NOTICE: 11 U.S.C. § 1125(b) PROHIBITS SOLICITATION OF AN ACCEPTANCE OR REJECTION OF A PLAN OF REORGANIZATION UNLESS A COPY OF THE PLAN OF REORGANIZATION OR A SUMMARY THEREOF IS ACCOMPANIED OR PRECEDED BY A COPY OF A DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. THIS PROPOSED DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT, AND, THEREFORE, THE FILING AND DISSEMINATION OF THIS PROPOSED DISCLOSURE STATEMENT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED AS, AN AUTHORIZED SOLICITATION PURSUANT TO 11 U.S.C. § 1125 AND RULE 3017 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE. NO SUCH SOLICITATION WILL BE MADE EXCEPT AS AUTHORIZED PURSUANT TO SUCH LAW AND RULES. THIS PROPOSED DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL ONLY.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re	)	
NORTHAMPTON GENERATING COMPANY, L.P.	)	**Case No. 11-33095**
	)	**Chapter 11**
Debtor.	)	
	)	
	)	

DISCLOSURE STATEMENT FOR THE CHAPTER 11 PLAN OF REORGANIZATION FOR NORTHAMPTON GENERATING COMPANY, L.P. AS OF DECEMBER 21, 2012

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Date: December 21, 2012

PLEASE READ THIS IMPORTANT INFORMATION

Northampton Generating Company, L.P. (the "Debtor") provides this disclosure statement (as amended, modified or supplemented, the "Disclosure Statement") to the Office of the United States Bankruptcy Administrator (the "Bankruptcy Administrator") and to all of the Debtor's known Creditors and interest holders pursuant to Section 1125(b) of title 11 of the United States Code (the "Bankruptcy Code") for the purpose of soliciting acceptances of the Plan,[1] which has been filed with the United States Bankruptcy Court for the Western District of North Carolina (the "Bankruptcy Court") and the summary of the Plan contained herein shall not be relied upon for any purpose other than to make a judgment with respect to, and to determine how to vote on, the Plan. A copy of the Plan is attached hereto as Exhibit D-1. By Order dated _____, 2012, the Disclosure Statement was conditionally approved by the Bankruptcy Court as containing "adequate information" under Section 1125 of the Bankruptcy Code.

PLEASE NOTE THAT MUCH OF THE INFORMATION CONTAINED HEREIN HAS BEEN TAKEN, IN WHOLE OR IN PART, FROM INFORMATION CONTAINED IN THE DEBTOR'S BOOKS AND RECORDS. STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ABOUT THE PLAN ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, AND THE EXHIBITS ATTACHED TO THE PLAN. ALTHOUGH THE DEBTOR'S MANAGEMENT AND FINANCIAL ADVISORS HAVE ATTEMPTED TO BE ACCURATE IN ALL MATERIAL RESPECTS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT ERROR. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1124 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER RULES GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF THE BANKRUPTCY CODE.

NO REPRESENTATION CONCERNING THE DEBTOR OR THE VALUE OF THE ASSETS HAS BEEN AUTHORIZED BY THE BANKRUPTCY COURT OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. THE DEBTOR IS NOT RESPONSIBLE FOR ANY INFORMATION, REPRESENTATION OR INDUCEMENT MADE TO OBTAIN YOUR ACCEPTANCE, WHICH IS OTHER THAN, OR INCONSISTENT WITH, INFORMATION CONTAINED HEREIN AND IN THE PLAN.

[1] Capitalized terms used, but not otherwise defined herein, shall have the meanings set forth in the Chapter 11 Plan of Reorganization for Northampton Generating Company, L.P. filed contemporaneously herewith (as amended, supplemented or modified from time to time).

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INTRODUCTION

The Debtor filed its voluntary petition on December 5, 2011 (the "Petition Date"). Since the Petition Date, the Debtor has operated its business and managed its property as a debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. The Debtor submits this Disclosure Statement for the Chapter 11 Plan of Reorganization for Northampton Generating Company, L.P. as of December 21, 2012 pursuant to Section 1125 of the Bankruptcy Code to holders of Claims against and Interests in the Debtor. The Disclosure Statement is submitted in connection with (i) the solicitation of acceptances or rejections of the Plan filed by the Debtor with the Bankruptcy Court, and (ii) the hearing to consider approval of the Plan (the "Confirmation Hearing") scheduled for the date set forth in the accompanying notice. Unless otherwise defined in this Disclosure Statement, all capitalized terms contained herein have the meanings ascribed to them in the Plan. In the event of a conflict or difference between the definitions used in the Disclosure Statement and the Plan, the definitions contained in the Plan shall control.

I. PURPOSES AND SUMMARY OF THE PLAN

THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. CREDITORS, HOLDERS OF INTERESTS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW AND ANALYZE THE PLAN IN ITS ENTIRETY. The primary purposes of the Plan are to:

- Provide for the continued operation and growth of the Debtor's energy generating operations;
- Provide for the cancellation of existing equity Interests and the issuance of new

equity Interests;

- Provide for an equity infusion by the beneficial owners which will provide additional liquidity to the Debtor; and
- Provide for payments to certain Creditors in accordance with the terms of the Plan.

II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

The following is a Summary of Classification and Treatment of Claims and Interests:

CLASS	TREATMENT
Unclassified. Allowed Administrative Expense Claims. **The total of estimated Administrative Expense Claims as of Effective Date is approximately $3,500,000.**	**UnImpaired. Not entitled to vote.** **Paid in Cash, in full, on the Effective Date or upon such other terms as may be agreed upon by the holder of such Allowed Administrative Expense Claim and the Reorganized Debtor or otherwise established pursuant to an order of the Bankruptcy Court; *provided, however,* that Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtor or any Subsidiary shall be paid by the Reorganized Debtor in accordance with the terms and conditions of the particular transactions, the applicable non-bankruptcy law, and any agreements relating thereto or any order of the Bankruptcy Court. The Met-Ed Allowed Administrative Claim and the PPL Allowed Administrative Claim are Allowed Administrative Expense Claims.** **PSC and USOSC have asserted Administrative Expense Claims for post-petition services. These claims, together with pre-petition claims for such services will be treated in Class 10.** **All Professionals, other than the Professionals retained by or providing professional services for the Collateral Agent, Senior Bond Trustee, Junior Bond Trustee, Bondholders or Ordinary Course Professionals, (who will not be required to File final applications for allowance of compensation) seeking compensation shall file applications within 45 days of the Effective Date, or shall have their claim Disallowed under the Plan and be forever barred from asserting such claim against any of the Debtor, the Estate, the Reorganized Debtor, and the Assets. The payment of any Fee Claims is subject to the Bankruptcy Court's approval as reasonable.** **Except with respect to any Administrative Expense Claims for which a different deadline is established by or different procedures are expressly**

	provided in the Plan, all other Administrative Expense Claims must be Filed no later than 30 days after the Effective Date or any such Administrative Expense Claim is and shall be deemed to be forever barred and unenforceable against the Debtor, the Estate, the Reorganized Debtor, and the Assets, and the holders of any such Claims shall be barred from recovering any distributions under the Plan on account thereof. If any such Administrative Expense Claim is filed after the Effective Date, but before the 30-day bar date set forth above, such Claim shall be paid as soon as practicable. **Estimated percentage recovery: 100%**
Class 1. Allowed Priority Claims. **The total estimate of Allowed Priority Claims is $0.**	**UnImpaired. Not entitled to vote.** **Each holder of a Priority Claim, if any, shall be paid the Allowed Amount of its Allowed Priority Claim, at the option of the Reorganized Debtor (a) in full, in Cash, on the Distribution Date, or (ii) upon such other less favorable terms as may be mutually agreed upon between the holder of an Allowed Priority Claim and the Reorganized Debtor. No Priority Claims have been identified.** **Estimated percentage recovery: 100%**
Class 2. Secured Tax Claims. **The estimated Allowed Amount of the Secured Tax Claims is $0.**	**UnImpaired. Not entitled to vote.** **Except to the extent that a holder of an Allowed Secured Tax Claim agrees to a different treatment, each holder of an Allowed Secured Tax Claim, if any, shall be paid the unpaid amount of such Allowed Secured Tax Claim in full in Cash by the Debtor or Reorganized Debtor on the Distribution Date. No Secured Tax Claims have been identified.** **Estimated percentage recovery: 100%**
Class 3. Senior Bond Claims. The Allowed Amount of the Senior Bondholders' Claims is $73,441,496.67.	**Impaired. Entitled to vote.** **The Senior Bond Claims are Allowed Claims pursuant to the Cash Collateral Order in the Allowed Amount of $73,441,496.67 and are Allowed as Allowed Claims in that Allowed Amount for all purposes of the Plan. On the Effective Date, each Bondholder that is a holder of Senior Bonds as of the Distribution Record Date shall be deemed to surrender and exchange its Senior Bond for Amended Bonds pro rata, subject to rounding based on the minimum denomination of the Amended Bonds as set forth in the Plan Supplement. Upon the Effective Date, the Senior Bonds and the Senior Bond Loan Agreement shall be amended as reflected in the Amended Bonds and the Amended Bond Documents as summarized in the Term Sheet attached hereto as Exhibit D-2. The Debtor shall grant to the Successor Collateral Agent pursuant to the Amended Bond Loan Agreement a continuing first priority security interest in all its assets, including, without limitation, a continuing first priority security interest on assets previously encumbered in favor of or pledged to the Collateral Agent pursuant to**

	the Senior Bond Loan Agreement. The Debtor Subsidiaries shall guarantee the obligations of the Amended Bonds and pledge interests and provide security in all assets, including, without limitation, continuing security interests in the same manner and form as existed prior to the Petition Date. All security interests in favor of or pledged to the Collateral Agent or Senior Bond Trustee pursuant to the Senior Bond Loan Agreement, guarantees thereof or any other prepetition document evidencing or securing the Senior Bonds or Senior Bond Loan Agreement shall, without further action, secure the obligations of the Amended Bonds and Amended Bond Loan Agreement. The Reorganized Companies, the Successor Bond Issuer, the Successor Bond Trustee and the Successor Collateral Agent shall execute and deliver the Amended Bond Documents and such other transaction documents as are necessary in the judgment of the Debtor and Debtor Subsidiaries. The Confirmation Order shall constitute approval of all such documents without any further action or formality. The Amended Bond Documents and other documents executed by the Reorganized Companies, the Successor Bond Issuer, the Successor Bond Trustee and the Successor Collateral Agent shall, from and after the Effective Date, be binding and enforceable against the Reorganized Companies (and any successors thereto). The Successor Bond Trustee and Successor Collateral Agent will join in the Horwith Consent, as amended in accordance with Section 4.5.2 of the Plan. **Estimated percentage recovery: 68%**
Class 4. Junior Bond Claims. The Allowed Amount of the Junior Bondholders' Claims is $21,788,749.46.	**Impaired. Entitled to vote.** **The Junior Bond Claims are Allowed Claims pursuant to the Cash Collateral Order in the Allowed Amount of $21,788,749.46 and are Allowed as Allowed Claims in that Allowed Amount for all purposes of the Plan. On the Effective Date, each Bondholder that is a holder of Junior Bonds as of the Distribution Record Date will receive its pro rata share (after payment or reserve for the expenses and costs, including reasonable professional fees, of the Junior Bond Trustee) of all reserve funds held for their benefit by the Junior Bond Trustee in full satisfaction of their liens and obligations, including, without limitation, any guaranteed obligations of a Debtor Subsidiary. On the Effective Date, the Junior Bonds and the Junior Bond Loan Agreement shall be cancelled and all security interests granted for the benefit of the Junior Bondholders pursuant to the Junior Bond Loan Agreement or otherwise against any of the Reorganized Companies shall be promptly cancelled by the Collateral Agent or Junior Bond Trustee.** **Estimated percentage recovery: 2%**

Class 5. Horwith Claim. **The estimated amount of the Horwith Claim through the Effective Date is $1.5 million.**	**Impaired. Entitled to vote.** **Debtor shall assume the Horwith Lease on or before the Effective Date. Any order approving assumption of the Horwith Lease shall provide for customary provisions, conclusions and findings of fact under Section 365 of the Bankruptcy Code, including, without limitation, that (i) as of the Effective Date, that there are no defaults of the Debtor other than those that are to be cured pursuant to this Section 4.5.2 and (ii) the assumed Horwith Lease constitutes legal, valid, binding and enforceable lease in accordance with the terms thereof. Notwithstanding the above, the parties agree that with respect to the Horwith Arrearage, the Reorganized Debtor shall pay (i) 50 percent of the Horwith Arrearage in full, in Cash, on the Effective Date, (ii) the balance shall be paid in 36 monthly installments as an increase in rentals due under the Horwith Lease commencing on the first day of the month following the Effective Date, and (iii) the Horwith Consent shall be amended to, inter alia, provide for a moratorium on subordination for a period of three years from the Effective Date and shall be for the benefit of the Successor Bond Trustee and the Successor Collateral Agent on behalf of the Amended Bonds. Horwith will join in the Horwith Consent, as amended in accordance with this Section 4.5.2. The form of the Horwith Consent, as amended, shall be reasonably acceptable to Horwith, Debtor, the Collateral Agent and the Reinvesting Beneficial Owner and set forth in the Plan Supplement.** **Estimated percentage recovery: 100%**
Class 6. Convenience Class Claims **The estimated total of Allowed Convenience Class Claims is approximately $58,000.**	**Impaired. Entitled to vote.** **Each holder of an Allowed Convenience Class Claim will be paid on the Effective Date, or as soon thereafter as is practicable, it's Allowed Claim, in full, in Cash, without interest.** **Estimated percentage recovery: 100%**
Class 7. General Unsecured Claims **The estimated total of Allowed General Unsecured Claims is $0.**	**Impaired. Deemed to reject. Not entitled to vote.** **The Holders of Class 7 Claims shall be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the Holders of Class 7 Claims shall not be entitled to vote to accept or reject the Plan.** **Estimated percentage recovery: 0%**
Class 8. Debtor Subsidiary Claims **The estimated total of Allowed Debtor Subsidiary Claims is $680,000.**	**UnImpaired. Not entitled to vote.** **Each Holder of a Class 8 Debtor Subsidiary Claim will be paid in full in cash in the ordinary course.** **Holder of Class 8 Claims shall not be entitled to vote to accept or reject the Plan nor to receive notice thereof.** **Estimated percentage recovery: 100%**

