

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K/A

(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year ended December 31, 2015.

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition period from _____ to _____

Commission File Number: 001-36002

NRG Yield, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

46-1777204

(I.R.S. Employer Identification No.)

211 Carnegie Center, Princeton, New Jersey

(Address of principal executive offices)

08540

(Zip Code)

(609) 524-4500

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Exchange on Which Registered

Common Stock, Class A, par value \$0.01

New York Stock Exchange

Common Stock, Class C, par value \$0.01

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of the last business day of the most recently completed second fiscal quarter, the aggregate market value of the common stock of the registrant held by non-affiliates was approximately \$1,944,615,167 based on the closing sale prices of such shares as reported on the New York Stock Exchange.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at January 31, 2016
Common Stock, Class A, par value \$0.01 per share	34,586,250
Common Stock, Class B, par value \$0.01 per share	42,738,750
Common Stock, Class C, par value \$0.01 per share	62,784,250
Common Stock, Class D, par value \$0.01 per share	42,738,750

Documents Incorporated by Reference:

Portions of the Registrant's Definitive Proxy Statement relating to its 2016 Annual Meeting of Stockholders, filed on March 16, 2016, were incorporated by reference into Part III of the Registrant's Annual Report on Form 10-K, filed on February 29, 2016.

Explanatory Note

On February 29, 2016, NRG Yield, Inc. (the "Company") filed with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ended December 31, 2015.

This Amendment No. 1 to Form 10-K (this "Amendment") of the Company is being filed solely to amend Item 15 to include the consolidated financial statements of GCE Holding LLC ("GCE") as required under Rule 3-09 of Regulation S-X. The financial statements of GCE for its fiscal year ended December 31, 2015 were not available at the time the Company filed its Annual Report on Form 10-K. The required financial statements are now provided as Exhibit 99.1 and Exhibit 99.2 to this Amendment.

Item 15(c) is the only portion of the Company's Annual Report on Form 10-K being supplemented or amended by this Amendment. Except as set forth herein, this Amendment does not change or update any other information set forth in the original filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2015, and does not reflect events occurring after the original filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2015. This Amendment consists solely of the preceding cover page, this explanatory note, the information required by Item 15(c) of Form 10-K as provided in Exhibit 99.1 and Exhibit 99.2, an updated exhibit index, a signature page, the accountants' consent for GCE and the certifications required to be filed as exhibits hereto.

PART IV

Item 15 — Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

The following consolidated financial statements of NRG Yield, Inc. and related notes thereto, together with the reports thereon of KPMG LLP, were included in Item 15 of NRG Yield, Inc.'s Annual Report on Form 10-K filed on February 29, 2016:

Consolidated Statements of Income — Years ended December 31, 2015, 2014 and 2013

Consolidated Statements of Comprehensive Income — Years ended December 31, 2015, 2014 and 2013

Consolidated Balance Sheets — As of December 31, 2015 and 2014

Consolidated Statements of Cash Flows — Years ended December 31, 2015, 2014 and 2013

Consolidated Statements of Stockholders' Equity — Years ended December 31, 2015, 2014 and 2013

Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

The following schedules of NRG Yield, Inc. were filed as part of Item 15 of NRG Yield, Inc.'s Annual Report on Form 10-K filed on February 29, 2016 and should be read in conjunction with the Consolidated Financial Statements:

NRG Yield, Inc. Financial Statements for the years ended December 31, 2015, 2014 and 2013, are included in NRG Yield, Inc.'s Annual Report on Form 10-K pursuant to the requirements of Rule 5-04(c) of Regulation S-X

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted

(a)(3) Exhibits: See Exhibit Index submitted as a separate section of this report

(b) Exhibits

See Exhibit Index submitted as a separate section of this report

(c) Separate financial statements of subsidiaries not consolidated and fifty percent or less owned persons

The following financial statements of GCE Holding LLC are required under Rule 3-09 of Regulation S-X and are incorporated by reference to Item 15 of this report. They should be read in conjunction with the Consolidated Financial Statements:

GCE Holding LLC Consolidated Financial Statements for the years ended December 31, 2015 and 2014 are included as Exhibit 99.1 to Amendment No. 1 to NRG Yield, Inc.'s Annual Report on Form 10-K

GCE Holding LLC Consolidated Financial Statements for the year ended December 31, 2013 are included as Exhibit 99.2 to Amendment No. 1 to NRG Yield, Inc.'s Annual Report on Form 10-K

EXHIBIT INDEX

Number	Description	Method of Filing
2.1	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Gas Development Company, LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 9, 2014.
2.2	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Solar PV LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on May 9, 2014.
2.3	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Solar PV LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K filed on May 9, 2014.
2.4	Purchase and Sale Agreement, dated June 3, 2014, by and among NRG Yield, Inc., NRG Yield Operating LLC, Terra-Gen Finance Company, LLC, NTD AWAM Holdings, LLC, CHIPS Alta Wind X Holding Company, LLC and CHIPS Alta Wind XI Holding Company, LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 9, 2014.
2.5	Purchase and Sale Agreement, dated as of November 4, 2014, by and between NRG Wind LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on November 7, 2014.
2.6	Purchase and Sale Agreement, dated as of November 4, 2014, by and between NRG Arroyo Nogales LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on November 7, 2014.
2.7*^	Purchase and Sale Agreement, dated as of June 17, 2015, by and between EFS Desert Sun, LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
2.8	Purchase and Sale Agreement, dated as of September 17, 2015, by and between NRG Energy Gas & Wind Holdings, Inc. and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 21, 2015.
3.1	Second Amended and Restated Certificate of Incorporation of NRG Yield, Inc., dated as of May 14, 2015.	Incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 15, 2015.
3.2	Certificate of Correction to Second Amended and Restated Certificate of Incorporation of NRG Yield, Inc., dated as of June 9, 2015.	Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 9, 2015.
3.3	Certificate of Correction to Second Amended and Restated Certificate of Incorporation of NRG Yield, Inc., dated as of February 23, 2016.	Incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K filed on February 29, 2016.
3.4	Third Amended and Restated Bylaws of NRG Yield, Inc., dated as of February 23, 2016.	Incorporated by reference to Exhibit 3.4 to the Company's Annual Report on Form 10-K filed on February 29, 2016.
4.1	Third Amended and Restated Limited Liability Company Agreement of NRG Yield LLC, dated as of May 14, 2015.	Incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on May 15, 2015.
4.2	Indenture, dated February 11, 2014, among NRG Yield, Inc., NRG Yield Operating LLC and NRG Yield LLC, as Guarantors, and Wilmington Trust, National Association, as trustee, re: the Company's 3.50% Convertible Senior Notes due 2019.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 11, 2014.
4.3	Form of 3.50% Convertible Senior Note due 2019.	Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 11, 2014.
4.4	Indenture, dated August 5, 2014, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York, as trustee.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 5, 2014.
4.5	Form of 5.375% Senior Note due 2024.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 5, 2014.

4.6	Registration Rights Agreement, dated August 5, 2014, among NRG Yield Operating LLC, the guarantors named therein and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the initial purchasers.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on August 5, 2014.
4.7	Supplemental Indenture, dated as of November 7, 2014, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 13, 2014.
4.8	Supplemental Indenture, dated as of February 25, 2015, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 27, 2015.
4.9	Supplemental Indenture, dated as of April 10, 2015, among NRG Yield Operating LLC, NRG Yield LLC, the other guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 16, 2015.
4.10	Fourth Supplemental Indenture, dated as of May 8, 2015, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 8, 2015.
4.11	Indenture, dated June 29, 2015, among NRG Yield, Inc., NRG Yield Operating LLC and NRG Yield LLC, as Guarantors, and Wilmington Trust, National Association, as Trustee.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 29, 2015.
4.12	Form of 3.25% Convertible Senior Note due 2020.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 29, 2015.
4.13	Specimen Class A Common Stock Certificate.	Incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form 8-A/A filed on May 8, 2015.
4.14	Specimen Class C Common Stock Certificate.	Incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form 8-A/A filed on May 8, 2015.
10.1	Amended and Restated Registration Rights Agreement, dated as of May 14, 2015, by and between NRG Energy, Inc. and NRG Yield, Inc.	Incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 15, 2015.
10.2	Amended and Restated Exchange Agreement, dated as of May 14, 2015, by and among NRG Energy, Inc., NRG Yield, Inc. and NRG Yield LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 15, 2015.
10.3	Amended and Restated Right of First Offer Agreement, dated as of March 12, 2015, by and between NRG Energy, Inc. and NRG Yield, Inc.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 12, 2015.
10.4	Management Services Agreement, dated as of July 22, 2013, by and between NRG Energy, Inc., NRG Yield, Inc., NRG Yield LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 26, 2013.
10.5	Trademark License Agreement, dated as of July 22, 2013, by and between NRG Energy, Inc. and NRG Yield, Inc.	Incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on July 26, 2013.
10.6	Loan Guarantee Agreement, dated as of September 30, 2011, by and among High Plains Ranch II, LLC, as borrower, the U.S. Department of Energy, as guarantor, and the U.S. Department of Energy, as loan servicer.	Incorporated herein by reference to Exhibit 10.8 to the Company's Draft Registration Statement on Form S-1, filed on February 13, 2013.
10.7	Operation and Maintenance Agreement, dated as of January 31, 2011, by and among Avenal Solar Holdings LLC and NRG Energy Services LLC.	Incorporated herein by reference to Exhibit 10.11 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.8	Asset Management Agreement, dated as of August 30, 2012, by and among NRG Solar Avra Valley LLC and NRG Solar Asset Management LLC.	Incorporated herein by reference to Exhibit 10.12 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.9	Operation and Maintenance Agreement, dated as of August 1, 2012, by and among NRG Energy Services LLC and NRG Solar Borrego I LLC.	Incorporated herein by reference to Exhibit 10.13 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.10	Asset Management Agreement, dated as of March 15, 2012, by and among NRG Solar Alpine LLC and NRG Solar Asset Management LLC.	Incorporated herein by reference to Exhibit 10.14 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.11	Operation and Maintenance Agreement, dated as of September 30, 2011, by and among NRG Energy Services LLC and High Plains Ranch II, LLC.	Incorporated herein by reference to Exhibit 10.15 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.

