015 and were signed below on its behalf by:

Iain Conn
Chief Executive

GROUP CASH FLOW STATEMENT

Year ended 31 December	Notes	2014 £m	2013 £m
Group operating (loss)/profit including share of results of joint ventures and associates		(1,137)	1,892
Less share of profit of joint ventures and associates, net of interest and taxation	6	(132)	(171)
Group operating (loss)/profit before share of results of joint ventures and associates		(1,269)	1,721
Add back/(deduct):			
Depreciation, amortisation, write-downs and impairments		3,288	2,319
Profit on disposals		(372)	(21)
(Decrease)/increase in provisions		(37)	162
Defined benefit pension service cost and contributions		(83)	(87)
Employee share scheme costs		39	43
Unrealised losses/(gains) arising from re-measurement of energy contracts		1,160	(400)
Operating cash flows before movements in working capital		2,726	3,737
Decrease in inventories		4	78
Increase in trade and other receivables ⁽ⁱ⁾		(631)	(456)
(Decrease)/increase in trade and other payables ⁽ⁱ⁾		(50)	697
Operating cash flows before payments relating to taxes, interest and exceptional charges		2,049	4,056
Taxes paid	9(d)	(707)	(892)
Payments relating to exceptional charges		(125)	(224)
Net cash flow from operating activities		1,217	2,940
Purchase of businesses		(131)	(1,115)
Sale of businesses		658	140
Purchase of property, plant and equipment and intangible assets	4(f)	(1,456)	(1,615)
Sale of property, plant and equipment and intangible assets		17	17
Investments in joint ventures and associates		(26)	(51)
Dividends received from joint ventures and associates	14(a)	138	193
Repayments of loans to, and disposal of investments in, joint ventures and associates		109	59
Interest received		35	29
Sale/(purchase) of securities	24(c)	5	(8)
Net cash flow from investing activities		(651)	(2,351)
Issue and surrender of ordinary share capital for share awards, net of payments for own shares		25	20
Purchase of treasury shares under share repurchase programme		(422)	(502)
Investment by non-controlling interests	S10	119	–
Distribution to non-controlling interests	S10	(18)	(8)
Financing interest paid		(296)	(248)
Repayment of borrowings	24(c)	(518)	(400)
Cash received from borrowings, net of linked deposit	24(c)	1,311	1,209
Equity dividends paid		(864)	(862)
Net cash flow from financing activities		(663)	(791)
Net decrease in cash and cash equivalents		(97)	(202)
Cash and cash equivalents at 1 January		719	931
Effect of foreign exchange rate changes		(1)	(10)
Cash and cash equivalents at 31 December		621	719
Included in the following line of the Group Balance Sheet:			
Cash and cash equivalents	24(c)	621	719

(i) Includes net outflow of £640 million of cash collateral in 2014 (2013: £82 million inflow). See note 24(c).

The notes on pages 96 to 165 form part of these Financial Statements.