Class 9. Intercompany Claims. The estimated amount of the Intercompany Claim is $2,937,000.	**Impaired. Deemed to reject. Not entitled to vote.** **On the Effective Date, each Allowed Intercompany Claim held by Northampton Fuel against the Debtor shall be offset against the Northampton Fuel Note. After the Effective Date, the Northampton Fuel Note shall continue to be a payable by Northampton Fuel to the Debtor in the adjusted principal amount after the offset. Any other Allowed Intercompany Claim held by a Debtor Subsidiary against the Debtor shall receive nothing on account of such Allowed Intercompany Claim and such Allowed Intercompany Claim shall be discharged as of the Effective Date.** **Estimated percentage recovery: 100%**
Class 10. Affiliate Service Claims and Affiliate Administrative Claims. The total estimated amount of Class 10 Claims is $29,840,000.	**Impaired. Entitle to vote.** **On the Effective Date, the holders of Class 10 Claims shall receive the aggregate sum of $2,880,860 in Cash in full settlement of their claims. The Cash payment shall be paid in its entirety to PSC, for the benefit of PSC and USOSC. In consideration of the compromise of these Claims, the Debtor agrees (i) to waive any Claims it may have against Cogentrix or EIF Calypsyo for reimbursement of amounts paid after the Petition Date for services rendered by PSC or USOSC or their subcontractors, and (ii) to pay as and when due to an appropriate disbursing Entity all amounts originally owing to PSC and USOSC as pass-through charges for employee payroll, fringe benefits and incentive compensation relating to employees of subcontractors to PSC and USOSC who have provided labor and management services to the Debtor and the Debtor Subsidiaries.** **Estimated percentage recovery: 8%**
Class 11. Partnership Interests.	**Impaired. Deemed to reject. Not entitled to vote.** **The Holders of Class 11 Interests shall be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the Holders of Allowed Class 9 Interests shall not be entitled to vote to accept or reject the Plan.** **On the Effective Date, each Holder of Interests in the Debtor shall not receive or retain any Distribution or other property on account of such Interests under the Plan. All Interests in Debtor and all agreements, instruments, and other documents evidencing such Interests in Debtor shall be cancelled as of the Effective Date.** **Estimated percentage recovery: 0%**
Class 12. Interests in Debtor Subsidiaries.	**UnImpaired. Not entitled to vote.** **The Debtor shall retain its Interests in the Debtor Subsidiaries under the Plan and such Interests will be vested in the Reorganized Debtor pursuant to the provisions of the Plan**

	Estimated percentage recovery: 100%
Contracts and Leases (other than Horwith Lease)	**Executory Contracts and Leases as of the petition date are assumed unless (i) subject to a pending rejection motion or prior order, or (ii) listed on a "Schedule of Executory Contracts and Unexpired Leases to be Rejected" (to be filed 10 days prior to the Confirmation Hearing). No Cure Payments are anticipated.** **Contracts, leases and settlement agreements entered into after the Petition Date by Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the Debtor or the Reorganized Debtor in the ordinary course of its business**

In the event of any inconsistency between the foregoing summary and the Plan, the Plan shall control.

III. GENERAL OVERVIEW

A. BACKGROUND INFORMATION

The Debtor is a Delaware limited partnership with headquarters in Charlotte, North Carolina. The Debtor's primary operating asset is an approximately 112 megawatt electric generation facility located on approximately 35 acres of leased land in the Borough of Northampton and Allen Township, County of Northampton, Pennsylvania (the "Facility"). The Facility is fueled by a blend of waste products including, but not limited to, anthracite waste coal, tire-derived fuels and residual fiber waste. It is located on real property that is subject to a ground lease by and between the Debtor, Horwith Leasing Co., Inc. and Frank and Geraldine Horwith (collectively, the "Horwiths") dated September 15, 1993, as amended from time to time (the "Horwith Lease"). The Horwiths executed a Lessor Consent and Estoppel Certificate dated as of January 21, 1994 (the "Horwith Consent"), pursuant to which the Horwiths consented to the condition that payments of certain obligations due under the Horwith Lease would be

unconditionally subordinated to the rights of the Debtor's secured parties, including rights of the Collateral Agent, Senior Bond Trustee, Junior Bond Trustee and Bondholders.

The Facility is located in the PJM Interconnection region ("PJM Market") operated by PJM Interconnection, LLC ("PJM"). As a member of PJM, the Facility operates as a merchant plant in the PJM PPL Zone in which it sells energy and capacity into the market. PJM is a centrally dispatched, competitive wholesale electric power market that, as of June 30, 2012, had installed generating capacity of 185,841 megawatts and approximately 800 market buyers, sellers and traders of electricity in a region including more than 60 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. As of the Petition Date, the Debtor sold electricity to Metropolitan Edison Company ("Met-Ed"), a subsidiary of First Energy Corp. Met-Ed and a predecessor of the Debtor, known as Wheelabrator Northampton Energy Company Inc., entered into a Power Purchase Agreement dated October 27, 1989, as clarified by letter agreement dated November 7, 1989 (as amended from time to time, the "PPA"). Wheelabrator Northampton Energy Company Inc. assigned all of its rights and interests in the PPA to the Debtor by an Agreement and Assignment of Power Purchase Agreement dated May 29, 1991. The PPA had a 25-year term that commenced when the Facility was first commercially operational in 1995 and was set to expire in 2020.

Pursuant to the PPA, the Debtor agreed to sell to Met-Ed, and Met-Ed agreed to purchase and pay for, net electric energy made available to it from the Facility. Almost all of the project revenues the Debtor received were derived from payments made under the PPA.

Prior to the Petition Date, the Debtor also entered into a Transmission Service Agreement (the "TSA") with Pennsylvania Power & Light Company ("PPL") dated January 28, 1992 (as

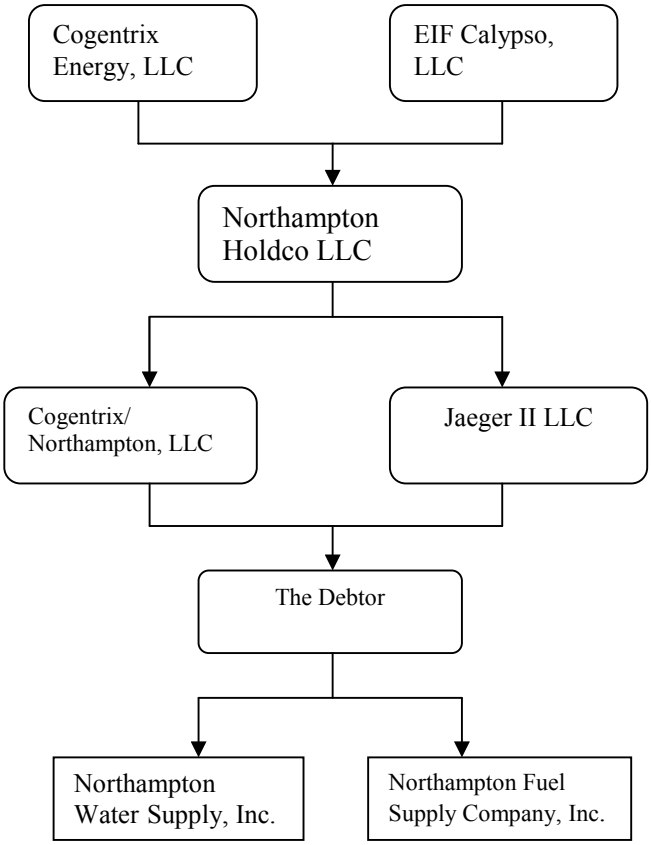
amended from time to time, the "TSA") providing interconnection service for 110 MW and a certain Supplemental Output Interconnection Agreement dated April 30, 2001 (the "Supplemental ICA" and together with the TSA, collectively, the "Interconnection Agreements") providing interconnection service for an additional 5 MW when available. Together, the Interconnection Agreements covered the full electrical output of the Facility and allowed the Debtor to deliver electricity generated at the Facility to a point of interconnection on the transmission system owned by PPL and operated by PJM Interconnection, L.L.C. ("PJM").

In addition to the foregoing agreements, the Debtor has numerous material contracts related to the delivery of fuel, waste coal silt, other necessary supplies used to operate the plant, and the removal and disposal of ash and other waste products. The Facility has operated successfully over the last several years with only one significant unplanned outage in the five years before the Petition Date.

The Debtor is the parent and sole shareholder of Northampton Water Supply, Inc. (the "Water Subsidiary"), which is currently inactive, and Northampton Fuel Supply Company, Inc. ("Northampton Fuel"). The primary operational focus of Northampton Fuel is to lease sources of waste coal and provide such fuel to the Debtor, for which it has obtained and maintains the necessary permits. Additionally, under the Waste Disposal Agreement dated December 15, 1993, Northampton Fuel also disposes of ash and waste coal refuse materials produced by the Facility.

Cogentrix/Northampton, LLC is the 50 percent general partner of the Debtor and Jaeger II LLC is the 50 percent limited partner. Both Cogentrix/Northampton, LLC and Jaeger II LLC are wholly-owned by Northampton Holdco LLC. Northampton Holdco LLC is in turn owned by EIF Calypso, LLC ("EIF"), a 77.5 percent member, and Cogentrix Energy, LLC ("Cogentrix"), a

22.5 percent member. The following chart provides a summary of the Debtor's organizational structure:



B. THE DEBTOR'S DEBT STRUCTURE

As of the Petition Date, the Debtor's debt structure consisted chiefly of senior and junior tax-exempt series bonds which are described as follows:

1. The Senior Tax-Exempt Series Bonds

Effective January 1, 1994, the Debtor entered into the loan agreement (as amended, the "Senior Bond Loan Agreement"), between the Debtor and the Pennsylvania Economic Development Financing Authority (the "Authority"), as bond issuer (in such capacity, the

"Senior Bond Issuer"). Pursuant to the Senior Bond Loan Agreement, the Senior Bond Issuer loaned money to the Debtor that was derived from the sale of two series of bonds: (a) the Senior Bond Issuer's Resource Recovery Revenue Bonds (Northampton Generating Project) Senior-Tax Exempt Series 1994 A in the original principal amount of $153 million (the "Series A Bonds"); and (b) the Senior Bond Issuer's Resource Recovery Revenue Bonds (Northampton Generating Project) Senior Taxable Convertible Series 1994 B in the original principal amount of $25 million (together with such instruments into which such bonds are convertible, the "Series B Bonds" and, collectively with the Series A Bonds, the "Senior Bonds"). The Senior Bonds are governed, in part, by a Trust Indenture dated as of January 1, 1994 (as amended, the "Senior Bond Indenture"), among the Senior Bond Issuer and U.S. Bank National Association, not individually, but as successor bond trustee (in such capacity the "Senior Bond Trustee") for the benefit of the holders of the Senior Bonds (the "Senior Bondholders").

As of the Petition Date, the Series B Bonds had been paid in full. As of the Petition Date, the following amounts remained outstanding under the Series A Bonds: (a) the 6.60% Series A 1994 Term Bonds due January 1, 2019, which have a principal amount outstanding of approximately $61.2 million; and (b) the 6½% Series A 1994 Term Bonds due January 1, 2013, which have a principal amount outstanding of approximately $10.2 million. Accrued and unpaid interest as of the Petition Date was $2,011,496.67.

2. The Junior Tax Exempt Series Bonds

Effective January 1, 1994, the Debtor entered into additional financing arrangements for the Facility pursuant to a loan agreement (the "Junior Bond Loan Agreement"), between the Debtor and the Authority, as bond issuer (in such capacity, the "Junior Bond Issuer," and, in its capacity as both the Senior Bond Issuer and the Junior Bond Issuer, the "Bond Issuer").

Pursuant to the Junior Bond Loan Agreement, the Junior Bond Issuer loaned money to the Debtor that was derived from the sale of the Resource Recovery Revenue Bonds (Northampton Generating Project) Subordinated Tax-Exempt Series 1994 C in the original principal amount of $27 million (the "Junior Bonds" and together with the Senior Bonds, the "Bonds"). The Junior Bonds are governed, in part, by a Trust Indenture dated as of January 1, 1994 (the "Junior Bond Indenture"), among the Junior Bond Issuer and Law Debenture Trust Company of New York, not individually, but as successor bond trustee (in such capacity, the "Junior Bond Trustee" and collectively with the Senior Bond Trustee, the "Bond Trustees") for the benefit of the holders of the Junior Bonds (the "Junior Bondholders" and together with the Senior Bondholders, the "Bondholders").

As of the Petition Date, the following amounts remained outstanding under the Junior Bonds: (a) the 6.950% Series C 1994 Term Bonds due January 1, 2021, which have a principal amount outstanding of approximately $17.0 million; and (b) the 6.875% Series C 1994 Term Bonds due January 1, 2011, which have a principal amount outstanding of approximately $2.1 million. Accrued and unpaid interest was $2,788,479.46 as of the Petition Date.

The Debtor and its subsidiaries are the only entities obligated to repay the Bonds as a guarantor or co-borrower.

3. Intercreditor Agreements

In connection with the execution of the Bonds, the Debtor, the Senior Bond Trustee, the Junior Bond Trustee and U.S. Bank National Association, not individually but as successor collateral agent (in such capacity, the "Collateral Agent"), among others are parties to a certain Project Coordination and Master Funding Agreement dated as of January 1, 1994 (as amended,

the "Project Coordination Agreement"), that allocates and prioritizes the waterfall of revenue for the Facility among operations, maintenance, expense costs, and debt service.