10.12	Project Administration Agreement, dated as of August 16, 2010, by and among South Trent Wind LLC and NRG Texas Power LLC.	Incorporated herein by reference to Exhibit 10.16 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.13	Operation and Maintenance Agreement, dated as of April 24, 2009, by and among GenConn Devon LLC and Devon Power LLC.	Incorporated herein by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1 filed on June 7, 2013.
10.14	Operation and Maintenance Agreement, dated as of April 24, 2009, by and among GenConn Middletown LLC and Middletown Power LLC.	Incorporated herein by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 filed on June 7, 2013.
10.15	Administrative Services Agreement, dated as of April 2, 2009, by and among GenOn Energy Services, LLC (formerly Mirant Services, LLC) and NRG Marsh Landing, LLC (formerly Mirant Marsh Landing, LLC).	Incorporated herein by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 filed on June 7, 2013.
10.16†	NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan, dated as of May 14, 2015.	Incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on May 15, 2015.
10.17	Form of Indemnification Agreement.	Incorporated herein by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1/A filed on June 21, 2013.
10.18.1	Amended and Restated Credit Agreement, dated April 25, 2014, by and among NRG Yield Operating LLC, NRG Yield LLC, Royal Bank of Canada, as Administrative Agent, the lenders party thereto, Royal Bank of Canada, Goldman Sachs Bank USA and Bank of America, N.A., as L/C Issuers and RBC Capital Markets as Sole Left Lead Arranger and Sole Left Lead Book Runner.	Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 28, 2014.
10.18.2	First Amendment to Amended & Restated Credit Agreement, dated June 26, 2015, by and among NRG Yield Operating LLC, NRG Yield LLC, Royal Bank of Canada and the Lenders party thereto.	Incorporated herein by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.19.1	Credit Agreement, dated as of August 23, 2011, among NRG West Holdings LLC, ING Capital LLC, Union Bank, N.A., Mizuho Corporate Bank, Ltd., RBS Securities Inc., Credit Agricole Corporate and Investment Bank, and each of lenders and issuing banks thereto.*	Incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.19.2	Amendment No. 1 to the Credit Agreement, dated October 7, 2011, by and between NRG West Holdings LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.19.3	Amendment No. 2 to the Credit Agreement, dated February 29, 2012, by and between NRG West Holdings LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.19.4	Amendment No. 3 to the Credit Agreement, dated as of January 27, 2014, by and between NRG West Holdings LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.19.5	Amendment No. 4 to the Credit Agreement and Amendment No. 1 to the Collateral Agreement, dated as of May 16, 2014, by and between NRG West Holdings LLC, El Segundo Energy Center LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.19.6	Amendment No. 5 to the Credit Agreement, dated as of May 29, 2015, by and between NRG West Holdings LLC and ING Capital LLC.	Incorporated herein by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.20.1	Amended and Restated Credit Agreement, dated July 17, 2014, by and among NRG Marsh Landing LLC, The Royal Bank of Scotland Plc, Deutsche Bank Trust Company Americas and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.20.2	First Amendment to the Credit Agreement and Collateral Agency and Intercréditor Agreement, dated July 17, 2014, by and among NRG Marsh Landing LLC, The Royal Bank of Scotland Plc, Deutsche Bank Trust Company Americas and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.21^	Amended and Restated Limited Liability Company Agreement of NRG RPV Holdco 1 LLC, dated as of April 9, 2015.	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.22^	Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 1 LLC, dated as of May 8, 2015.	Incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.

21.1	Subsidiaries of NRG Yield, Inc.	Incorporated herein by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed on February 29, 2016.
23.1	Consent of KPMG LLP.	Incorporated herein by reference to Exhibit 23.1 to the Company's Annual Report on Form 10-K filed on February 29, 2016.
23.2	Consent of PricewaterhouseCoopers LLP.	Filed herewith.
31.1	Rule 13a-14(a)/15d-14(a) certification of Mauricio Gutierrez.	Filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) certification of Kirkland B. Andrews.	Filed herewith.
31.3	Rule 13a-14(a)/15d-14(a) certification of David Callen.	Filed herewith.
32	Section 1350 Certification.	Furnished herewith.
99.1	Financial Statements of GCE Holding LLC for the years ended December 31, 2015 and 2014.	Filed herewith.
99.2	Financial Statements of GCE Holding LLC for the year ended December 31, 2013.	Filed herewith.
101 INS	XBRL Instance Document.	Previously filed with the Company's Annual Report on Form 10-K filed on February 29, 2016.
101 SCH	XBRL Taxonomy Extension Schema.	Previously filed with the Company's Annual Report on Form 10-K filed on February 29, 2016.
101 CAL	XBRL Taxonomy Extension Calculation Linkbase.	Previously filed with the Company's Annual Report on Form 10-K filed on February 29, 2016.
101 DEF	XBRL Taxonomy Extension Definition Linkbase.	Previously filed with the Company's Annual Report on Form 10-K filed on February 29, 2016.
101 LAB	XBRL Taxonomy Extension Label Linkbase.	Previously filed with the Company's Annual Report on Form 10-K filed on February 29, 2016.
101 PRE	XBRL Taxonomy Extension Presentation Linkbase.	Previously filed with the Company's Annual Report on Form 10-K filed on February 29, 2016.

† Indicates exhibits that constitute compensatory plans or arrangements.

* This filing excludes schedules pursuant to Item 601(b)(2) of Regulation S-K, which the registrant agrees to furnish supplementary to the Securities and Exchange Commission upon request by the Commission.

^ Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NRG YIELD, INC.
(Registrant)

/s/ MAURICIO GUTIERREZ

Mauricio Gutierrez
Interim Chief Executive Officer
(Principal Executive Officer)

Date: March 29, 2016

CONSENT OF INDEPENDENT AUDITOR'S REPORT

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-8 (333-206061 and 333-190071) and S-3 (333-205140 and 333-204589) of NRG Yield, Inc. of our report dated March 29, 2016 relating to the consolidated financial statements of GCE Holding LLC, which is incorporated by reference in this Form 10-K/A of NRG Yield, Inc.

/s/ PricewaterhouseCoopers LLP
Boston, MA
March 29, 2016

CERTIFICATION

I, Mauricio Gutierrez, certify that:

1. I have reviewed this annual report on Form 10-K/A of NRG Yield, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MAURICIO GUTIERREZ

Mauricio Gutierrez
Interim Chief Executive Officer
(Principal Executive Officer)

Date: March 29, 2016

CERTIFICATION

I, Kirkland B. Andrews, certify that:

1. I have reviewed this annual report on Form 10-K/A of NRG Yield, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ KIRKLAND B. ANDREWS

Kirkland B. Andrews
Chief Financial Officer
(Principal Financial Officer)

Date: March 29, 2016

CERTIFICATION

I, David Callen, certify that:

1. I have reviewed this annual report on Form 10-K/A of NRG Yield, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DAVID CALLEN

David Callen
Chief Accounting Officer
(Principal Accounting Officer)

Date: March 29, 2016

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of NRG Yield, Inc. on Form 10-K/A for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K/A"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Form 10-K/A fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 10-K/A fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-K/A.