Additionally, the rights of the Senior Bond Trustee and the holders of the Senior Bondholders, and the rights of the Junior Bond Trustee and the Junior Bondholders are subject to, and further limited by the terms and conditions of: (i) that certain Senior Intercreditor Agreement, dated as of January 1, 1994, among, *inter alia*, the Senior Bond Trustee and the Collateral Agent; (ii) the Junior Intercreditor Agreement, dated as of January 1, 1994, among, *inter alia*, the Collateral Agent, the Senior Bond Trustee, and the Junior Bond Trustee; and (iii) that certain Issuer Intercreditor Agreement dated as of January 1, 1994, among, *inter alia*, the Bond Issuer, the Collateral Agent, the Senior Bond Trustee, and the Junior Bond Trustee (collectively, the "Intercreditor Agreements").[2]

4. Security for the Debtor's Bond Obligations

The Debtor has granted to the Collateral Agent or Senior Bond Trustee liens and security interests in substantially all of its real and personal property as security for its obligations associated with the Bonds.[3] Documents evidencing those liens and security interests include, among other documents, the Project Coordination Agreement and Security Agreements in favor of the Applicable Trustees (the "Security Agreements"), and Open-End Mortgage in favor of the Collateral Agent and Open-End Mortgage in favor of the Junior Bond Trustee (the "Mortgages"), and a Pledge Agreement in favor of the Collateral Agent or Senior Bond Trustee and Pledge

[2] ABM AMRO Bank N.V. (the "Administrative Agent") is also a party to the Intercreditor Arrangements, but has not been included in the description because the obligations to the Administrative Agent under that certain Credit and Reimbursement Agreement dated as of January 1, 1994, among Debtor, the banks and financial institutions party thereto and Administrative Agent have been paid in full.

[3] When the relevant bond documents were executed in 1994, these liens and security interests secured both the obligations of the Debtor under the bond documents and obligations of the Debtor under a Credit and Reimbursement Agreement dated as of January 1, 1994. The Debtor satisfied its obligations associated with the Credit and Reimbursement Agreement in 2007.

Agreement in favor of the Junior Bond Trustee (the "Pledge Agreements"). The prepetition bond collateral includes without limitation:

a. the Debtor's leasehold rights in certain lands on which the Facility is situated;

b. the buildings, structures, fixtures, and other improvements comprising and associated with the Facility;

c. the personal property of the Debtor including inventory, raw materials, equipment, and fixtures;

d. general intangibles;

e. the Debtor's accounts, monies, rents, profits, income, royalties, and revenues derived in any manner by the Debtor from its ownership of the Facility, including all revenues from the sale of electricity, steam, heat, goods, or services (the "Revenues"); and

f. proceeds of the foregoing.[4]

5. Other Secured Claims

On the Petition Date, PPL held a security deposit in the amount of $94,660.00 with respect to the Interconnection Agreements (the "Security Deposit") and is scheduled as a secured lender on Debtor's Schedule D – Creditors Holding Secured Claims, filed on January 19, 2012 [Docket No. 83]. PPL was secured to the extent of its Security Deposit. Pursuant to the PPL Settlement Agreement, PPL was permitted to set off the Security Deposit which satisfied the secured claim of PPL.

C. MANAGEMENT

(i) The sole member of the Board of Control of the Debtor is Warren MacGillivray. The officers of the Debtor consist of the following: Warren MacGillivray, President and CEO; Carl Lemke, Vice President—Tax; Carol Carr, Assistant Secretary; and Michelle Brauner, Vice President.

[4] This summary is not intended to modify the scope of the pre-petition bond collateral described in the relevant bond documents; the description in such bond documents controls to the extent of any conflict with the information set forth in this Disclosure Statement.

(ii) The Debtor has no employees. It does, however, have executory contracts for both labor and for commercial management services as follows:

(a) Debtor originally contracted with U.S. Operating Services Company ("USOSC") for labor, operations and maintenance services pursuant to an Amended and Restated Operations and Maintenance Agreement dated December 15, 1993 (the "O&M Agreement"). USOSC subcontracted with U.S. Generating Company ("USGen") to provide these services under the Technical Services Agreement dated November 1, 1994. USGen is now known as Power Service Company, LLC ("PSC"). USOSC and PSC are affiliates of Debtor. PSC subsequently subcontracted with NAES Corporation ("NAES") to provide these services under the Services Agreement dated August 23, 2010. NAES is not an affiliate of Debtor.

(b) Debtor originally contracted with USGen (now PSC) for commercial management services pursuant to a Management Services Agreement dated December 15, 1993 (the "MSA" and together with the O&M Agreement, the "Management Agreements"). PSC subsequently subcontracted with Power Plant Management Services, LLC ("PPMS") to provide these services by agreement dated August 23, 2010. As noted above, PSC is an affiliate of the Debtor, but PPMS is not.

Under the O&M Agreement and the MSA Agreement, Debtor is required to pay certain base rates, earned fees, salary and reimbursable expenses to these operators. Also in the Agreements, both USOSC and PSC expressly agreed to subordinate payment by Debtor of certain costs and expenses to the payment of the debt service (collectively, the "Subordinated Amounts"). These Subordinated Amounts are not currently being paid in the bankruptcy case

and continue to accrue as set forth on the Accrued Post-Petition Liability report attached in each monthly report.

By virtue of PSC being the contractor with PPMS and NAES, PSC effectively guarantees payment to PPMS and NAES for services rendered for the benefit of the Debtor. If PSC were to pursue its potential remedies for termination of its contracts with the Debtor, the Debtor would lose the benefit of this credit support provided by PSC. The result could be the Debtor having to contract with PPMS and NAES, or other providers, on other, potentially less favorable, terms.

Historically, the Debtor has paid the unsubordinated reimbursable expenses of the subcontractors NAES and PPMS directly to PSC and USOSC, as applicable. Prior to the bankruptcy, it was undetermined whether certain expenses of the subcontractors would be reimbursable in 2012 by the Debtor or payable on a subordinated basis. These expenses total approximately $110,000 per month plus a pro rata share of annual incentive pay payable to the subcontractors. PSC and USOSC contend that all such expenses of the subcontractors are reimbursable expenses that are not subordinated under the Management Agreements and that the Management Agreements themselves are subject to termination in accordance with their terms.

Debtor has provided for payment of the reimbursable expenses of NAES and PPMS in its cash collateral budget. Debtor has also agreed to pay as and when due all amounts originally owing to PSC and USOSC as pass-through charges for employee payroll, fringe benefits and incentive compensative relating to employees of subcontractors to PSC and USOSC who have provided labor and management services to the Debtor and the Debtor Subsidiaries. PSC and USOSC are continuing to provide the credit support through the Agreements. On October 26, 2012, PSC filed the Motion of Power Services Company (f/k/a U.S. Generating Co.) for Allowance of Administrative Claim [Docket No. 232] seeking administrative claims for its

services on a post-petition basis (the "PSC Motion"). The PSC Motion is pending and if the Plan is confirmed, the PSC Motion will become moot.

D. NORTHAMPTON FUEL CLAIM

Pursuant to the Waste Disposal Agreement dated December 15, 1993 (the "Waste Disposal Agreement"), Northampton Fuel is required to provide Debtor with reliable sources of waste coal and silt for the Facility, and sites for the disposal of ash produced by the Facility. To meet its obligations under the Waste Disposal Agreement, Northampton Fuel entered into numerous leases, easements, licenses and other access agreements with waste coal sites and ash disposal areas throughout Pennsylvania and the greater northeastern United States. Under the Waste Disposal Agreement, Debtor is responsible for paying Northampton Fuel its reimbursable costs for providing these services promptly upon demand. A portion of Northampton Fuel's reimbursable expenses also includes subordinated fees and expenses owed USOSC and PSC in the same manner as discussed above. The pre-petition unsecured subordinated amounts totaled $2,937,113.00 as scheduled by the Debtor in its Schedules. However, Northampton Fuels owes Debtor approximately $33 million pursuant to a non-interest bearing promissory note in the original amount of $33 million executed by Northampton Fuel in favor of Debtor.

E. EVENTS LEADING TO THE CHAPTER 11 CASE

The Debtor's financial performance in the years preceding the Petition Date was hampered by a combination of rising fuel costs and burdensome terms contained in both the PPA and the TSA. At the time the petition was filed, fuel costs were up over 40 percent since 2005 due primarily to increases in the cost to transport fuel needed to operate the Facility as well as a decrease in fuel quality and certain other fuel production changes. The terms of the Debtor's PPA did not allow the Debtor to recoup these increases in fuel costs through its power sales to Met-Ed, which negatively impacted the Debtor's ability to service its debt.

Even more concerning to the Debtor was the future pricing schedule of power sales in the PPA. First, the terms of the PPA dictated that, from 2011 through its termination in 2020, payment to the Debtor for baseload power (i.e., power delivered up to 718,320 MWh) would be significantly lower on a per MWh basis than prior to 2010. The significance of this is that baseload power constituted the majority of power that the Debtor delivered pursuant to the PPA. Assuming constant generation from year-to-year, this drop would have caused a decline of over 30 percent in revenues on a run-rate basis. Second, the terms of the PPA provided for even lower rates for excess power (i.e., power delivered above 718,320 MWh) delivered to Met-Ed as compared to rates paid for baseload power, thereby removing any potential the Debtor may have had to increase cash flow from delivery of power in excess of baseload amounts. It is also important to note that the rates paid under the PPA were, in most cases, well below rates the Debtor could have achieved had it sold power into the PJM Market on a merchant basis at then current rates. While future revenues were uncertain, forward power models suggested that, at the time of the Petition Date, revenues may have been nearly $10 million higher over 2012 and 2013 versus revenues that were expected to be collected under the PPA.

It is also worth noting that the PPA precluded the Debtor from benefiting from the sale of certain ancillary services into the PJM Market which could have produced significant revenues with minimal increases in costs. This additional cash flow would have been able to offset a portion of the significant increase in fuel costs.

The Interconnection Agreements were a vestige of earlier regulatory schemes that existed prior to the deregulation of power markets, and further burdened the Debtor's ability to service its debts. Under the Interconnection Agreements, the Debtor was required to transfer to PPL $1.14 million per year in wheeling payments. Under the TSA and PPA, the Debtor also had to

recognize losses for 2.5 percent of all power generated ("Transmission Losses"). Transmission Losses represented power that was actually generated, but for which the Debtor received no revenues even though the Debtor did incur variable costs to generate the power. At the time of the filing of the Petition, the Debtor estimated that the TSA would cost the Debtor nearly $5 million through 2013 in both wheeling payments and lost revenue due to the Transmission Losses provision. The Debtor recognized that the regulatory environment provided the Debtor the ability to access the PJM Market through a substitute interconnection agreement that would not require any of these transfers.

As a result of these higher costs and onerous contract provisions, from 2009 to the Petition Date, the Debtor was not able to meet its scheduled debt service payments on the Senior Bonds or the Junior Bonds from its cash flow from operations. The Debtor relied on an approximately $10 million senior debt service reserve funded by bond proceeds to meet its debt service obligations to the Senior Bondholders. The Debtor, however, was not able to replenish the reserve and the balance as of the Petition Date was less than five percent of the required amount.

The Debtor has not been able to make any payments on the Junior Bonds since September 2009. As of the Petition Date, there was only approximately $339,000 in the junior debt service reserve for the Debtor to meets its debt service obligations to the Junior Bonds.

Additionally, the Debtor failed to pay certain subordinated management expenses over the past few years and the management expense accrual was approximately $22 million as of the Petition Date. Further, the Debtor failed to make subordinated lease payments under the Horwith Lease, and approximately $1,180,729.31 had accrued as of the Petition Date.

Notwithstanding the fact that the Debtor had failed to make payments on the Junior Bonds since 2009, and had not replenished either the senior debt reserves or the junior debt reserves in full, the Bondholders continued to allow the Debtor to access its revenues for operating expenses and, to the extent possible, debt service. While the Debtor believed it could meet its anticipated operational expenses from its revenues, the Debtor forecasted a shortfall of over $23,100,000 after scheduled debt service payments through 2013 to the Senior and Junior Bondholders. As a result, on December 5, 2011, the Debtor filed a voluntary petition for relief under chapter 11 to maintain and maximize the value of its assets and operations, and to implement an appropriate restructuring of its debts, as well as the PPA and TSA.

F. SIGNIFICANT POST-PETITION EVENTS

1. First-Day Motions and Corresponding Orders

On December 5, 2011, the Debtor filed the following "first day" motions:

(a) Motion for Entry of an Order Authorizing (A) Continued Use of Existing Business Form, (B) Maintenance of Existing Bank Accounts and Cash Management System, and (C) Waiver of Deposit Guidelines (Docket No. 3);

(b) Debtor's Motion for Entry of an Order (i) Prohibiting Utilities from Altering, Refusing, or Discontinuing Services on Account of Pre-Petition Invoices, (ii) Deeming Utilities Adequately Assured of Future Performance, and (iii) Establishing Procedures for Requests for Additional Assurance of Payment (Docket No. 4);

(c) Motion for Entry of an Order for Authority to Honor Certain Prepetition Obligations Owed to Critical Vendors in the Ordinary Course of Business (Docket No. 5);

(d) Motion for Authorization to Continue Ordinary Course Transactions and Honor Certain Prepetition Obligations of Northampton Fuel Supply Company, Inc. (Docket No. 6);

(e) Motion to Extend Time to File Missing Schedules and Statements with Notice of Hearing (Docket No. 7);

(f) Motion for an Order Pursuant to 11 U.S.C. §§ 102 and 105(a) and Bankruptcy Rules 2002(m) and 9007 Establishing Case Management and Notice Procedures (Docket No. 8);

(g) Motion to Use Cash Collateral Pursuant to 11 U.S.C. §§ 105, 361, and 363 on an Interim Basis and Scheduling a Final Hearing (Docket No. 9); and

(h) Ex-Parte Motion to Shorten Notice for First Day Motions filed by the Debtor and for an Order Scheduling an Expedited Hearing Thereon and Approving the Form and Notice Thereof (Docket No. 10).

On December 8, 2011, the Bankruptcy Court held a hearing on the first day motions. After the hearing, the Bankruptcy Court entered the following first day orders which enabled the Debtor to continue their operations on an uninterrupted basis:

(i) Order Granting Debtor's Motion for Entry of an Order Authorizing Debtor to Honor Certain Prepetition Obligations Owed to Critical Vendors in the Ordinary Course of Business (Docket No. 43);

(j) Order (i) Prohibiting Utilities From Altering, Refusing, or Discontinuing Services on Account of Pre-Petition Invoices; (ii) Deeming Utilities Adequately Assured of Future Performance; and (iii) Establishing Procedures for Requests for Additional Assurance of Payment (Docket No. 45);

(k) Order Authorizing (a) Continued Use of Existing Business Forms, (b) Maintenance of Existing Bank Accounts and Cash Management System, and (c) Waiver of Deposit Guidelines (Docket No. 46);

(l) Order Granting the Debtor's Motion for an Order Pursuant to 11 U.S.C. §§ 102 and 105(a) and Bankruptcy Rules 2002(m) and 9007 Establishing Case Management and Notice Procedures (Docket No. 47);

(m) Order Granting the Debtor Additional Time for Filing Schedules of Assets and Liabilities and Statement of Financial Affairs (Docket No. 48);

(n) Order Authorizing Continued Ordinary Course Transactions and Honoring of Certain Prepetition Obligations of Northampton Fuel Supply, Inc. on an Interim Basis (Docket No. 49); and

(o) Interim Order Regarding Use of Cash Collateral and Adequate Protection (Docket No. 52).

Certain of the orders initially entered by the Bankruptcy Court were interim orders (Docket No. 59 and Docket No. 52). The Court held a final hearing on those matters on January 11, 2012, and, after that hearing, entered the following final orders:

(a) Order After Final Hearing Authorizing Continued Ordinary Course Transactions and Honoring of Certain Prepetition Obligations with Northampton Fuel Supply Company, Inc. (Docket No. 71); and

(b) Final Order Regarding Use of Cash Collateral and Adequate Protection (Docket No. 81).

2. Cash Collateral Orders

On December 12, 2011, the Bankruptcy Court entered an Interim Order Regarding Use of Cash Collateral and Adequate Protection (the "Interim Cash Collateral Order") (Docket No. 52), which permitted the Debtor to utilize the cash collateral on an interim basis. The Debtor sought the use of cash collateral in connection with the Chapter 11 Case to preserve the value of its business. The Collateral Agent consented to the use of cash collateral, but only upon the terms and conditions set forth in the Interim Cash Collateral Order. As a result of the Interim Cash Collateral Order, the Debtor was allowed to use its ongoing revenue and cash on hand derived in the ordinary course of the Debtor's business to pay its operating and administrative expenses (as detailed in a budget) on an interim basis until a final hearing could be held on the Debtor's cash collateral motion.

As adequate protection and in consideration for the use of the Debtor's cash collateral and other prepetition bond collateral by the Debtor, both Bond Trustees received a valid, perfected and enforceable continuing replacement liens and security interests in all assets of the Debtor existing on or after the Petition Date, of the same type as the prepetition bond collateral, together with the proceeds, rents, products and profits thereof, whether acquired or arising before or after the Petition Date to the same extent, validity, perfection, enforceability and priority of the liens and security interests of the Bond Trustees as of the Petition Date (the "Rollover Lien"). As additional adequate protection, each Bond Trustee was granted a valid, perfected and enforceable continuing supplemental lien and security interest to the extent of any diminution in

the prepetition bond collateral in all of the assets of the Debtor of any kind or nature whatsoever within the meaning of Section 541 of the Bankruptcy Code, whether acquired or arising prepetition or postpetition, together with all proceeds, rents, products, and profits thereof (the "Supplemental Lien"). The Rollover and the Supplemental Liens have priority consistent with that established in the Intercreditor Agreements. As further adequate protection, the Debtor was required to make adequate protection payments as set forth in the budgets attached to the Interim Cash Collateral Order, and each Bond Trustee was granted a super-priority administrative expense claim pursuant to Section 507(b) of the Bankruptcy Code with priority over any and all administrative expenses, diminution claims, and all other claims against the Debtor (the "Superpriority Claims"). As consideration for the Debtor's waiver of any Section 506(c) claims, the Bond Trustees consented to a carve-out from the cash collateral for the payment of certain expenses and professional fees incurred during the pendency of the Chapter 11 Case.

The final hearing on the Debtor's motion for use of cash collateral was held on January 11, 2012. After the hearing, the Bankruptcy Court entered its Final Order Regarding Use of Cash Collateral and Adequate Protection (Docket No. 81) (the "Final Cash Collateral Order"). Pursuant to the Final Cash Collateral Order and the budget attached thereto, the Debtor was authorized to use cash collateral derived in the ordinary course of the Debtor's operations, but only on the terms and conditions of the Final Cash Collateral Order, which limited such use to the payment of expenses in the amounts and at the times listed in the budget attached to the Final Cash Collateral Order. The Final Cash Collateral Order further granted adequate protection in the form of a Rollover Lien, Supplemental Lien, and Superpriority Claims. As further adequate protection, the Debtor was required to make adequate protection payments to the Collateral Agent, as well as adequate protection payments based on the fees and expenses of the Bond

Trustees and their respective professionals and certain specified professionals representing the Junior Bondholders.

The Final Cash Collateral Order has been periodically amended to provide that the Debtor has use of cash collateral through January 8, 2013.

3. Negotiations with Major Contract Counterparties

The Debtor and Met-Ed entered into a settlement to provide for a consensual early termination of the PPA upon certain terms and conditions, including, without limitation, the payment by Debtor of the Met-Ed Allowed Administrative Claim. The order approving the Met-Ed settlement was entered on March 29, 2012 (Docket No. 127). On April 26, 2012, the Pennsylvania Public Utility Commission approved the early termination of the Met-Ed Settlement Agreement. Debtor filed a notice of effectiveness of the Metropolitan Edison settlement on April 30, 2012.

The Debtor and PPL also entered into a settlement to provide an early termination of Interconnection Agreements and enter into a new agreement upon certain terms and conditions, including, without limitation, the payment by Debtor of the PPL Allowed Administrative Claim. The Debtor filed the Debtor's Motion for Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure (i) Approving Settlement Agreement Between Debtor and PPL Electric Utilities Corporation and (ii) Authorizing Entry into a New Interconnection Agreement on March 30, 2012 (the "PPL Settlement Agreement"). The order approving the PPL Settlement Agreement was entered on April 23, 2012 (Docket No. 145). Pursuant to the terms of the PPL Settlement Agreement, the PPL Settlement Agreement became effective on May 25, 2012. The new interconnection agreement was effective as of May 21, 2012.

4. New Contracts

During the bankruptcy, Debtor obtained membership status from PJM Interconnection, LLC in the Generation Owner Sector which permits it to sell energy into the PJM Market as a merchant plant. Since May 1, 2012, Debtor has been operating as a merchant plant.

As a merchant plant, the Debtor entered into a new three-party interconnection service agreement for the full output of the Facility under PJM's FERC-approved open access transmission tariff with PPL and PJM Interconnection, L.L.C. ("PJM"). Under the new interconnection agreement, the Debtor is able to deliver electricity to the transmission grid into the PJM Market.

In order to coordinate the sale negotiations between the Debtor and the PJM Market, the Debtor entered into an energy management agreement with PPL EnergyPlus LLC as a power marketer on April 24, 2012 (Docket No. 146). PPL EnergyPlus LLC acts as a broker for the Debtor with PJM and provides services related to the sale of the capacity generated and other ancillary services provided by the Facility.

5. Employment of Professionals of Debtor

The Debtor filed an application to employ Moore & Van Allen PLLC as bankruptcy counsel for the Debtor and Debtor in Possession as of the Petition Date (Docket No. 31). On January 11, 2012, the Bankruptcy Court entered an order approving said employment (Docket No. 73).

6. Other Professionals Employed by the Debtor

On December 7, 2011, the Debtor filed an application to employ Houlihan Lokey Capital, Inc., as investment banker and financial advisor to the Debtor (Docket No. 26). The Bankruptcy Court entered an order approving said employment on January 3, 2012 (Docket No. 63).

On February 17, 2012, the Debtor filed an application to employ Dilworth Paxson LLP as special bond counsel ("Bond Counsel"), to represent and advise the Debtor in matters related to the reissuance or restructure of the Debtor's Bonds (Docket No. 98). The Bankruptcy Court approving said employment by order entered on March 12, 2012. (Docket No. 115).

A number of ordinary course professionals, accountants, auditors and consultants have been retained pursuant to the Ordinary Course Order.

7. Monthly Operating Reports, Schedules, Statement of Financial Affairs, Meeting of Creditors, and Bar Date

The Debtor filed its Schedules (Docket No. 83) and Statement of Financial Affairs (Docket No. 84) on January 19, 2012, and, as amended on April 13, 2012 (Docket No. 141). The Debtor also filed certain "Global Notes" regarding the Schedules substantially contemporaneously therewith (Docket No. 85). While the Debtor's management has made every effort to ensure that the Schedules, Statement of Financial Affairs and amendments are accurate and complete based on information that was available at the time of preparation, inadvertent errors or omissions may have occurred. Accordingly, the Debtor reserved the right to amend the Schedules, Statement of Financial Affairs and amendments from time to time as may be necessary or appropriate. The Global Notes referenced above, are incorporated by reference in, and comprise an integral part of, the Schedules, Statement of Financial Affairs and amendments, and should be referred to and reviewed in connection with any review of the Schedules and Amendments. Debtor also filed its Periodic Report for subsidiaries required under Rule 2015 on January 3, 2012 (Docket No. 65).

The Section 341 meeting of creditors was held on February 8, 2012 (Docket No. 95). The Office of the United States Bankruptcy Administrator conducted the meeting of creditors required by Section 341(a) of the Bankruptcy Code.

The Bankruptcy Administrator and the Debtor agreed upon a modified form of monthly report as contemplated in the Chapter 11 Operating Order entered on December 20, 2012 (Docket No. 59). Since that time, the Debtor has filed its monthly operating reports on a timely basis and complied with all requests for information by the Bankruptcy Administrator.

On December 5, 2012, the Bankruptcy Court entered the Notice of 341(a) Meeting of Creditors (the "341 Notice") (Docket No. 16) which established the bar date as April 17, 2012 (the "Bar Date"). A number of claims were filed against the Debtor prior to the Bar Date. The Debtor has filed an omnibus objection to claims and expunged or reduced a number of claims (the "Claim Objection"). After taking into account the Claim Objection, the Debtor estimates that the claims against the Debtor are essentially in the amounts set out in the Summary of Classification and Treatment of Creditors and Interest Holders set forth in Section II of this Disclosure Statement, subject to any rights and defenses thereto.

8. Extensions of Exclusivity Period

Upon filing a chapter 11 bankruptcy case, a debtor holds the exclusive right to file a plan of reorganization for 120 days and, if it does so, the exclusive right to attempt to confirm the plan for an additional 60 days thereafter. The Debtor's initial exclusive period to file a plan of reorganization was through April 4, 2012. The exclusive periods can be extended by the Bankruptcy Court "for cause," and in complex cases, the periods are usually extended. On February 29, 2012, the Debtor filed the Debtor's Motion for Order Under 11 U.S.C. § 1121(d) Extending Exclusive Periods to File Plan of Reorganization and Solicit Acceptances Thereof (the "Exclusivity Motion") requesting that the Bankruptcy Court extend the exclusivity periods until July 2, 2012, for filing a plan of reorganization and until August 31, 2012, to obtain acceptances of a plan of reorganization (such periods, together with any extensions thereof, the "Exclusivity Periods"). The Exclusivity Motion was granted on March 29, 2012 (Docket No. 129).

Subsequent extensions have been requested through the date of this Disclosure Statement. The current exclusivity period terminates on January 8, 2013.

9. Horwith Lease

Parallel with extensions of the exclusive period, the Bankruptcy Court has also granted extensions of the deadline to assume or reject the Horwith Lease.

10. Operational Results During the Chapter 11 Case

a. Compliance with Cash Collateral Orders

Since filing, the Debtor has continued to operate their Properties successfully, while complying with requirements of the Bankruptcy Code and order of the Bankruptcy Court.

b. Financial Results During the Chapter 11 Case

The results of the Debtor' Financial Operations during the Chapter 11 Case are reflected in detail in the Monthly Operating Reports.

Throughout this Chapter 11 Case, the Debtor's actual net operating cash flows (before capital expenditures, interest and restructuring charges) continue to exceed the budgeted net operating cash flows used for the cash collateral budget as shown on Exhibit D-3 to this Disclosure Statement, entitled, "Historical Cash Flows."

IV. THE PLAN

A. FINANCIAL PROJECTIONS UNDER THE PLAN

Attached as Exhibit D-4 to this Disclosure Statement, entitled, "Debtor's Financial Projections," is information reflecting the Reorganized Debtor's projected cash flow from business operations under the Plan. In preparing these projections, the Debtor reviewed data and factors which included, but were not limited to, information from the Debtor's historical operations, publicly available projections relating to projected prices for electricity in the PJM Market, and information assembled by the Debtor's professionals and advisors.

B. IMPLEMENTATION OF THE PLAN

1. General Provision

Upon confirmation of the Plan, the Debtor shall be authorized to take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan including, without limitation, the execution and filing of all documents required or contemplated by the Plan. In connection with the Effective Date, the Reorganized Debtor will be authorized to execute, deliver, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

2. Consolidation of Debtor and Debtor Subsidiaries

Subject to the occurrence of the Effective Date and effective on the Effective Date, the Debtor and each Debtor Subsidiary shall be substantively consolidated for all of those purposes and actions associated with confirmation and consummation of the Plan. On and after the Effective Date, (a) all assets and liabilities of the Debtor and each Debtor Subsidiary shall be treated as though they were merged into the Estate solely for purposes of the Plan, (b) no distributions shall be made under the Plan on account of Intercompany Claims or Interests except for setoff of claims, (c) for all purposes associated with confirmation, the estates of the Debtor and each Debtor Subsidiary shall be deemed to be one consolidated estate for the Debtor, and (d) each and every Claim filed, to be filed in the Chapter 11 Case or otherwise asserted against the Debtor or any Debtor Subsidiary shall be deemed filed against the Debtor, and shall be Claims against and obligations of the Debtor. Substantive consolidation shall not affect: (a) the legal and organizational structure of the Debtor and each Debtor Subsidiary; or (b) distributions from any insurance policies or proceeds of such policies.

Substantive consolidation is a remedy used sparingly because courts find it difficult to treat creditors of separate entities equitably in a consolidation. In this case, the unsecured creditors of the Debtor are either being paid 100 percent as members of the Convenience Class or will consent to a different treatment under the plan. Creditors of the Debtor Subsidiaries will be paid in full in the ordinary course except for certain guaranty and contract claims which will also be subject to consensual treatment under the Plan. As a result, substantive consolidation, in this case, will be equitable.