Date: March 29, 2016

/s/ MAURICIO GUTIERREZ

Mauricio Gutierrez

*Interim Chief Executive Officer
(Principal Executive Officer)*

/s/ KIRKLAND B. ANDREWS

Kirkland B. Andrews

*Chief Financial Officer
(Principal Financial Officer)*

/s/ DAVID CALLEN

David Callen

*Chief Accounting Officer
(Principal Accounting Officer)*

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Form 10-K/A or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to NRG Yield, Inc. and will be retained by NRG Yield, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Financial Statements
of
GCE Holding LLC**

December 31, 2015 and 2014

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Independent Auditor's Report

To the Management Committee of GCE Holding LLC:

We have audited the accompanying consolidated financial statements of GCE Holding LLC and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2015 and the related consolidated statement of operations, of changes in partnership equity, and of cash flows for the year ended December 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GCE Holding LLC and its subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for the year ended December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the "Related Party Transaction" note to the consolidated financial statements, GCE Holding LLC has entered into significant transactions with The United Illuminating Company and certain affiliates of NRG Energy, Inc., which are related parties. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP
Boston, MA
March 29, 2016

GCE Holding LLC
Consolidated Statements of Operations
For the Year Ended December 31, 2015 and 2014
(In thousands)

	<u>2015</u>	<u>2014 *</u>
Operating revenues	\$ 78,304	\$ 82,010
Operating expense	17,116	20,924
Depreciation and amortization expense	16,413	16,259
Taxes other than income	4,728	4,644
Income from operations	<u>40,047</u>	<u>40,183</u>
Other income and (deductions)	(51)	(53)
Interest expense	<u>11,721</u>	<u>12,259</u>
Income	<u>\$ 28,275</u>	<u>\$ 27,871</u>

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

** Not covered by report included herein.*

GCE Holding LLC

Consolidated Balance Sheets

As of December 31, 2015 and December 31, 2014

(in thousands)

	2015	2014 *
Assets		
Current assets:		
Cash	\$ 11,381	\$ 14,660
Restricted cash	6,245	660
Regulatory assets	354	519
Accounts receivable	9,140	6,989
Other current assets	984	883
Fuel oil inventory	4,785	6,966
Materials & supplies inventory	2,247	2,141
Unamortized debt expense	613	613
	<u>35,749</u>	<u>33,431</u>
Property, plant and equipment:		
In-service	481,637	477,816
Accumulated depreciation and amortization	(78,467)	(62,530)
Net property, plant & equipment	<u>403,170</u>	<u>415,286</u>
Long term assets:		
Unamortized debt expense	11,284	11,897
Regulatory assets	1,333	10,671
	<u>12,617</u>	<u>22,568</u>
Total assets	<u>451,536</u>	<u>\$ 471,285</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	209	2,702
Accrued liabilities	1,961	1,962
Regulatory liabilities	290	1,772
Other current liabilities	463	466
Current portion of long term debt	8,002	8,002
Interest payable on long term debt	4,809	4,984
	<u>15,734</u>	<u>19,888</u>
Long term liabilities:		
Long term debt	212,494	220,496
Regulatory liability	1,835	1,566
Asset retirement obligation	719	664
Other long-term liabilities	176	110
	<u>215,224</u>	<u>222,836</u>
Equity:		
Paid-in capital	220,578	228,561
Retained earnings	—	—
	<u>220,578</u>	<u>228,561</u>
Total liabilities and equity	<u>451,536</u>	<u>\$ 471,285</u>

*The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.
* Not covered by report included herein.*

GCE Holding LLC
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2015 and 2014
(in thousands)

	2015	2014 *
Net income	\$ 28,275	\$ 27,871
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,992	15,989
Amortization of Debt Issuance Costs	614	651
Amortization of regulatory assets	520	364
Changes in:		
Accounts receivable	(2,151)	2,076
Other current assets	(103)	(530)
Fuel oil inventory	2,181	(3,324)
Materials & supplies inventory	(106)	(65)
Interest payable on long term debt	(175)	1,752
Accounts payable	(2,495)	(405)
Accrued liabilities	65	(51)
Other current liabilities	(1)	(41)
Regulatory asset/liability	3,950	(1,463)
Total cash provided by (used in) operating activities	46,566	42,824
Plant expenditures including AFUDC debt	—	(4)
Changes in restricted cash	(5,585)	(660)
Total cash provided by investing activities	(5,585)	(664)
Repayments of long term debt	(8,002)	(8,002)
Distribution of capital, net	(36,258)	(35,865)
Total cash used in financing activities	(44,260)	(43,867)
Net change for the period	(3,279)	(1,707)
Balance at the beginning of the period	14,660	16,367
Balance at the end of the period	11,381	14,660
Cash paid during the period for:		
Interest	10,740	9,202

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

** Not covered by report included herein.*

GCE Holding LLC
Consolidated Statements of Changes in Partnership Equity
For the Years Ended December 31, 2015 and 2014
(in thousands)

Paid-in Capital	Consolidated
Balance as of December 31, 2013 *	\$ 236,555
Contribution of capital	\$ 2
Distribution of capital	(7,996)
Balance as of December 31, 2014 *	\$ 228,561
Contribution of capital	\$ 2
Distribution of capital	(7,985)
Balance as of December 31, 2015	\$ 220,578

Retained Earnings	Consolidated
Balance as of December 31, 2013 *	\$ —
Income for 2014	27,871
Distribution to Partners	(27,871)
Balance as of December 31, 2014 *	\$ —
Income for 2015	28,275
Distribution to partners	(28,275)
Balance as of December 31, 2015	\$ —

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

* Not covered by report included herein.

GCE Holding LLC
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014

(Amounts as of and for the period ended December 31, 2014 are not covered by the report included herein)

Organization

GenConn Energy LLC (GenConn) is a wholly-owned subsidiary of GCE Holding LLC (GCE), a 50-50 joint venture between The United Illuminating Company (UI) and certain affiliates of NRG Energy, Inc. (NRG). In February 2015, UI's parent, UIL Holdings Corporation, announced that it had entered into a definitive merger agreement with Iberdrola USA. The merger closed in December 2015 is not expected to have an impact on GenConn. GenConn consists of two peaking generation plants, GenConn Devon LLC (GenConn Devon) and GenConn Middletown LLC (GenConn Middletown), which were chosen by the Connecticut Public Utilities Regulatory Authority (PURA), to help address the state's growing need for more power generation during the heaviest load periods. The two peaking generation plants, each with a nominal capacity of 200 megawatts (MW), are located at NRG's existing Connecticut plant locations in Devon and Middletown. GenConn Devon became operational in June 2010 and GenConn Middletown became operational in June 2011.

Basis of Presentation

The accounting records of GenConn are maintained in conformity with accounting principles generally accepted in the United States of America (GAAP).

The accounting records for GenConn are also maintained in accordance with the uniform systems of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and PURA.

The preparation of financial statements in conformity with GAAP requires management to use estimates and assumptions that affect (1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and (2) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GCE Holding has evaluated subsequent events through the date its financial statements were available to be issued March 29, 2016.

New Accounting Standards

In August 2015, the authoritative guidance was updated regarding revenue from contracts with customers requiring entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. This update is effective for interim and annual reporting periods beginning after December 15, 2017 and is to be applied retrospectively. GCE Holding is currently evaluating the effect that adopting this new accounting guidance will have on its consolidated financial statements.

In August 2015, the authoritative guidance was updated regarding presentation of debt issuance costs which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. This update is effective for annual reporting periods beginning after December 15, 2015 and interim periods within fiscal years beginning after December 15, 2016 and is to be applied retrospectively. The effect that adopting this new accounting guidance will have on our consolidated financial statements will be reductions in both Long-term Assets and Long-term Liabilities on the consolidating balance sheet. This effect is not expected to be material to GCE Holding's consolidated financial statements.

In July 2015, the authoritative guidance was updated regarding the measurement of inventory which requires inventory that is measured using first-in, first-out or average cost methods to be measured using the lower of cost and net realizable value. This update is effective for interim annual reporting periods beginning after December 15, 2016 and is to be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. This is not expected to be material to GCE Holding's consolidated financial statements.

Consolidation

The consolidated financial statements of GenConn include the results of operations and financial position of its wholly-owned subsidiaries GenConn Devon and GenConn Middletown. Intercompany accounts and transactions have been eliminated in consolidation.

Regulatory Accounting

GenConn has Locational Forward Reserve Market (LFRM) obligations through May 31, 2016 as a result of its seasonal bids (twice yearly) into the ISO-New England, Inc. (ISO-NE) markets. GenConn also has Forward Capacity Market (FCM) obligations as a result of its annual bids into ISO-NE markets. FCM auctions are conducted annually, awarded and represent obligations three-years into the future. GenConn's current FCM obligation is through May 31, 2020. All bids into the LFRM and FCM markets are based on directives from PURA.

GenConn received a final decision from PURA on November 18, 2015, approving its 2016 revenue requirements of \$65.7 million for GenConn (\$29.3 million for the GenConn Devon facility and \$36.4 million for the GenConn Middletown facility). Included in the final decision was PURA's approval of full recovery of the regulatory asset balance associated with the Middletown Cable System. Additionally, GenConn was granted a 9.835% Return on Equity (ROE) for 2016.

GenConn received a final decision from PURA on December 17, 2014, approving its 2015 revenue requirements of \$66.0 million for GenConn (\$29.5 million for the GenConn Devon facility and \$36.5 million for the GenConn Middletown facility). Additionally, GenConn was granted a 9.95% ROE for 2015.

A final decision was issued by PURA in Docket No. 13-06-38 on December 11, 2013, approving 2014 revenue requirements of \$68.3 million for GenConn (\$30.8 million for the GenConn Devon facility and \$37.5 million for the GenConn Middletown facility). Additionally, GenConn was granted a 9.95% Return on Equity (ROE) for 2014.

GenConn received an interim, final decision from PURA in Docket No. 13-06-38 on September 25, 2013, approving requested changes to the Contract for Difference (CfD) to reflect ISO-NE market rule changes. GenConn requested revisions to the CfD so that the Contract Monthly LFRM Revenue term, that calculates the credit to the Buyer associated with LFRM revenues, includes an adjustment that would reduce the credit to the Buyer associated with the Failure-to-Activate penalty and the Failure-to-Reserve penalty by the amount resulting solely from the market rule change related to LFRM penalties. This change appropriately accounts for and passes charges for recovery through the CfD invoices.

Management has determined that GenConn meets the criteria for an entity with regulated operations as defined by the authoritative guidance on accounting for the effects of certain types of regulation. As such, GenConn has established regulatory assets for certain costs deferred if it is probable that it will be able to recover such costs in future revenues, and has established regulatory liabilities for certain obligations recognized if it is probable that it will be relieved of such liabilities in future revenues based on the criteria outlined in the PURA Decisions related to the types of costs that are recoverable. Furthermore, GenConn has received approval from PURA in its final revenue requirements decisions allowing for the recovery and/or return of property taxes, financing costs, transmission related operating costs and interest expense.

GenConn is allowed to earn a return on its net regulatory assets and liabilities unless otherwise stated below. As of December 31, 2015 and 2014, GenConn's regulatory assets and liabilities included the following:

Regulatory Assets:	Remaining Period	As of December 31, 2015	As of December 31, 2014
Property taxes	1 year	\$ 387	\$ 591
Deferred project costs	(a)	—	9,262
Financing costs	24 years	1,099	1,142
Operating costs	(b)	8	4
Sales & Use taxes	(c)	114	142
Interest expense	(d)	29	—
Debt amortization	(e)	50	50
Total Regulatory Assets		1,687	11,191
Less current portion of Regulatory Assets		354	520
Regulatory Assets, long-term		\$ 1,333	\$ 10,671
Regulatory Liabilities:			
Operating costs	(b)	\$ 215	\$ 463
Interest expense	(d)	216	1,305
Maintenance costs	(f)	1,694	1,276
Debt amortization	(e)	—	294
Total Regulatory Liabilities		2,125	3,338
Less current portion of Regulatory Liabilities		290	1,772
Regulatory Liabilities, long-term		\$ 1,835	\$ 1,566

(a) Represents project repair costs, recovery of which has been allowed in PURA final decision docket #15-06-24 (see 'Contingencies' section for additional details).

(b) Represents a true-up of actual transmission related operating costs to amounts allowed in revenue requirements. The current portion will be recovered or returned in 2016 as allowed in PURA final decisions. The recovery or return of the long-term portion will be determined in future revenue requirements proceedings.

(c) Represents a true-up of actual Sales & Use taxes to amounts allowed in revenue requirements. The current portion is being recovered or returned in 2016 as allowed in PURA final decisions. The recovery or return of the long-term portion will be determined in future revenue requirement proceedings.

(d) Represents a true-up of actual interest costs to amounts allowed in revenue requirements. The current portion is being recovered or returned in 2016 as allowed in PURA final decisions. The recovery or return of the long-term portion will be determined in future revenue requirement proceedings.

(e) Represents a true-up of debt amortization expense to amounts allowed in revenue requirements which is being returned in 2016 as allowed in PURA final decisions.

(f) Represents current collections for future anticipated large equipment maintenance costs.

Cash and Temporary Cash Investments

GenConn considers all of its highly liquid debt instruments with an original maturity of three months or less at the date of purchase to be cash and temporary cash investments.

Restricted Cash

GenConn's restricted cash balance is comprised of three separate items: 1) an investment in a sinking fund which was required as part of its September 17, 2013 long term debt refinancing, 2) a financial assurance compliance requirement pursuant to security and control agreements entered into with ISO-NE, and 3) cash on deposit in lieu of a full debt service covenant ratio letter of credit. The sinking fund restricted cash is scheduled to pay the outstanding balance of the long term debt in full at its maturity date. The restricted cash associated with the ISO-NE financial assurance compliance requirement, replaced a Letter of Credit GenConn obtained to meet this requirement historically. The security and control agreement with ISO-NE serves as a form of collateral securing the payment of all of GenConn's potential obligations associated with market participation thereby satisfying financial assurance compliance requirements and minimizing GenConn's compliance risks associated with participation in the ISO-NE markets.

Inventory

Inventory primarily consists of fuel oil and materials and supplies. Fuel oil is valued under the weighted average cost method and is expensed as consumed through plant operations. Materials and supplies inventory is valued at weighted average cost and is expensed to operating expense or capitalized to property, plant and equipment as the parts are utilized and consumed.

Accrued Liabilities

Accrued liabilities primarily consist of accrued property tax expense relating to GenConn Devon and GenConn Middletown which have entered into 30 year tax stabilization agreements with the City of Milford and the City of Middletown, respectively. The tax stabilization agreements terminate on May 1, 2040 for GenConn Devon, and on January 1, 2040 for GenConn Middletown

Asset Retirement Obligation

The fair value of the liability for an asset retirement obligation is recorded in the period in which it is incurred and the cost is capitalized by increasing the carrying amount of the related long-lived asset. The liability is adjusted to its present value periodically over time, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement, the obligation is settled either at its recorded amount or a gain or a loss is incurred.

Revenue Recognition

Operating revenues are recognized when contractually earned in the period provided and consist of revenues received from power, ancillary, and capacity sales into the ISO-NE markets and from Connecticut Light & Power (CL&P) under the Contract for Differences (CfDs), (as discussed under "Contract for Differences"), based on authorized rates approved by regulatory bodies and can be changed only through formal proceedings with PURA.

Property, Plant and Equipment (PP&E)

PP&E is reflected in the accompanying Consolidated Balance Sheet at cost. Provisions for depreciation on in-service PP&E are computed on a straight-line basis over a 30 year life which was determined by the term of the CfD (discussed later in the notes) and is also representative of the economic life of the plant. The cost of current repairs, major maintenance projects and minor replacements are charged to appropriate operating expense accounts as incurred. Other plant includes other project costs primarily related to civil, mechanical, and electrical site work. GenConn's in-service property, plant and equipment were comprised as follows:

	<u>2015</u>	<u>2014</u>
Gas Turbines	139,027	139,027
Other Plant	307,349	303,529
Capitalized Interest (AFUDC)	35,261	35,260
Gross PP&E In-service	<u>481,637</u>	<u>477,816</u>

Impairment of Long-Lived Assets

The authoritative guidance on property, plant, and equipment requires the recognition of impairment losses on long-lived assets when the book value of an asset exceeds the sum of the expected future undiscounted cash flows that result from the use of the asset and its eventual disposition. If impairment arises, then the amount of any impairment is measured based on discounted cash flows or estimated fair value.

The authoritative guidance on property, plant, and equipment also requires that rate-regulated companies recognize an impairment loss when a regulator excludes all or part of a cost from rates, even if the regulator allows the company to earn a return on the remaining costs allowed. As discussed under “Regulatory Accounting,” determination that certain regulatory assets no longer qualify for accounting as such could have a material impact on the financial condition of GenConn. The probability of recovery and the recognition of regulatory assets under the criteria of the authoritative guidance on accounting for the effects of certain types of regulation must be assessed on an ongoing basis. At December 31, 2015, GenConn (as a rate regulated entity) did not have any assets that were impaired under this standard.