In addition, substantive consolidation of the Debtor Subsidiaries has significant efficiencies which benefit the creditors of the Debtor as well as the Debtor Subsidiaries. In particular, the guaranty and contract claims against the Debtor Subsidiaries can be discharged pursuant to the Plan consensually. Without substantive consolidation, separate chapter 11 bankruptcy proceedings for the Debtor Subsidiaries would be required to achieve the same result with attendant expense and delay, as well as damage to creditworthiness of the Debtor Subsidiaries. In the specific circumstances of this case, substantive consolidation will be equitable and beneficial to all parties.

Except as set forth specifically in the Plan, each holder of a Claim against a Debtor Subsidiary shall be paid by such Debtor Subsidiary in the ordinary course. As such, no notice of the Plan or Disclosure Statement shall be required to be given to the contract counterparties or holders of Claims against Debtor Subsidiaries unless such parties are specifically affected by the Plan.

3. Equity Contribution

On the Effective Date, the Reinvesting Beneficial Owner will fund to the Debtor the Equity Contribution through investments in the General Partnership Interest Holder and the Limited Partnership Interest Holder which shall in turn fund investments in the Reorganized

Debtor in an amount of approximately $10,000,000.00 which amount shall be sufficient to fund the costs and expenses of the Plan and shall provide the Reorganized Companies Cash on hand, after accounting for payments made or reserved on the Effective Date, in an amount of not less than the sum of (i) $3,500,000.00 plus, (ii) the Horwith Deferral Amount. All cash consideration necessary for the Reorganized Companies to make payments or distributions pursuant hereto shall be obtained from the Cash on hand of the Reorganized Companies, including Cash derived from business operations and to the extent necessary from the Equity Contribution.

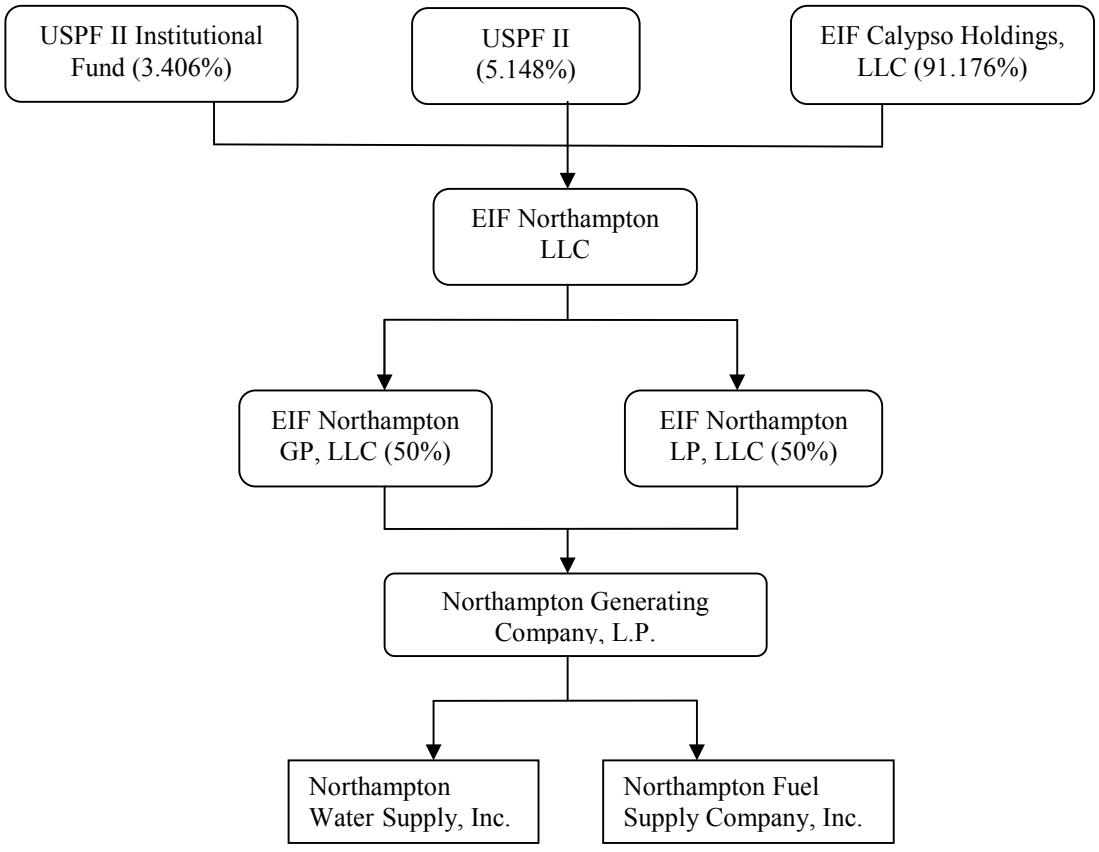
4. Status of Existing Liens of Secured Tax Claims, Bondholders and Other Secured Claims

Unless otherwise provided in the Plan, on the Effective Date, all existing liens held by the holders of Allowed Secured Tax Claims and Other Secured Claims on the Assets shall retain the same validity, priority and extent that existed on the Petition Date. Neither Section 8.6 of the Plan nor Section 552 of the Bankruptcy Code shall apply to limit any of the Collateral Agent's or Senior Bond Trustee's liens and security interests held for the benefit of the Senior Bond Trustee and Bondholders with respect to the Senior Bonds, which shall remain in place in the same priority as prior to the bankruptcy case prior to the Petition Date, solely for the benefit of the Successor Bond Trustee, Successor Collateral Agent, Amended Bonds and the Amended Bond Documents. Section 8.6 of the Plan and Section 552 of the Bankruptcy Code shall not apply to limit the landlord liens, if any, of Horwith related to the Horwith Lease. On the Effective Date, subject to compliance by the Debtor and Reorganized Companies with the Plan, all other Liens and encumbrances shall be deemed automatically canceled, terminated and of no further force or effect without further act or action under any applicable agreement, law, regulation, order, or rule.

5. New Partnership Interests.

On the Effective Date, the Reorganized Debtor shall issue Limited Partnership Interests and General Partnership Interests. The Limited Partnership Interests shall be issued to the Limited Partnership Interests Holder. The General Partnership Interests shall be issued to the General Partnership Interests Holder. Voting rights and other attributes of the Limited Partnership Interests and General Partnership Interests may be set forth in the Plan Supplement.

The following chart provides a summary of the Debtor's organizational structure after the Effective Date:



6. Plan Documents.

The Plan, the Plan Supplement, and all documents to implement the Plan and the transactions contemplated in the Plan shall be in form and substance satisfactory to the Reorganized Companies and Collateral Agent to the extent set forth in the Plan.

7. Distributions Under the Plan.

Distributions under the Plan on account of Allowed Claims shall be made solely to holders of such Claims as of the Distribution Record Date; provided that Allowed Claims arising subsequent to the Distribution Record Date and Administrative Expense Claims shall be Allowed and paid as provided under the Plan. All distributions that are required under the Plan shall be made by the Reorganized Companies. If any litigation now pending is resolved by Final Order or settlement, and the Debtor or a Debtor Subsidiary is ordered to pay any sums to the successful litigant, then such party shall become a Creditor, and shall share in distributions to the appropriate Class. Whenever any distribution to be made under the Plan shall be due on a day other than a Business Day, such distribution shall instead be made, without the accrual of any interest thereon, on the immediately succeeding Business Day, but shall be deemed to have been made on the date due.

a. Record Date for Voting on Plan

The transfer registers for each of the Classes of Claims and Interests as maintained by the Debtor, a Debtor Subsidiary or any third party, shall be deemed closed on the date of entry of an order of the Bankruptcy Court conditionally approving the Disclosure Statement (or, with respect to any Class, any later date to which the Debtor agree) for purposes of voting on the Plan, and there shall be no further changes to reflect any new record holders of any Claims or Interests for purposes of voting on the Plan.

b. Delivery of Distributions

Except as otherwise provided in the Plan, distributions to a holder of an Allowed Claim or Allowed Interest shall be made at the address of such holder as indicated on the Debtor's or Debtor Subsidiary's records or, with respect to Senior Bond Claims and Junior Bond Claims, as directed by the Collateral Agent or Applicable Trustee. In the event that any such distribution is returned as undeliverable, the Reorganized Companies shall use reasonable efforts to determine the current address of the applicable holder, and no distribution to such holder shall be made unless and until the Reorganized Companies has determined such then current address, provided, however, that if any distribution remains unclaimed after the first anniversary after distribution, such distribution shall be deemed unclaimed property pursuant to Section 347(b) of the Bankruptcy Code and shall become vested in the Reorganized Companies. In such event, the Claim of the holder for such distribution shall no longer be deemed to be Allowed, and such holder shall be deemed to have waived its rights to such distribution under the Plan pursuant to Section 1143 of the Bankruptcy Code, shall have no further claim or right thereto, and shall not participate in any further distributions under the Plan with respect to such Claim. Checks issued by the Reorganized Companies in respect of Allowed Claims shall be null and void if not negotiated within 120 days after the date of issuance thereof.

c. Third-Party Agreements

The distributions to the various Classes of Claims or Interests hereunder will not affect the right of any Entity to levy, garnish, attach, or employ any other legal process with respect to such distributions by reason of any claimed subordination or lien priority rights or otherwise. In particular, nothing in the Plan shall affect or impair any charging lien or similar rights of the Collateral Agent, Senior Bond Trustee or Junior Bond Trustee against parties other than the

Debtor, Debtor Subsidiaries and Reorganized Companies under any document or instrument relating in any way to the Senior Bonds and Junior Bonds. Except as set forth in the Plan, all subordination agreements entered into by any parties in interest shall be enforceable to the extent permitted by applicable law. As of the Effective Date, and without any further act by the Debtor, the Debtor Subsidiaries, the Reorganized Companies or any other person, any reference to the Senior Bonds, obligations under the Senior Bond Loan Agreement or any other document evidencing or securing the same in any contract, security agreement, estoppel or consent entered into by of for the benefit of the Debtor, Debtor Subsidiaries, the Collateral Agent, the Senior Bond Trustee or the holders of Senior Bonds prior to the Effective Date shall be deemed to refer to the Amended Bonds or the Amended Bond Documents, as applicable, and shall except as set forth in Section 7.4 of the Plan or as otherwise provided in the Plan, continue to be in full force and effect.

d. Manner of Payment Under the Plan

At the option of the Reorganized Companies, any payment in Cash to be made under the Plan may be made by check or wire transfer from a domestic bank or as otherwise required by applicable agreement.

e. No Fractional Distributions

No fractional dollars shall be distributed under the Plan. For purposes of distributions, Cash distributions shall be rounded up or down, as applicable, to the nearest whole dollar.

f. Withholding and Reporting

The Reorganized Companies shall comply with all applicable withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions shall be subject to such withholding and reporting requirements.

g. Surrender of Instruments

At the option of the Reorganized Companies, as a condition to receiving any distribution under the Plan, each holder of an Allowed Claim evidenced by a certificated instrument must, except as otherwise provided in the Plan including, without limitation, provisions of Sections 4.4 and 4.3 herein, either (a) surrender such instrument to the Reorganized Companies, or (b) submit evidence satisfactory to the Reorganized Companies of the loss, theft, mutilation, or destruction of such instrument. If any holder of an Allowed Claim fails to do either (a) or (b) before the one year anniversary of the Effective Date, such holder shall be deemed to have forfeited its Claim and all rights appurtenant thereto, including the right to receive any distributions hereunder. After the first anniversary of the Effective Date, all payments not distributed pursuant to this Section 7.8 shall be deemed unclaimed property pursuant to Section 347(b) of the Bankruptcy Code and shall become vested in the Reorganized Companies. For the avoidance of doubt, the Collateral Agent and Applicable Trustees shall be required (i) to provide documentation to the Reorganized Debtor and the Successor Collateral Agent to evidence the release of liens securing the Junior Bonds and Junior Loan Agreement and (ii) to provide documentation to the Debtor Subsidiaries and the Successor Collateral Agent evidencing the release any liens securing the guaranty of the Junior Bonds and Junior Loan Agreement by a Debtor Subsidiary..

8. Objections to Claims and Interests; Prosecution of Disputed Claims and Interests

Under Section 9.1 of the Plan, the Debtor and, after the Effective Date, the Reorganized Companies, shall have the exclusive right to object to the allowance, amount or classification of Claims and Interests asserted in the Chapter 11 Case or otherwise against the Debtor or a Debtor Subsidiary (provided that no such rights shall exist to object to the allowance or classification of any Claim after it has been Allowed or object to the amount of any Allowed Claim after the

Allowed Amount has been determined in accordance with the Plan) and such objections may be litigated to Final Order by the Debtor or the Reorganized Companies, as applicable, or compromised and settled in accordance with the business judgment of the Debtor or the Reorganized Companies, as applicable, without further order of the Bankruptcy Court. Unless otherwise provided herein or ordered by the Bankruptcy Court, all objections to Claims and Interests shall be Filed no later than 150 days after the Effective Date, subject to any extensions granted pursuant to a further order of the Bankruptcy Court, which extensions may be obtained by the Reorganized Companies without notice upon ex parte motion

9. Estimation of Disputed Claims and Interests

Under Section 9.2 of the Plan, the Debtor and, after the Effective Date, the Reorganized Companies, may at any time request that the Bankruptcy Court estimate for all purposes, including distribution under the Plan, any disputed, contingent or unliquidated Claim or Interest pursuant to Section 502(c) of the Bankruptcy Code whether or not the Debtor or the Reorganized Companies have previously objected to such Claim or Interest. The Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest at any time, including, without limitation, during the pendency of an appeal relating to such objection.

10. No Distributions on Account of Disputed, Contingent or Unliquidated Claims and Interests

Under Section 9.3 of the Plan, no distribution shall be due or made with respect to all or any portion of any disputed, contingent, or unliquidated Claim until the Claim becomes an Allowed Claim by Final Order.