Allowance for Funds Used During Construction (AFUDC)

In accordance with the uniform system of accounts prescribed by the FERC and PURA, GenConn capitalized AFUDC, which represents the approximate cost of debt and equity devoted to plant during construction which ended upon each of GenConn Devon and GenConn Middletown obtaining commercial operation which occurred during June, 2010 and June, 2011, respectively.

Contract for Differences

GenConn recovers its costs under two PURA-approved CfD agreements which are cost of service based and settled on a monthly basis. GenConn has signed CfDs for both facilities with CL&P both with terms of 30 years beginning upon the operations of each plant. Under the terms of the CfD, CL&P will either pay GenConn Devon and GenConn Middletown for the under-recovery or will be reimbursed by those entities for the over-recovery of costs based on their participation in the ISO-NE markets.

These contracts are accounted for on an accrual basis. Under the CfDs, GenConn agrees that the PURA will determine its cost-of service rate in accordance with the related decisions. Also under the CfD, GenConn agrees to have the units participate and to bid all of the units in ISO-NE Markets as directed by the PURA.

Long Term Debt

Required principal payments and payments from a restricted cash sinking fund investment are scheduled so that on the maturity date of July 25, 2041 the senior secured notes will be paid in full. Information regarding principal and sinking fund payments is set forth below:

Principal Payments

During the twelve months ended December 31st:

	Total
2016	\$ 8,002
2017	8,002
2018	8,002
2019	8,002
2020	8,002
2021 and thereafter	180,486 *
	\$ 220,496

Sinking Fund

During the twelve months ended December 31st:

	Total
2016	\$ 585
2017	585
2018	585
2019	585
2020	585
2021 and thereafter	11,735
	\$ 14,660

** Includes final payment from Sinking Fund*

GenConn has a secured working capital facility with commitments totaling \$35 million from two banks. The working capital facility also permits the issuance of letters of credit. GenConn may borrow under the working capital facility at interest rates equal to either the Base Rate or Eurodollar Rate plus the Applicable Margin, as each is defined in the related agreement. The maturity date of the working capital facility is on September 17, 2018. As of December 31, 2015, there were no borrowings under the working capital facility. In December 2015, letters of credit outstanding were reduced from \$19.3 million to \$14.1 million (see 'Restricted Cash' section of this document for additional details).

Substantially all of the assets of GenConn serve as collateral for the private placement debt and working capital facility. As of December 31, 2015 and 2014, the fair value of GenConn's Long-Term Debt was \$232 million and \$251 million, respectively, based on market conditions. Under each of the private placement debt and working capital facility agreements, GenConn is required to comply with certain covenants including the requirement to maintain a Consolidated Indebtedness to Total Capitalization ratio (as defined in the agreements) not to exceed 60%. As of December 31, 2015, GenConn's Total Indebtedness to Total Capitalization ratio was 50%. In addition, GenConn is subject to a dividend payment test whereby dividends are permitted if the debt service coverage ratio (as defined in the agreements) for the last twelve months is at least 1.2 to 1.0. As of December 31, 2015, GenConn's debt service coverage ratio was 2.66.

Unamortized Debt Expense

GenConn deferred debt issuance costs incurred on the bank, project and private placement financings, are being amortized over the term of the related debt and have been allocated proportionately to both GenConn Devon and GenConn Middletown. The amortization and associated unamortized debt issuance cost balances are accounted for at GenConn Devon and GenConn Middletown as such amounts are recovered in rates. The unamortized debt issuance costs are included in Unamortized Debt Expense in the accompanying Consolidated Balance Sheet as of December 31, 2015 and 2014.

Related Party Transactions

There are no employees of GenConn. UI and NRG (the Partners) are paid through GCE, for services to GenConn which include administration, plant operations, construction and energy management pursuant to contractual arrangements. As of December 31, 2015 and 2014, amounts owed to GCE for services of \$0.1 million and \$1.1 million, respectively, are included in Accounts Payable in the accompanying Consolidated Balance Sheet. For the years ended December 31, 2015 and 2014, amounts paid to GCE for services were \$13.8 million and \$22.5 million, respectively. For the years ended December 31, 2015 and 2014, amounts expensed for services were \$6.3 million and \$8.1 million, respectively.

GenConn made earnings distributions, through GCE, to the Partners of \$28.3 million and \$27.9 million for the years ended December 31, 2015 and 2014, respectively.

GenConn returned a portion of the Partner's investment, through GCE, of \$8.0 million and \$8.0 million for the years ended December 31, 2015 and 2014, respectively.

GenConn Devon and GenConn Middletown lease both facilities and land from Devon Power LLC (Devon Power) and Middletown Power LLC (Middletown Power), respectively, both of which are subsidiaries of NRG. See the Lease Obligations section for additional details.

Income Taxes

GCE is not subject to federal or state income taxes. The Partners are required to report on their federal and, as required, state income tax returns their share of the GCE's income, gains, losses, deductions and credits. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements.

Contingencies

In the ordinary course of business, GCE and its subsidiaries are involved in various proceedings, including legal, tax, regulatory and environmental matters, which require management's assessment to determine the probability of whether a loss will occur and, if probable, an estimate of probable loss. When assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated, GCE accrues a reserve and discloses the reserve and related matter. GCE discloses matters when losses are probable for which an estimate is reasonably possible. Subsequent analysis is performed on a periodic basis to assess the impact of any changes in events or circumstances and any resulting need to adjust existing reserves or record additional reserves.

GenConn Middletown Cable System

Two circuits, referred to as "5X" and "6X," connect the four units at the GenConn Middletown facility to the gas insulated substation. In April 2011, the 5X circuit failed. Multiple repairs were made. However, the repairs failed to correct persistent partial discharge that was detected through periodic testing. In March 2012, GenConn filed a lawsuit seeking damages against the electrical contractor responsible for the design and installation of the 5X and 6X and one of its subcontractors.

GenConn entered into a settlement agreement and escrow agreement (the Agreements) with the former electrical contractor and one of its subcontractors (the defendants), regarding the defective equipment. The Agreements were fully executed in March 2015. On November 18, 2015, PURA issued a final decision approving full recovery of the regulatory asset balance over the remaining term of the project. The regulatory asset balance remaining has been reclassified to Property, Plant & Equipment as of December 31, 2015 and is also included in Rate Base upon which GenConn will also earn its approved return.

Lease Obligations

Operating leases with Devon Power LLC and Middletown Power LLC, both of which are NRG owned companies, consist primarily of leases of facilities and land for both GenConn Devon and GenConn Middletown. The term of the leases coincide with the maturity of the senior secured notes (2040 for GenConn Devon and 2041 for GenConn Middletown). For the years ended December 31, 2015 and 2014, operating lease expense for GenConn Devon and GenConn Middletown was \$0.6 million and \$0.7 million, respectively. The future minimum lease payments under these operating leases are estimated to be as follows:

Twelve months ended December 31st:	GenConn Devon	GenConn Middletown
2016	579	668
2017	579	668
2018	579	668
2019	579	668
2020	579	668
2021 and thereafter	11,242	13,639
	14,137	16,979

**Financial Statements
of
GCE Holding LLC
December 31, 2013**

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GCE Holding LLC
Consolidated Statements of Operations
For the Year Ended December 31,
(In thousands)

	<u>2013 *</u>
Operating revenues	\$ 79,775
Operating expense	15,055
Depreciation and amortization expense	16,046
Taxes other than income	4,557
Income from operations	<u>44,117</u>
Other income and (deductions)	(23)
Interest expense	13,376
Income	<u><u>\$ 30,718</u></u>

The accompanying Notes to the Consolidated Financial Statements are an integral part of the financial statements.

** Not covered by report included in Exhibit 99.1.*

GCE Holding LLC
Consolidated Balance Sheets

As of December 31,

(In thousands)

	2013*
Assets	
Current assets:	
Cash	\$ 16,367
Restricted cash	—
Regulatory assets	364
Accounts receivable	9,065
Other current assets	351
Fuel oil inventory	3,642
Materials & supplies inventory	2,077
Unamortized debt expense	484
	32,350
Property, plant and equipment:	
In-service	477,812
Accumulated depreciation and amortization	(46,592)
	431,220
Long term assets:	
Unamortized debt expense	12,678
Regulatory assets	10,057
	22,735
Total assets	\$ 486,305
Liabilities and Equity	
Current liabilities:	
Accounts payable	\$ 3,108
Accrued liabilities	2,074
Regulatory liabilities	1,016
Other current liabilities	507
Current portion of long term debt	8,002
Interest payable on long term debt	3,232
Derivative Liability	—
	17,939
Long term liabilities:	
Long term debt	228,498
Regulatory liability	2,652
Asset retirement obligation	612
Other long-term liabilities	49
	231,811
Equity:	
Paid-in capital	236,555
Retained earnings	—
	236,555
Total liabilities and equity	\$ 486,305

The accompanying Notes to the Consolidated Financial Statements are an integral part of the financial statements.

** Not covered by report included to in Exhibit 99.1.*

GCE Holding LLC
Consolidated Statements of Cash Flows
For the Year Ended December 31,
(In thousands)

	<u>2013 *</u>
Net income	\$ 30,718
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	15,976
Amortization of Debt Issuance Costs	1,208
Amortization of regulatory assets	160
Net regulatory asset/liability	6,538
Net derivative asset/liability	(6,538)
Changes in:	
Accounts receivable	2,285
Other current assets	278
Fuel oil inventory	(22)
Materials & supplies inventory	(38)
Accounts payable	(1,631)
Accrued liabilities	142
Other current liabilities	415
Interest payable on long term debt	3,208
Regulatory asset/liability	(2,100)
Total cash provided by operating activities	<u>50,599</u>
Plant expenditures including AFUDC debt	(782)
Changes in restricted cash	11,351
Other	—
Total cash provided by investing activities	<u>10,569</u>
Borrowings of long term debt	236,500
Repayments of long term debt	(228,395)
Debt issuance costs	(9,275)
Distribution of capital	(43,631)
Contribution of capital	—
Total cash used in financing activities	<u>(44,801)</u>
Net change for the period	16,367
Balance at the beginning of the period	—
Balance at the end of the period	<u>\$ 16,367</u>
Cash paid during the period for:	
Interest	<u>\$ 7,816</u>

The accompanying Notes to the Consolidated Financial Statements are an integral part of the financial statements.

* Not covered by report included in Exhibit 99.1.

GCE Holding LLC
Consolidated Statements of Changes in Partnership Equity
For the Years Ended December 31, 2013
(In thousands)

Paid-in Capital	Consolidated
Balance as of December 31, 2012 *	249,323
Distribution of capital	(12,768)
Balance as of December 31, 2013 *	\$ 236,555

Retained Earnings	Consolidated
Balance as of December 31, 2012 *	145
Income for 2013	30,718
Distribution to partners	(30,863)
Balance as of December 31, 2013 *	\$ —

The accompanying Notes to the Consolidated Financial Statements are an integral part of the financial statements.

* Not covered by report included in Exhibit 99.1.

GCE Holding LLC

Notes to the Consolidated Financial Statements

(Amounts as of and for the period ended December 31, 2013 are not covered by the report included in Exhibit 99.1)

Organization

GCE Holding LLC (GCE) is a 50-50 joint venture between The United Illuminating Company (UI) and NRG Connecticut Peaking Development LLC, an indirect wholly-owned subsidiary of NRG Energy, Inc. (NRG). GenConn Energy LLC (GenConn) is a wholly-owned subsidiary of GCE. GenConn consists of two peaking generation plants, GenConn Devon LLC (GenConn Devon) and GenConn Middletown LLC (GenConn Middletown), which were chosen by the Connecticut Public Utilities Regulatory Authority (PURA), formerly the Department of Public Utility Control (DPUC), to help address the state's growing need for more power generation during the heaviest load periods. The two peaking generation plants, each with a nominal capacity of 200 megawatts (MW), are located at NRG's existing Connecticut plant locations in Devon and Middletown. GenConn Devon became operational in June 2010 and GenConn Middletown became operational in June 2011.

Basis of Presentation

The accounting records of GenConn are maintained in conformity with accounting principles generally accepted in the United States of America (GAAP).

The accounting records for GenConn are also maintained in accordance with the uniform systems of accounts prescribed by the Federal Energy Regulatory Commission (FERC) and PURA.

The preparation of financial statements in conformity with GAAP requires management to use estimates and assumptions that affect (1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and (2) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts reported in the Consolidated Financial Statements in previous periods have been reclassified to conform to the current presentation, primarily related to the presentation of intercompany receivables and payables.

GenConn has evaluated subsequent events through the date its financial statements were available to be issued, March 27, 2014.

Consolidation

The consolidated financial statements of GCE include the results of operations and financial position of its wholly-owned subsidiaries GenConn Devon and GenConn Middletown. Intercompany accounts and transactions have been eliminated in consolidation.

Regulatory Accounting

GenConn bid its full capacity of the GenConn Devon and GenConn Middletown facilities into the ISO-New England, Inc. (ISO-NE) Locational Forward Reserve Market (LFRM) pursuant to directives from PURA for the winter 2011/2012 period (October 1, 2011 - May 31, 2012), for the summer 2012 period (June 1, 2012 - September 30, 2012) and for the winter 2012/2013 period (October 1, 2012 - May 31, 2013). GenConn also had LFRM obligations for the summer of 2013 (June 1, 2013 - September 30, 2013) and for the winter 2013/2014 period (October 1, 2013 - May 31, 2014), as directed in PURA's decision in Docket No. 12-07-14 Re01, Application of GenConn Energy LLC for Establishment of 2013 Revenue Requirements and PURA's decision, dated April 11, 2013, in Docket No. 08-01-01RE03, DPUC Review of Peaking Generation Projects - Market Rule Changes re:

New Audit Rules. The units have Capacity Supply Obligations in the ISO-NE Forward Capacity Market (FCM) effective June 1, 2013 and for all FCM periods transacted so far, through May 31, 2017.

According to PURA's decision dated December 11, 2013 in Docket No. 13-6-38, Application of GenConn Energy LLC for Establishment of 2014 Revenue Requirements, GenConn will bid into the Winter 2014/2015 and Summer 2014 Locational Forward Reserve Market auctions using the then latest ISO-NE fast-start capacity ratings with no additional reduction (each bid shall favor the 10-minute market with only excess capacity bid into the 30-minute market) and shall bid into the 2017 FCM as Existing Capacity, and shall not submit any delist bids for the period June 1, 2017 to May 31, 2018.

GenConn filed a revenue requirements request with PURA on June 28, 2013, seeking approval of 2014 revenue requirements for the period commencing January 1, 2014 for both the GenConn Devon and GenConn Middletown facilities. As part of the request, GenConn requested an interim decision relative to treatment of ISO-NE market rule changes related to LFRM penalties effective October 1, 2013. A Final Decision was received on September 25, 2013 approving the recommended changes to the Contract for Difference (CfD) to reflect the ISO-NE market rule changes. GenConn requested revisions to the CfD so that the Contract Monthly LFRM Revenue term, that calculates the credit to the Buyer associated with LFRM revenues, includes an adjustment that would reduce the credit to the Buyer associated with the Failure-to-Activate penalty and the Failure-to-Reserve penalty by the amount resulting solely from the market rule change related to LFRM penalties. This change appropriately accounts for and passes charges for recovery through the CfD invoices. A Final Decision was issued by PURA on December 11, 2013 approving revenue requirements of \$68.259 million for GenConn (\$30.779 million for the GenConn Devon facility and \$37.480 million for the GenConn Middletown facility). Additionally, GenConn was granted a 9.95% Return on Equity (ROE) for 2014.

GenConn filed a revenue requirements application with PURA on July 27, 2012, seeking approval of its 2013 revenue requirements for both the GenConn Devon and GenConn Middletown facilities. A final decision (2013 Decision) was issued by PURA on January 9, 2013 approving revenue requirements of \$73.3 million for GenConn (\$33.1 million for the GenConn Devon facility and \$40.2 million for the GenConn Middletown facility). Additionally, GenConn was granted a 9.75% Return on Equity (ROE) for 2013. PURA also ruled in the 2013 Decision that GenConn project costs that were in excess of the proposed costs originally submitted in 2008, were prudently incurred and are recoverable. Recovery of these costs is included in the 2013 Decision. The increase in project costs was driven in large part by increased financing costs and the cost to build interconnection facilities at GenConn Middletown.

Certain ISO-NE revenues and charges that were not included in the Contract for Differences (CfD) calculation were recorded and collected or paid through the ISO-NE settlement process from June 2010 through September 2011. In GenConn's 2011 revenue requirements proceeding, parties in that proceeding questioned the treatment of the revenues and charges with respect to the CfD calculation. The parties reached a settlement, which was approved by PURA, wherein GenConn reimbursed Connecticut Light & Power (CL&P) \$3.0 million during the first quarter of 2012. This amount was fully accrued as of December 31, 2011.