V. CONDITIONS TO OCCURRENCE OF EFFECTIVE DATE, DATE OF PLAN AND NOTICE OF EFFECTIVE DATE

1. Conditions to Occurrence of the Effective Date of Plan

As provided in Section 11.1 of the Plan, the "effective date of the plan," as used in Section 1129 of the Bankruptcy Code, shall not occur until the Effective Date. The occurrence of the Effective Date is subject to satisfaction of the following conditions precedent (or conditions subsequent with respect to actions that are to be taken contemporaneously with, or immediately upon, the occurrence of the Effective Date), any of which may be waived in writing by the Debtor, Collateral Agent and the Reinvesting Beneficial Owner (any of which party may withhold its consent to any waiver in its sole discretion) and any other party whose consent to any such waiver is specifically required in writing under the Plan, if such waiver is legally permissible with respect thereto::

(a) The Confirmation Order and the Plan as confirmed pursuant to the Confirmation Order and Filed shall be in a form and substance satisfactory to the Debtor, the Collateral Agent and the Reinvesting Beneficial Owner;

(b) The Confirmation Order shall have become a Final Order; *provided, however,* that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtor, with the consent of the Collateral Agent and Reinvesting Beneficial Owner, unless the effectiveness of the Confirmation Order has been stayed or vacated;

(c) The Bankruptcy Court shall have made the statutorily required findings of fact and conclusions of law in connection with the confirmation of the Plan, each of which findings and conclusions shall be expressly set forth in the Confirmation Order or in findings of fact and conclusions of law entered in support of and contemporaneously with the entry of the Confirmation Order.

(d) All actions, Plan Documents, agreements and instruments, or other documents necessary to implement the terms and provisions of the Plan or the Plan Supplement, including, without limitation, the Amended Bond Documents shall have been executed and delivered in form and substance satisfactory to the Debtor, Collateral Agent and the Reinvesting Beneficial Owner and Filed in the record of the Chapter 11 Case, and such documents shall be binding by order of the Bankruptcy Court (which order may be included in the Confirmation Order) on the Reorganized Companies without any further action or formality;

(e) The Debtor shall have received the proceeds of the Equity Contribution;

(f) Any federal, state, local and foreign governmental authorizations, consents and regulatory approvals, including to the extent required for the consummation of each of the transactions contemplated in the Plan shall have been obtained and shall have become final and non-appealable and, with respect to any court proceeding relating thereto, been approved by Final Order. In particular, approval will be obtained by the Federal Energy Regulatory Commission *("FERC")* of the change in ownership of the Debtor pursuant to Section 203(a)(2) of the Federal Power Act and Section 33.1(a)(1) of FERC's regulations governing dispositions;

(g) All fees and expenses due to or incurred by Professionals for the Debtor through the Effective Date not previously paid pursuant to interim or final orders shall have been paid into and shall be held in escrow, free and clear of Liens, Claims and encumbrances (other than the rights of such Professionals) until due and payable in accordance with applicable court order;

(h) All payments required to be made on the Effective Date shall have been made;

(i) Any and all documentation contemplated by the Plan to be executed by the Debtor, the Reinvesting Beneficial Owner, and the parties to the Amended Bonds and/or any other persons, shall have been executed and delivered; and

(j) The Effective Date shall occur no later than March 31, 2013, (or such later date as may be agreed and designated in writing by each of the Debtor, the Collateral Agent and Reinvesting Beneficial Owner each in their sole discretion).

2. Filing Notice of the Effective Date

As provided in Section 11.2 of the Plan, within three Business Days of the occurrence of the Effective Date, the Reorganized Companies shall file a notice of occurrence of the Effective Date signed by the counsel for the Debtor in Possession and, if different, counsel to the Reorganized Companies in the record of the Bankruptcy Court reflecting (a) that the foregoing conditions to the occurrence of the Effective Date have been satisfied or waived by the Debtor and any other person whose consent or waiver is required, (b) the date of the Effective Date, and (c) acknowledging that the Effective Date has occurred on and as of such date.

3. Revocation or Withdrawal of Plan

As provided in Section 11.3 of the Plan, the Debtor reserves the right, in consultation with the Collateral Agent but otherwise in the exercise of its sole discretion, to withdraw the Plan at any time prior to the Confirmation Date. If the Plan is withdrawn prior to the Confirmation Date, the Plan shall be deemed null and void. In such event, nothing contained in the Plan, the Plan Supplement or in any of the Plan Documents shall be deemed to constitute a waiver or release of any claims or defenses of, or an admission or statement against interest by, the Debtor or any other Entity or to prejudice in any manner the rights of the Debtor or any Entity in any further proceedings involving the Debtor.

VI. EFFECT OF CONFIRMATION OF PLAN

1. Vesting of Assets and Retained Causes of Action.

On the Effective Date, pursuant to Section 1141(b) of the Bankruptcy Code, all Assets of the Debtor, each Debtor Subsidiary and the Estate shall vest in the Reorganized Companies free and clear of any and all Claims, Liens, Interests, and other interests, charges and encumbrances, except as otherwise expressly provided in the Plan or in the Confirmation Order. From and after the Effective Date, the Reorganized Companies may operate their businesses and may own, use, acquire and dispose of Assets free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if the Chapter 11 Case had never been filed. Effective upon the occurrence of the Effective Date, the Debtor will waive any Avoidance Claims for affirmative recoveries, provided, however, the Debtor reserves all such Avoidance Claims for defensive purposes and may assert Avoidance Claims as defenses or setoffs against other Claims filed against the Debtor.

Except as otherwise specifically provided in the Plan, and pursuant to Section 1123(b) of the Bankruptcy Code, the Reorganized Companies shall retain all rights and are authorized to commence and pursue, as the Reorganized Companies deem appropriate, any and all claims and Causes of Action, whether arising before or after the Petition Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in the Chapter 11 Case, and including but not limited to, the claims and Causes of Action specified in the Plan or any Plan exhibit. Notwithstanding the foregoing, the Reorganized Companies waive, and shall not pursue, any claims or Causes of Action against the Released Parties. Due to the size and scope of the business operations of the Debtor and each Debtor Subsidiary and the multitude of business transactions therein, there may be numerous other claims and Causes of Action that currently exist or may subsequently arise, in addition to the claims and Causes of Action identified in the Plan Supplement, all of which other claims and Causes of Action shall revest in the Reorganized Companies. The Reorganized Companies do not intend, and it should not be assumed that, because any existing or potential claims or Causes of Action have not yet been pursued by the Debtor or do not fall within the list identified in the Plan Supplement, any such claims or Causes or Action have been waived or will not be pursued. Under the Plan, the Reorganized Companies retain all rights to pursue any and all claims and Causes of Action to the extent the Reorganized Companies deem appropriate (under any theory of law or equity, including, without limitation, the Bankruptcy Code and any applicable local, state, or federal law, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Chapter 11 Case) except as otherwise specifically provided in the Plan.

2. Binding Effect

Upon the occurrence of the Effective Date, the terms of the Plan, Plan Supplement and the Plan Documents shall be immediately effective and enforceable and deemed binding upon the Debtor, each Debtor Subsidiary, the Reorganized Companies and any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all persons that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described in the Plan, each person acquiring property under the Plan, and any and all non-Debtor parties to executory contracts and unexpired leases with the Debtor and Debtor Subsidiaries.

3. Discharge of the Debtor

Except with respect to Claims expressly reinstated by the Plan or as otherwise specifically provided in the Plan or in the Confirmation Order, the rights afforded in the Plan and the treatment of the Claims and Interests in the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims against and Interests in the Debtor, each Debtor Subsidiary, the Debtor in Possession, the Reorganized Companies or the Assets, properties, or Interests in, or property of the Debtor, each Debtor Subsidiary, the Debtor in Possession or the Reorganized Companies of any nature whatsoever, including any interest accrued on any Claim from and after the Petition Date. Except as expressly otherwise provided herein or in the Confirmation Order, on the Effective Date, all Claims arising before the Effective Date (including those arising under Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code) against the Debtor, any Debtor Subsidiary and the Debtor in Possession (including any based on acts or omissions that constituted or may have constituted ordinary or gross negligence or reckless, willful, or wanton misconduct of any of the Debtor or a Debtor Subsidiary, or any conduct for

which the Debtor or a Debtor Subsidiary may be deemed to have strict liability under any applicable law), together with all Interests in the Debtor, shall be irrevocably satisfied, discharged, cancelled and released in full.

For the avoidance of doubt, the Reorganized Companies shall be responsible only for (a) those payments and distributions expressly provided for or due under the Plan and (b) Claims and Interests that are not canceled and discharged pursuant to specific and express provisions of the Plan, and then only to the extent and in the manner specifically and expressly provided in the Plan. All Entities are precluded and forever barred from asserting against the Debtor, any Debtor Subsidiary, the Debtor in Possession or the Reorganized Companies, or the Assets, properties, or Interests in or property of the Debtor, any Debtor Subsidiary, the Debtor in Possession or the Reorganized Companies of any nature whatsoever any Claims or Interests based upon any act or omission, transaction, or other activity, event, or occurrence of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date, except for (a) those payments and distributions expressly due under the Plan and (b) Claims and Interests, if any, that are not canceled and discharged under the Plan, but instead survive pursuant to specific and express provisions of the Plan, and then only to the extent and in manner specifically and expressly provided in the Plan.

With respect to any debts discharged by operation of law under Section 1141 of the Bankruptcy Code, the discharge of the Debtor operates as an injunction against the commencement or continuation of an action, the employment of process, or an act, to collect, recover, or offset any such debt as a liability of the Debtor or any Debtor Subsidiary, whether or not the discharge of such debt is waived; provided, however, that the obligations of the Reorganized Companies under the Plan are not so discharged.

4. Indemnification Obligations

Subject to the occurrence of the Effective Date, the obligations of the Debtor or a Debtor Subsidiary to indemnify, reimburse or limit liability of any person who is serving or has served as one of their directors, members of its Board of Control, officers, employees, managing directors, or agents by reason of such person's prior or current service in such capacity as provided in the applicable articles of organization, operating agreements, partnership agreements, or bylaws, by statutory law or by written agreement, policies or procedures of or with the Debtor or Debtor Subsidiary, or the partners of the Debtor, shall be deemed to be and treated as executory contracts that are assumed and assigned to the Reorganized Companies pursuant to the Plan and Section 365 of the Bankruptcy Code and shall not be affected by or discharged by the Plan. Nothing in the Plan shall be deemed to affect any rights of any director, partner, member, officer or any other person against any insurer with respect to any directors or officers liability insurance policies.

5. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Case pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms. In addition, on and after the Confirmation Date, the Debtor and each Debtor Subsidiary may seek such further orders as they may deem necessary or appropriate to preserve the status quo during the time between the Confirmation Date and the Effective Date.

6. Protection against Discriminatory Treatment

Consistent with Section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all persons, including governmental units, shall not discriminate against the Reorganized Companies or deny, revoke, suspend or refuse to renew a license, permit, charter, franchise or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Companies or another person with whom the Reorganized Companies has or have been associated, solely because the Debtor has been a debtor under chapter 11, has been insolvent before the commencement of the Chapter 11 Case (or during the Chapter 11 Case but before the Debtor is granted or denied a discharge) or has not paid a debt that is dischargeable in the Chapter 11 Case. From and after entry of the Confirmation Order, all persons, including governmental units shall accept any documents or instruments presented by the Debtor or Reorganized Companies which are necessary or appropriate to consummate the transactions contemplated by the Plan, shall not revoke, terminate or fail or refuse to maintain, transfer, issue or renew any license, permit or authorization based on the transactions contemplated by the Plan or implementation thereof.

7. No Successor Liability

Except as otherwise specifically provided in the Plan or the Confirmation Order, neither the Debtor, any Debtor Subsidiary nor the Reorganized Companies will have any responsibilities, pursuant to the Plan or otherwise, for any liabilities or obligations of the Debtor or any of the Debtor Subsidiaries, past or present, relating to or arising out of the operations of or assets of the Debtor or any of the Debtor Subsidiaries, whether arising prior to, or resulting from actions, events, or circumstances occurring or existing at any time prior to the Effective Date. The Reorganized Companies shall have no successor or transferee liability of any kind or

character, for any Claims; provided, however, that the Reorganized Companies shall have the obligations for the payments specifically and expressly provided, and solely in the manner stated, in the Plan.

8. Release of Claims of Debtor and Debtor Subsidiaries

As of the Effective Date, and subject to its occurrence, for the good and valuable consideration provided by each of the Released Parties, any and all Causes of Action of the Debtor, a Debtor Subsidiary and Debtor in Possession against any of the Released Parties based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date shall be forever released and discharged. The foregoing releases, however, shall not (1) operate as a waiver or release for any borrowed money owed to the Debtor or a Debtor Subsidiary by any officer, director or employee, (2) release or limit any claims or Causes of Action set forth in the Plan Supplement (except that the Debtor and the Reorganized Companies release any claims and Causes of Action against the Bondholders, Authority, Issuer, Senior Bond Trustee, Junior Bond Trustee, Collateral Agent, Northampton Partners, Northampton Holdco, EIF Calypso, Cogentrix, their respective past, present and future officers, directors, managing directors, servants, shareholders, members, partners, employees, agents, representatives, consultants and professionals), or (3) waive any defenses to any Claims asserted against the Debtor or a Debtor Subsidiary by any Released Parties except to the extent such Claims have been specifically Allowed in the Plan or by a Final Order of the Bankruptcy Court, or (4) release any claims or Causes of Action based on gross negligence or reckless, willful or wanton misconduct of any Released Party.

The scope of third-party releases provided for in the Plan is broad. Such releases are appropriate under the circumstances of this case given the substantial and continuing

contributions made by the Collateral Agent, the Applicable Trustees, the Bondholders, insiders and equity owners in bringing the case to a successful conclusion. The substantial compromise of Claims by the Bondholders justifies the inclusion of these parties, the Collateral Agent, the Applicable Trustees, their professionals and related personnel within the definition of Released Parties. In addition, the beneficial equity owners of a majority interest in the Debtor are funding the Equity Contribution to recapitalize the Debtor and fund the payment of various expenses and claims under the Plan. With all unsecured creditors being paid 100 percent, voting in favor of or not objecting to the Plan, litigation against the insiders, the Collateral Agent, the Applicable Trustees, Bondholders or against parties who may have received payments prior to the Filing Date would serve no purpose. The Plan represents a comprehensive settlement of issues related to the reorganization of the Debtor. The contributions of the parties whose claims and interests are being compromised by the Plan and the continuing work by insiders to bring those parties to confirmation is expressly conditioned upon the releases and exculpation provisions contained in the Plan and it is equitable to include such releases as part of a plan reflecting a consensual settlement.