Management has determined that GenConn meets the criteria for an entity with regulated operations as defined by the authoritative guidance on accounting for the effects of certain types of regulation. As such, GenConn has established regulatory assets for certain costs deferred if it is probable that it will be able to recover such costs in future revenues, and has established regulatory liabilities for certain obligations recognized if it is probable that it will be relieved of such liabilities in future revenues based on the criteria outlined in the PURA decisions related to the types of costs that are recoverable. Furthermore, GenConn has received approval from PURA in its final revenue requirements decisions allowing for the recovery and/or return of property taxes, transmission related operating costs and interest expense. GenConn's regulatory assets and liabilities as of December 31, 2013 are set forth below (in thousands):

Regulatory Assets:	Remaining Period	As of December 31, 2013
Mark-to market adjustments related to interest rate swaps	(a)	\$ —
Property taxes	1 year	669
Deferred project costs	(b)	8,439
Financing costs	26 years	1,185
Operating costs	(c)	9
Sales & Use tax	(d)	80
Interest Expense	(e)	39
Total Regulatory Assets		10,421
Less current portion of Regulatory Assets		364
Regulatory Assets, long-term		\$ 10,057
Regulatory Liabilities:		
Operating costs	(c)	\$ 1,263
Interest expense	(e)	1,232
Maintenance costs	(f)	879
Debt amortization	(g)	294
Total Regulatory Liabilities		3,668
Less current portion of Regulatory Liabilities		1,016
Regulatory Liabilities, long-term		\$ 2,652

(a) Interest rate swaps were terminated as part of the September 17, 2013 refinancing of the Company's long-term debt.

(b) Represents project repair costs. Recovery to be determined in future revenue requirements.

(c) Represents a true-up of actual transmission related operating costs to amounts allowed in revenue requirements. The current portion will be determined in future revenue requirements proceedings.

(d) Represents a true-up of actual Sales & Use taxes to amounts allowed in revenue requirements. Recovery will be determined in future revenue requirement proceedings.

(e) Represents a true-up of actual interest costs to amounts allowed in revenue requirements. The current portion will be recovered or returned in 2013 as allowed in PURA final decisions. The recovery or return of the long-term portion will be determined in future revenue requirements proceedings.

(f) Represents current collections for future anticipated large equipment maintenance costs.

(g) Represents a true-up of debt amortization expense to amounts allowed in revenue requirements. The return will be determined in future revenue requirements proceedings.

Cash and Temporary Cash Investments

GenConn considers all of its highly liquid debt instruments with an original maturity of three months or less at the date of purchase to be cash and temporary cash investments.

Restricted Cash

The use of all cash, including amounts derived from borrowings of notes payable and long-term debt as well as from the collection of accounts receivable, was restricted per the project financing agreements as certain payments, such as scheduled payments of long-term debt, are required to be made prior to dividend payments. Payments made outside the provisions of the project financing require prior approval from the bank. As a result of the debt refinancing discussed in the Long-Term Debt section, no restrictions exist as of December 31, 2013.

Inventory

Inventory primarily consists of fuel oil and materials and supplies. Fuel oil is stated primarily at the lower of cost or market value under the weighted average cost method. Materials and supplies inventory is valued at weighted average cost and is expensed to operating expense or capitalized to property, plant and equipment as the parts are utilized and consumed.

Accrued Liabilities

Accrued liabilities primarily consist of accrued property tax expense relating to GenConn Devon and GenConn Middletown which have entered into 30 year tax stabilization agreements with the City of Milford and the City of Middletown, respectively.

Asset Retirement Obligation

The fair value of the liability for an asset retirement obligation is recorded in the period in which it is incurred and the cost is capitalized by increasing the carrying amount of the related long-lived asset. The liability is adjusted to its present value periodically over time, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement, the obligation is settled either at its recorded amount or a gain or a loss is incurred.

Revenue Recognition

Operating revenues are recognized when contractually earned in the period provided and consist of revenues received from power and capacity sales into the ISO-NE markets and from CL&P under the CfD based on authorized rates approved by regulatory bodies and can be changed only through formal proceedings

Property, Plant and Equipment (PP&E)

PP&E is reflected in the accompanying Balance Sheet at cost. Provisions for depreciation on in-service PP&E are computed on a straight-line basis over a 30 year life which was determined by the term of the CfD (see below) and is representative of the economic life of the plant. The costs of current repairs, major maintenance projects and minor replacements are charged to appropriate operating expense accounts as incurred. Other plant includes other project costs primarily related to civil, mechanical, and electrical site work. GCE's in-service property, plant and equipment were comprised as follows (in thousands):

	2013
Gas Turbines	\$ 139,027
Other Plant	303,524
Capitalized Interest (AFUDC)	35,261
Gross PP&E In-service	<u>\$ 477,812</u>

Impairment of Long-Lived Assets and Investments

The authoritative guidance on property, plant, and equipment requires the recognition of impairment losses on long-lived assets when the book value of an asset exceeds the sum of the expected future undiscounted cash flows that result from the use of the asset and its eventual disposition. If impairment arises, then the amount of any impairment is measured based on estimated fair value.

The authoritative guidance on property, plant, and equipment also requires that rate-regulated companies recognize an impairment loss when a regulator excludes all or part of a cost from rates, even if the regulator allows the company to earn a return on the remaining costs allowed. The probability of recovery and the recognition of regulatory assets under the criteria of the authoritative guidance on accounting for the effects of certain types of regulation must be assessed on an ongoing basis. At December 31, 2013, GenConn (as a rate regulated entity) did not have any assets that were impaired under this standard.

Allowance for Funds Used During Construction (AFUDC)

In accordance with the uniform system of accounts prescribed by the FERC and PURA, GenConn capitalizes AFUDC, which represents the approximate cost of debt and equity devoted to plant under construction and is included in Interest Expense for the

portion related to debt and Other Income and Deductions for the portion related to equity in the accompanying Consolidated Statements of Operations.

Contract for Differences

GenConn recovers its costs under two PURA-approved CfD agreements which are cost of service based and settle on a monthly basis. GenConn has signed CfDs for both facilities with CL&P both with terms of 30 years beginning upon the operations of each plant. Under the terms of the CfD, CL&P will either pay GenConn Devon and GenConn Middletown for the under-recovery or will be reimbursed by those entities for the over-recovery of revenues based on their participation in the ISO-NE markets.

These contracts are accounted for on an accrual basis. Under the CfDs, GenConn agrees that the PURA will determine its cost-of service rate in accordance with the related decisions. Also under the CfD, GenConn agrees to have the units participate and to bid all of the units in ISO-NE Markets as directed by the PURA.

Long-Term Debt

GenConn issued \$236.5 million of senior secured notes in the private placement market on September 17, 2013. GenConn used the proceeds to (1) repay \$225 million outstanding under a credit agreement that had been obtained from a consortium of banks on April 24, 2009 for construction and related activities; (2) terminate the interest rate swap that had been required under the credit agreement; (3) rebalance its capital structure to the regulated capital structure of 50% debt and 50% equity; and (4) pay issuance costs. Required principal payments and payments from a sinking fund are scheduled so that on the maturity date of July 25, 2041 the senior secured notes will be paid in full. Information regarding principal payments is set forth below (in thousands):

During the twelve months ended December 31st:	Total
2014	\$ 8,002
2015	8,002
2016	8,002
2017	8,002
2018	8,002
2019 and thereafter	196,490
	<u>\$ 236,500</u>

Also on September 17, 2013, GenConn closed on a new secured working capital facility with commitments totaling \$35 million from two banks. The working capital facility also permits the issuance of letters of credit. GenConn may borrow under the working capital facility at interest rates equal to either the Base Rate or Eurodollar Rate plus the Applicable Margin, as each is defined in the related agreement. The maturity date of the working capital facility is September 17, 2018. As of December 31, 2013, there were no borrowings under the working capital facility, and there were letters of credit outstanding totaling approximately \$28.5 million.

Substantially all of the assets of GenConn serve as collateral for the private placement debt and working capital facility. As of December 31, 2013, the carrying value of the Long-Term Debt approximated fair value. Under each of the private placement debt and working capital facility agreements, GenConn is required to comply with certain covenants including the requirement to maintain a Consolidated Indebtedness to Total Capitalization ratio (as defined in the agreements) not to exceed 60%. As of December 31, 2013, GenConn's Total Indebtedness to Total Capitalization ratio was 50%. In addition, GenConn is subject to a dividend payment test whereby dividends are permitted if the debt service coverage ratio (as defined in the agreements) for the last twelve months is at least 1.2 to 1.0. As of December 31, 2013, GenConn's debt service coverage ratio was 4.38.

Unamortized Debt Expense

GCE and GenConn deferred debt issuance costs incurred on the bank and project financings are being amortized over the term of the related debt and have been allocated proportionately to both GenConn Devon and GenConn Middletown. The amortization and associated unamortized debt issuance cost balances are accounted for at GenConn Devon and GenConn Middletown as such amounts are recovered in rates. The unamortized debt issuance costs are included in Unamortized Debt Expense in the accompanying Consolidated Balance Sheet as of December 31, 2013.

Related Party Transactions

There are no employees of GCE or any of its subsidiaries. UI and NRG (the Partners) are paid, through GCE, for services to GenConn which include administration, plant operations, construction and energy management pursuant to contractual arrangements. As of December 31, 2013, amount owed to the Partners for services was \$1.6 million is included in Accounts Payable in the accompanying Consolidated Balance Sheet. For the years ended December 31, 2013, amount paid to the Partners for services was \$12.4 million.

For the year ended December 31, 2013, amount paid to the Partners, through GCE, for interest was zero. Interest expense on related party notes from the Partners, for the year ended December 31, 2013, was zero.

GenConn made earnings distributions, through GCE, to the Partners of \$30.8 million for the year ended December 31, 2013.

GenConn returned a portion of the Partner's investment, through GCE, of \$12.8 million for the year ended December 31, 2013.

GenConn Devon and GenConn Middletown lease both facilities and land from Devon Power LLC (Devon Power) and Middletown Power LLC (Middletown Power), respectively, both of which are subsidiaries of NRG. See the Lease Obligations section for additional details.

Income Taxes

GCE is not subject to federal or state income taxes. UI and NRG are required to report on their federal and, as required, state income tax return its share of GCE's income, gains, losses, deductions and credits. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements.

Derivatives

In connection with the Project Financing, in April 2009, GenConn entered into an interest rate swap agreement with each of the five banks participating in the syndication to reduce the risk of unfavorable changes in variable interest rates related to a portion of the Project Financing. The swaps had the effect of converting variable rate payments to fixed rate payments, on approximately \$42 million to \$121 million principal amount outstanding of Project Financing debt through December 31, 2014, with quarterly settlements that began on March 31, 2010. Any income generated from the agreement was expected to be credited to customers and any expense generated was expected to be recovered from customers through PURA-approved revenue requirements. GenConn accounted for the interest rate swap agreement as an economic hedge. As such, GenConn established a regulatory liability or asset for the mark-to-market adjustments related to the interest rate swaps. As of December 31, 2012, \$6.5 million was recorded as a Derivative Liability offset by a Regulatory Asset in the accompanying Consolidating Balance Sheet. On September 17, 2013, the interest swap agreement was terminated in conjunction with the private placement. The settlement payment as a result of such termination is included in unamortized debt expenses as approved by PURA.

The fair value hierarchy levels are Level 1 (quoted prices in active markets for identical assets and liabilities), Level 2 (significant other observable inputs), and Level 3 (significant unobservable inputs).

GenConn utilized an income approach valuation technique to value the interest rate swap derivatives measured and reported at fair value. As required by the authoritative guidance on fair value measurements, financial assets and liabilities are based on the lowest level of input that is significant to the fair value measurement. The interest rate swaps were valued based on the annual London Interbank Offering Rate (LIBOR) index. GenConn's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. GenConn had determined the fair value of its interest rate swap derivatives was measured using Level 2 inputs.

Contingencies

In the ordinary course of business, GCE and its subsidiaries are involved in various proceedings, including legal, tax, regulatory and environmental matters, which require management's assessment to determine the probability of whether a loss will occur and, if probable, an estimate of probable loss. When assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated, GCE accrues a reserve and discloses the reserve and related matter. GCE discloses matters when losses are probable for which an estimate is reasonably possible. Subsequent analysis is performed on a periodic basis to assess the impact of any changes in events or circumstances and any resulting need to adjust existing reserves or record additional reserves.

GenConn Middletown Cable System

Two circuits, referred to as "5X" and "6X," connect the four units at the GenConn Middletown facility to the gas insulated substation. In April 2011, the 5X circuit failed. Multiple repairs were made. However, the repairs failed to correct persistent partial discharge that was detected through periodic testing. In March 2012, GenConn filed a lawsuit seeking damages against the electrical contractor responsible for the design and installation of the 5X and 6X and one of its subcontractors. During that same month, the former electrical contractor responsible for the failed installation filed a counterclaim in the amount of approximately \$1.8 million and a mechanic's lien on the GenConn Middletown facility in that same amount.

The parties to the litigation are presently discussing a potential mediation to occur in April 2014. Trial is currently expected to begin in June 2014. Please refer to Deferred Project Costs included in the Regulatory Accounting table for further information for costs incurred as of December 31, 2013 regarding the defective equipment.

On July 13, 2012, the 5X circuit and the two units it serviced were taken out of service. On August 8, 2012, the 6X circuit and the remaining two units at the GenConn Middletown facility were taken out of service. This was done because of operation and safety concerns raised by retained experts and by further partial discharge testing. GenConn has amended its complaint, to seek additional damages, including those related to 6X. Further, GenConn hired another electrical contractor to undertake the replacement of the defective equipment. The defective equipment was replaced during the second half of 2012 and all four units were returned to service on January 19, 2013. As a result of the outage, GenConn incurred penalties for not achieving availability in the LFRM in the amount of approximately \$0.1 million during the twelve months ended December 31, 2012. Penalties incurred from January 1 through January 19, 2013 were minor. The penalties incurred are included in the Operating Expenses in the accompanying Consolidated Statements of Operations. The amount is net of the amount of coverage GenConn obtained for the unavailable capacity.

In order to comply with certain covenants under its project financing, GenConn Middletown has posted a surety bond for the total amount of the mechanic's lien, which discharged the lien. As of December 31, 2013, GenConn Middletown has recorded \$1.1 million as a regulatory asset related to the former electrical contractor's \$2.2 million counterclaim. Based on information obtained in discovery, the remaining \$1.1 million appears to be comprised of the contractor's alleged costs for performing repair and investigative work related to the April 2011 failure and the subsequent partial discharge, plus overhead, profit, legal and expert witness fees, all of which have yet to be billed. GenConn Middletown is currently assessing this claim, as discovery is still ongoing.

To the extent that GenConn is required to satisfy any of the claims, recovery of such costs would be expected through future rates.

Other

In July 2011, GenConn Devon and the former general contractor responsible for the construction of the GenConn Devon facility entered into a settlement agreement with respect to change order requests and delay and impact claims and pursuant to which GenConn Devon paid a settlement amount of \$10.5 million upon satisfaction of certain conditions performed by the former general contractor. In April 2011, GenConn Middletown settled a claim by the former general contractor for work at the GenConn Middletown facility and entered into a settlement agreement pursuant to which GenConn Middletown paid a settlement amount of \$3.0 million which is included in Property, Plant and Equipment in the accompanying Consolidated Balance Sheet. PURA has approved GenConn’s recovery of the associated costs.

In December 2010, GenConn Middletown was required to provide a \$1.4 million Letter of Credit (LC) to the owner of the transmission facilities to which GenConn Middletown connects. The LC is related to remaining work on the transmission facilities. Correspondingly, GenConn Middletown had a \$3.5 million performance bond from the contractor required to complete the remaining work. In April 2011, GenConn Middletown was required to provide an additional \$0.9 million LC for additional work on the same transmission facilities. In February 2013, the \$0.9 million LC was reduced to \$0.1 million. During the second quarter of 2013, the \$0.1 million was released by the owner of the transmission facilities. The \$1.4 million LC was released by the owner of the transmission facilities during the first quarter of 2013. The \$3.5 million performance bond from the contractor was released on October 2, 2013 as all work on the transmission facilities is complete.

Lease Obligations

Operating leases with Devon Power LLC and Middletown Power LLC consist primarily of leases of facilities and land for both GenConn Devon and GenConn Middletown. The term of the leases coincide with the maturity of the senior secured notes (2040 for GenConn Devon and 2041 for GenConn Middletown). For the year ended December 31, 2013, total operating lease expense for GenConn Devon and GenConn Middletown was \$1.2 million. The future minimum lease payments under these operating leases are estimated to be as follows (in thousands):

Twelve months ended December 31st:	GenConn Devon	GenConn Middletown
2014	\$ 579	\$ 668
2015	579	668
2016	579	668
2017	579	668
2018	579	668
2019 and thereafter	12,401	14,975
	\$ 15,296	\$ 18,315