9. Release by Holders of Claims

Except as otherwise specifically provided in the Plan or the Confirmation Order, on and after the Effective Date, each holder of a Claim who has voted to accept the Plan shall be deemed to have unconditionally released the Released Parties from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based in whole or in part upon any act or omission, transaction, agreement, event, or other

occurrence taking place on or before the Effective Date on account of any Claim, except for (i) with respect to the Reorganized Debtor, Claims which are or become Allowed Claims and are to be paid as provided pursuant to the Plan, and (ii) claims based on gross negligence or reckless, willful or wanton misconduct of the Released Parties.

10. Exculpation

Except as otherwise specifically provided for in the Plan or the Confirmation Order, and only to the extent not inconsistent with Section 524(e) of the Bankruptcy Code, the Released Parties, the Debtor, each Debtor Subsidiary, the Debtor in Possession and the Reorganized Companies shall have no liability to any Entity for any act or omission in connection with or arising out of the negotiation of the Plan, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan, the transactions contemplated and effectuated by the Plan, the administration of the Plan, or the Assets to be distributed under such Plan or any other act or omission during the administration of the Chapter 11 Case or the Estate, except for claims based on gross negligence or reckless, willful or wanton misconduct. In all respects, each of the foregoing shall be entitled to rely upon the advice of counsel with respect to its duties and responsibilities with respect to the negotiation of the Plan, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan, the transactions contemplated and effectuated by the Plan, the administration of the Plan, or the Assets to be distributed under such Plan or any other act or omission during the administration of the Chapter 11 Case or the Estate.

11. Preservation of All Causes of Action Not Expressly Settled or Released

For the avoidance of doubt, and without limiting or restricting any other provisions of the Plan, including but not limited to Section 10.1 of the Plan "Vesting of Assets and Retained Causes of Action," unless a claim or Cause of Action against a Creditor or other Entity is expressly and specifically waived, relinquished, released, compromised or settled in the Plan or any Final Order, the Reorganized Companies expressly reserve such claim or Cause of Action for adjudication or pursuit by the Reorganized Companies after the Effective Date, and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after the Confirmation Date or Effective Date of the Plan based on the Disclosure Statement, the Plan, the Confirmation Order or otherwise. The Reorganized Companies expressly reserve the right to pursue or adopt any claims (and any defenses) or Causes of Action of the Debtor, each Debtor Subsidiary or the Debtor in Possession, as trustee for or on behalf of the Creditors, not specifically and expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order against any Entity, including, without limitation, the plaintiffs or codefendants in any lawsuits. The Reorganized Companies shall be the representatives of the Estate appointed for the purposes of pursuing any and all such claims and Causes of Action (including but not limited to those set forth the Plan Supplement) under Section 1123(b)(3)(B) of the Bankruptcy Code.

Any Entity to whom the Debtor or a Debtor Subsidiary has incurred an obligation (whether on account of services, purchase or sale of goods, tort, breach of contract or otherwise),

or who has received services from the Debtor or a Debtor Subsidiary or a transfer of money or property of the Debtor or a Debtor Subsidiary, or who has transacted business with the Debtor or a Debtor Subsidiary, or leased equipment or property from the Debtor or a Debtor Subsidiary, should assume that such obligation, transfer, or transaction may be reviewed by the Reorganized Companies subsequent to the Effective Date and may, to the extent not theretofore specifically waived, relinquished, released, compromised or settled in the Plan or any Final Order, be the subject of an action or claim or demand after the Effective Date, whether or not (a) such Entity has filed a proof of claim against the Debtor in the Chapter 11 Case, (b) such Entity's proof of claim has been objected to, (c) such Entity's Claim was included in the Debtor's Schedules, or (d) such Entity's scheduled Claim has been objected to by the Debtor or has been identified by the Debtor as disputed, contingent, or unliquidated.

VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1. Assumption of Executory Contracts and Unexpired Leases

Unless otherwise set forth in the Plan, each executory contract or unexpired lease of the Debtor and each Debtor Subsidiary that has not expired by its own terms before the Effective Date or previously been assumed by the Debtor in Possession pursuant to an order of the Bankruptcy Court, shall be assumed as of the Effective Date pursuant to Sections 365 and 1123 of the Bankruptcy Code, except for any executory contract or unexpired lease (i) that is listed on a "Schedule of Executory Contracts and Unexpired Leases to be Rejected" (to be Filed as part of the Plan Supplement), (ii) that has been previously rejected by the Debtor in Possession pursuant to an order of the Bankruptcy Court, (iii) as to which a motion for rejection of such executory contract or unexpired lease is Filed prior to the Effective Date, or (iv) added to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" prior to the Effective Date. Nothing

in the Plan, any exhibit to the Plan, or any document executed or delivered in connection with the Plan or any such exhibit creates any obligation or liability on the part of the Debtor, a Debtor Subsidiary, the Reorganized Companies, or any other person or entity that is not currently liable for such obligation, with respect to any executory contract or unexpired lease except as may otherwise be provided in the Plan. For the avoidance of doubt, the provisions of Article 6 of the Plan are, with respect to the Horwith Lease, qualified in their entirety by specific provisions of the Plan that relate specifically to such agreement.

Except as otherwise set forth in the Plan, any executory contract or unexpired lease assumed pursuant to the Plan shall be and hereby is assumed as of the Effective Date and shall be fully enforceable in accordance with its terms thereof, shall remain subject to any subordination or similar provisions set forth therein or in any related agreement and shall include all written modifications, amendments, supplements of said executory contract or unexpired lease and, as with respect to executory contracts or unexpired leases that relate to real property, shall include all written agreements and leases appurtenant to the premises, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easements, and any other interests in real property or rights in rem related to such premises. Listing a contract or lease on the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" is not deemed an admission by the Debtor, a Debtor Subsidiary or the Reorganized Companies that such contract is an executory contract or unexpired lease or that the Debtor, a Debtor Subsidiary or the Reorganized Companies has any liability thereunder.

The Debtor and each Debtor Subsidiary reserve the right at any time before the Effective Date to amend the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to: (a) delete any executory contract or unexpired lease listed on the "Schedule of Executory

Contracts and Unexpired Leases to be Rejected", thus providing for its assumption under the Plan, or (b) add any executory contract or unexpired lease to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected", thus providing for its rejection under the Plan. The Debtor and each Debtor Subsidiary shall provide notice of any such amendment of the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to the party to the affected executory contract and unexpired lease, to the Collateral Agent and its counsel, and to the Bankruptcy Administrator.

2. Cure Payments, Compensation for Pecuniary Loss, and Adequate Assurance

All Cure Payments or adequate assurance payments that are required to be paid or provided by Section 365(b)(1)(A)-(C) of the Bankruptcy Code, unless disputed by the Debtor, shall be made by the Reorganized Companies on the Effective Date. **The Debtor and each Debtor Subsidiary hereby give notice that there are no Cure Payments due with respect to any executory contracts and unexpired leases to be assumed under the Plan. Any non-Debtor party to any executory contract or unexpired lease to be assumed under the Plan that objects to assumption of the executory contract or unexpired lease or believes that a Cure Payment is due in connection with such assumption must file a written objection to the assumption of such executory contract or unexpired lease with no Cure Payment and state in the written objection the grounds for such objection and specifically set forth the amount of any request for a Cure Payment by the deadline established by the Bankruptcy Court for filing objections to confirmation of the Plan**. Unless the non-debtor party to any executory contract or unexpired lease to be assumed files and serves on the Debtor and its counsel an objection to assumption of such executory contract or unexpired lease for any reason, or asserting that a Cure Payment is required or owed in connection with such assumption, by the

deadline established by the Bankruptcy Court for filing objections to confirmation of the Plan, then the executory contracts and unexpired leases shall be assumed, and any default then existing in the executory contract and/or unexpired lease shall be deemed cured as of the Effective Date, and there shall be no other cure obligation or Cure Payment due or owed by anyone, including the Debtor and the Reorganized Companies, in connection with such assumption of the executory contract or unexpired lease. Any Claims for Cure Payments not Filed as part of a written objection to the proposed assumption within such time period will be forever barred from assertion against the Debtor, the Estate, the Reorganized Companies, and the Assets, and the holders of any such Claims are barred from recovering any distributions under the Plan on account thereof. In the event of an objection to the assumption of executory contracts or unexpired leases regarding the amount of any Cure Payment, or the ability of the Reorganized Companies to provide adequate assurance of future performance or any other matter pertaining to assumption, (a) the Bankruptcy Court will hear and determine such dispute at the Confirmation Hearing and, (b) in the discretion of the Debtor or Debtor Subsidiary, as applicable, the Debtor or Debtor Subsidiary (i) may assume such disputed executory contract or unexpired lease by curing any default or providing adequate assurance in the manner determined by the Bankruptcy Court, or (ii) may reject such executory contract or unexpired lease as of the Effective Date. The Reorganized Companies shall make any Cure Payment on the later of the Effective Date and the date such Cure Payment is due pursuant to a Final Order, provided however that the Reorganized Companies shall have five Business Days after any order determining the amount of a disputed Cure Payment becomes a Final Order in which to amend the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to provide for the

rejection of such executory contract or unexpired lease and, in such an event, such executory contract or unexpired lease shall be deemed rejected as of the Effective Date..

3. Effect of Confirmation Order on Executory Contracts and Unexpired Leases

Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of such assumptions pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the Debtor, each Debtor Subsidiary, the Estate, and all parties in interest. In addition, the Confirmation Order shall constitute a finding of fact and conclusion of law that (i) there are no defaults of the Debtor or Debtor Subsidiary, as applicable, no Cure Payments owing (including that there is no compensation due for any actual pecuniary loss), (ii) there is adequate assurance of future performance with respect to each such assumed executory contract or unexpired lease, (iii) such assumption is in the best interest of the Debtor, each Debtor Subsidiary and the Estate, (iv) upon the Effective Date, the assumed executory contracts or unexpired leases constitute legal, valid, binding and enforceable contracts in accordance with the terms thereof, and (v) the counterparty to each assumed executory contract or unexpired lease is required to and ordered to perform under and honor the terms of the assumed executory contract or unexpired lease. All executory contracts and unexpired leases assumed under the Plan or during the Chapter 11 Case constitute valid contracts and leases, as applicable, enforceable by the Debtor against the non-Debtor counterparties regardless of any cross-default or change of control provisions in any contracts or leases assumed or rejected under the Plan or during the Chapter 11 Case.

Subject to the occurrence of the Effective Date, the Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejection as of the Effective Date of all

executory contracts and unexpired leases that are not assumed under the Plan, with the rejection effective as of the day before the Petition Date, as being burdensome and not in the best interest of the Estate.

4. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan

Except as otherwise set forth in the Plan, any Claims for damages arising from the rejection of an executory contract or unexpired lease under the Plan must be Filed within 30 days after the Effective Date or, with respect to any executory contracts or unexpired leases which are rejected after the Effective Date by amendment to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected," no later than 30 days after the date of such amendment, or such Claims will be forever barred and unenforceable against the Debtor, the Reorganized Companies, and the Assets and the holders of any such Claims will be barred from receiving any distributions under the Plan.

5. Bar Modifications, Amendments, Supplements, Restatements or Other Agreements

Unless otherwise provided, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan. Modifications, amendments, supplements and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtor during the

Chapter 11 Case shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority or amount of any Claims that may arise in connection therewith, unless such Executory Contract or Unexpired Lease has been previously assumed by the Debtor.

6. Reservation of Rights

Nothing contained in the Plan or any Plan Document shall constitute an admission by the Debtor or a Debtor Subsidiary that any such contract or lease is in fact an executory contract or unexpired lease or that the Reorganized Companies has or have, as the case may be, any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtor, Debtor Subsidiary or the Reorganized Companies, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

7. Plan Contracts and Leases Entered Into After the Petition Date

Notwithstanding any other provision in the Plan, contracts and leases entered into after the Petition Date by the Debtor or a Debtor Subsidiary, including any executory contracts and unexpired leases assumed by such Debtor, will be performed by the Debtor or the Reorganized Companies liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed executory contracts and unexpired leases) will survive and remain unaffected by entry of the Confirmation Order.

8. Management Agreements

Subject to the occurrence of the Effective Date and effective thereon, the MSA, O&M Agreement and Northampton Fuel Management Agreements shall be rejected pursuant to Section 365 of the Bankruptcy Code. Entry of the Confirmation Order by the clerk of the

Bankruptcy Court shall constitute the approval, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the agreements described in Section 6.8 of the Plan. The Reorganized Companies shall be authorized to enter into new agreements with other Entities for the provision of services provided under the former Management Agreements in form and substance satisfactory to the Collateral Agent. The form of new management agreements shall be attached in the Plan Supplement.

VIII. CERTAIN MISCELLANEOUS AND OTHER PROVISIONS

1. Payment of Statutory Fees. All fees payable pursuant to Section 1930 of title 28 of the United States Code shall be paid after the Effective Date by the Reorganized Companies, as, when and in the amount as required by applicable law.

2. Notice. Any notices, requests, and demands required or permitted to be provided under the Plan, in order to be effective, must be in writing (including by electronic mail or facsimile transmission), and unless otherwise expressly provided in the Plan, shall be deemed to have been duly given or made (a) if personally delivered or if delivered by electronic mail or courier service, when actually received by the Entity to whom such notice is sent, or (b) if deposited with the United States Postal Service (whether actually received or not), at the close of business on the third Business Day following the day when placed in the mail, postage prepaid, certified or registered with return receipt requested, addressed to the appropriate Entity or Entities, at the address of such Entity or Entities set forth below (or at such other address as such Entity may designate by written notice to all other Entities listed below:

If to the Debtor or Reorganized Debtor:	Moore & Van Allen PLLC 100 North Tryon Street, Suite 4700 Charlotte, NC 28202 Attn: Hillary B. Crabtree Email: hillarycrabtree@mvalaw.com

With a Copy (which shall not constitute Notice) to:	Mintz Levin Cohn Ferris Glovsky and Popeo, P.C. One Financial Center Boston, MA 02111 Attn: William W. Kannel Email: wwkannel@mintz.com
If to the Collateral Agent:	Mintz Levin Cohn Ferris Glovsky and Popeo, P.C. One Financial Center Boston, MA 02111 Attn: William W. Kannel Email: wwkannel@mintz.com
If to the Reinvesting Beneficial Owner:	Alycia L. Goody Assistant General Counsel Energy Investors Funds Three Charles River Place 63 Kendrick Street Needham, MA 02494 Email: agoody@eif.com

3. Headings. The headings used in the Plan and in this Disclosure Statement are inserted for convenience only and do not in any manner affect the construction of the provisions of the Plan or this Disclosure Statement.

4. Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), and the laws of the State of New York, without giving effect to any conflicts of law principles thereof that would result in the application of the laws of any other jurisdiction, shall govern the construction of the Plan and any agreements, documents, and instruments executed in connection with the Plan, except as otherwise expressly provided in such instruments, agreements, or documents.

5. Additional Documents. The Debtor and each Debtor Subsidiary has the authority to take any and all actions and execute (and perform) any agreements and documents as it deems necessary or appropriate in its reasonable discretion to effectuate and further evidence the terms and conditions of the Plan.

6. Plan Supplement. Any exhibits or schedules not filed with the Plan may be contained in the Plan Supplement, if any, and the Debtor and each Debtor Subsidiary hereby reserves the right to file such a Plan Supplement.

7. Compliance with Tax Requirements. In connection with the Plan, the Debtor, each Debtor Subsidiary and the Reorganized Companies will comply with all applicable withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions hereunder shall be subject to such withholding and reporting requirements.

8. Exemption from Transfer Taxes. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any securities under the Plan, the making or delivery of any mortgage, deed of trust, other security interest, or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall be exempt from all taxes as provided in such Section 1146(a) of the Bankruptcy Code.

9. Indenture Held Funds. Pursuant to the Cash Collateral Order, the Collateral Agent, Senior Bond Trustee and Junior Bond Trustee were authorized to apply, allocate and make payments from all cash, cash equivalents, securities and funds held pursuant to the Senior Bond Indenture, Junior Bond Indenture or any other document(s) evidencing, securing or otherwise relating to the Bonds in any manner permitted by those documents. No provision of the Plan shall impair or affect the foregoing rights of the Collateral Agent, Senior Bond Trustee or Junior Bond Trustee or otherwise impair any rights or interests of the Collateral Agent, Senior Bond Trustee, Junior Bond Trustee or Bondholders therein.

10. Further Authorizations. The Debtor, each Debtor Subsidiary, and after the Effective Date, the Reorganized Companies, may seek such orders, judgments, injunctions, and rulings they deem necessary or useful to carry out the intention and purpose of, and to give full

effect to, the provisions of the Plan. For the avoidance of doubt, the Collateral Agent, Senior Bond Trustee and Junior Bond Trustee may each, in its sole discretion, condition the taking or refraining from taking of any action described in or contemplated by the Plan on its receipt of direction from holders of the obligations for which it is representative that complies with the terms of the applicable Bonds and related documents.

In particular, the Reorganized Debtor shall take all such actions necessary to provide for the filing of a final tax return for Northampton Holdco (as the taxpayer on behalf of the Debtor and Debtor Subsidiaries) and then to proceed as expeditiously as practicable to dissolve Northampton Holdco and the Northampton Partners. In addition, the Reorganized Companies shall implement the authority granted by Cogentrix/Northampton, LLC to change the corporate name of this entity such that the word "Cogentrix" does not appear in its corporate name. The final fee applications for professionals of the Debtor shall include an estimated reserve to fund professional expenses to accomplish these tasks.

11. Successors and Assigns. The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor or assign of such Entity.

12. Exemptions from Securities Laws. The reissuance of the Amended Bonds shall be exempt from registration under any federal, state or local law, rule or regulation pursuant to Section 1145 of the Bankruptcy Code or other applicable law. Any person who solicits or participates in the offer, issuance, sale or purchase of the Amended Bonds issued under, or in accordance with, the Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, is not liable, on account of such solicitation or participation, for violation of

an applicable law, rule or regulation governing solicitation of acceptance or rejection of the Plan or the offer, issuance, sale or purchase of securities pursuant thereto

13. Modification and Amendment of the Plan. The Debtor may alter, amend, or modify the Plan, or any other Plan Document, under Section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date so long as such alterations, amendments, or modifications have been consented in writing by the Collateral Agent and Reinvesting Beneficial Owner in advance and the Plan, as modified, meets the requirements of Sections 1122 and 1123 of the Bankruptcy Code or the Court has approved such modifications to the Plan. After the Confirmation Date, and prior to the Effective Date, the Reorganized Companies may, with the prior written consent of the Collateral Agent, alter, amend, or modify the Plan in accordance with Sections 1127(b) of the Bankruptcy Code. From and after the Effective Date, the authority to amend, modify, or supplement the Plan Documents shall be as provided in the Plan, the Plan Supplement or such documents.

IX. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming which would entail significant tax consequences to holders of Claims and Interests. Certain tax aspects of the Plan are uncertain due to the lack of applicable regulations and other tax precedent. Neither the Debtor nor the Debtor Subsidiaries have requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to what interpretation that the IRS will adopt.

EACH HOLDER OF A CLAIM OR INTEREST AFFECTED BY THE PLAN SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO THAT HOLDER'S CLAIM OR INTEREST.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND INTERESTS ARE HEREBY NOTIFIED THAT (a) ANY DISCUSSION OF TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE TAX CODE, AND (b) THIS DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OF THE PLAN.

HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD CONSULT THEIR TAX ADVISOR TO DETERMINE THE AMOUNT AND TIMING OF ANY INCOME OR LOSS SUFFERED AS A RESULT OF THE CANCELLATION OF THE CLAIMS OR INTERESTS HELD BY SUCH PERSON, WHETHER SUCH INCOME OR LOSS IS ORDINARY OR CAPITAL AND THE TAX EFFECT OF ANY RIGHT TO, AND RECEIPT OF DEFERRED PAYMENT.

THE ABOVE DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, ALL HOLDERS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

X. CONFIRMATION PROCEDURE

1. Voting and Other Procedures

A ballot for the acceptance or rejection of the Plan is enclosed with this Disclosure Statement and submitted to the holders of Claims and Interests that are entitled to vote to accept or reject the Plan. With respect to Senior Bond Claims and Junior Bond Claims, ballots will be distributed to the beneficial holders of Senior Bonds and Junior Bonds, respectively. Those beneficial holders have previously identified themselves to the Collateral Agent as Bondholders.

No notice will be provided to the Holders of Claims in Class 8.

The Bankruptcy Court has conditionally approved this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Creditors to make an informed judgment whether to accept or reject the Plan.

HOWEVER, APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN. ALL CREDITORS AND HOLDERS OF INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY.

Pursuant to the provisions of the Bankruptcy Code, only holders of Claims or Interests in classes of Claims or Interests that are Impaired under the Plan and are to receive distributions thereunder are entitled to vote to accept or reject the Plan. Classes in which the holders of Claims or Interests will not receive or retain any property under the Plan are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan. Classes of Claims or

Interests in which the holders of Claims or Interests are Unimpaired are deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

The Bankruptcy Code defines "acceptance" of a plan by a class of: (i) claims, as acceptance by creditors actually voting in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims; and (ii) interests, as acceptance by interest holders in that class actually voting that hold at least two-thirds in number of such interests.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or otherwise in accordance with the provisions of the Bankruptcy Code.

With respect to the Plan, any Creditor in an Impaired Class (i) whose Claim has been listed by the Debtor in the Schedules Filed with the Bankruptcy Court (provided that such Claim has not been scheduled as disputed, contingent or unliquidated), or (ii) who Filed a proof of claim on or before the bar date established by the Bankruptcy Court for filing proofs of claim (or, if not Filed by such date, any proof of claim Filed within any other applicable period of limitations or with leave of the Bankruptcy Court), which Claim has not been disallowed and is not the subject of an objection, is entitled to vote. Holders of Claims that are disputed, contingent and/or unliquidated are entitled to vote their Claims only to the extent that such Claims are Allowed for the purpose of voting pursuant to an order of the Bankruptcy Court. The Debtor considers that any Class of Impaired Claims that does not vote to accept or reject the Plan is deemed to accept the Plan, and intends to seek such a determination at the Confirmation Hearing.

Under the Bankruptcy Code, a plan does not have to be accepted by every class of claims or interests to be confirmed. If a class of claims or interests rejects a plan or is deemed to reject

the plan, the plan proponent has the right to request confirmation of the plan pursuant to Section 1129(b) of the Bankruptcy Code—the so-called "cramdown" provision of the Bankruptcy Code. Section 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more Impaired classes of claims or interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class, and meets the other legal criteria for confirmation.

With respect to the Plan, if one or more of the Classes entitled to vote on the Plan votes to reject the Plan, the Debtor intends to request confirmation of the Plan notwithstanding the rejection of such Class or Classes. In so doing, the Debtor will seek to establish that the Plan complies with the best interest of creditors test with respect to any such Class or Classes, and satisfies all other legal criteria for confirmation.

After carefully reviewing this Disclosure Statement, including any Exhibits, each holder of an Allowed Claim or Interest entitled to vote may vote whether to accept or reject the Plan. A ballot for voting on the Plan accompanies this Disclosure Statement. If you hold a Claim or Interest in more than one Class and you are entitled to vote Claims or Interests in more than one Class, you are entitled to receive a ballot or ballots that will permit you to vote in all appropriate Classes.

Please vote and return your ballot to counsel to the Debtor as follows:

By U.S. Mail, Delivery or Courier:

Moore & Van Allen, PLLC
Attn: Hillary Crabtree
100 North Tryon Street, Suite 4700
Charlotte, NC 28202

ANY EXECUTED BALLOT THAT FAILS TO INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. BALLOTS RETURNED TO THE DEBTOR'S VOTING AGENT BY FACSIMILE TRANSMISSION OR ANY OTHER ELECTRONIC MEANS WILL NOT BE COUNTED BY THE DEBTOR'S VOTING AGENT.

Ballots must be *received* by the Voting Deadline.

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M, EASTERN TIME ZONE, ON JANUARY 9, 2013.

If a ballot is received after the Voting Deadline, it will not be counted unless otherwise ordered by the Bankruptcy Court. Complete the ballot by providing all the information requested, and sign, date and return the ballot by mail, overnight courier or personal delivery to the Debtor's counsel at the address set forth above.

TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN THE TIME AND DATE SET FORTH IN THE ACCOMPANYING NOTICE.

If you are entitled to vote on the Plan and you did not receive a ballot, received a damaged ballot or lost your ballot, or if you have any questions concerning the procedures for voting on the Plan or submitting your ballot, you may telephone Hillary Crabtree, counsel to the Debtor, at the following telephone number: 704-331-3571.

2. The Confirmation Hearing on the Plan

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing with respect to the accompanying Plan. The Confirmation Hearing in respect of the Plan has been scheduled for the date and time set forth in the accompanying notice before the United States Bankruptcy Judge, at the United States Bankruptcy Court for the Western District of North Carolina, Charlotte Division, 401 West Trade Street, Courtroom 122, Charlotte, North Carolina 28202. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than an announcement of the adjourned date made at the Confirmation Hearing or posted at the courthouse at the Confirmation Hearing. Any objection to confirmation must be made in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or a description of the interest in the Debtor held by the objector, and must be made in accordance with any pre-trial or scheduling orders entered by the Bankruptcy Court. Any such objections must be filed in the record of the Chapter 11 Case on or before the date and time set forth in the accompanying notice.

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan is: (i) accepted by all Impaired classes of claims or, if rejected by an Impaired class, that the plan "does not discriminate unfairly" and is "fair and equitable" as to such class; (ii) feasible; and (iii) in the "best interests" of creditors that are Impaired under the plan.

3. Unfair Discrimination and Fair and Equitable Tests

To obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each Impaired, non-accepting Class. The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable." The Bankruptcy Code establishes "cramdown" tests for classes of secured creditors, unsecured creditors and equity holders which do not accept the Plan, as follows:

i. Secured Creditors

Either: (a) each Impaired secured creditor retains its liens securing its secured claim and receives on account of its secured claim deferred cash payments (x) totaling at least the allowed amount of the secured claim, and (y) having a present value at least equal to the value of the secured creditor's collateral; (b) each Impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim; or (c) the property securing the claim is sold free and clear of liens with the secured creditor's lien to attach to the proceeds of the sale and such lien on proceeds is treated in accordance with clause (a) or (b) of this subparagraph.

ii. Unsecured Creditors

Either: (a) each Impaired unsecured creditor receives or retains under the plan property of a value equal to the amount of its allowed claim; or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan, and the "best interest" test is met so that each Impaired unsecured creditor recovers at least what that creditor would receive if the bankruptcy case was converted to a chapter 7 case.

iii. Holders of Interests

Either: (a) each Impaired equity interests receives or retains under the plan property of a value equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest; or (b) no junior interest receives or retains any property, and the "best interest" test is met so that each Impaired interest holder recovers at least what that interest holder would receive if the case was converted to a chapter 7 case.

iv. No Unfair Discrimination

In addition, the "cramdown" standards of the Bankruptcy Code prohibit "unfair discrimination" with respect to the claims of an Impaired, non-accepting class. While the existence of "unfair discrimination" under a plan of reorganization depends upon the particular facts of a case and the nature of the claims at issue, in general, courts have interpreted the standard to mean that the Impaired, non-accepting class must receive treatment under a plan of reorganization which allocates value to such class in a manner that is consistent with the treatment given to other classes with similar legal claims against the debtor.

In the event that all Impaired Classes do not accept the Plan, the Plan Proponents believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation of the Plan with respect to any Class that does not accept the Plan

4. Feasibility of the Plan

The Bankruptcy Code requires that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization unless the liquidation of the debtor is

provided for in the plan. However, it is not likely that the confirmation of the Plan will be followed by liquidation or the need for further financial reorganization of the Debtor or Debtor Subsidiaries. Attached as Exhibit D-4 to this Disclosure Statement are financial projections reflecting the Debtor's projected cash flow under the Plan, demonstrating the ability of the Reorganized Debtor to operate its businesses and make the payments required under the Plan.

5. Best Interest Test

In order to confirm a plan of reorganization, the Bankruptcy Court must determine that the plan is in the best interests of all classes of creditors and equity security holders Impaired under that plan. The "best interest" test requires that the Bankruptcy Court find that the plan provides to each member of each Impaired class of claims and interests (unless each such member has accepted the plan) a recovery which has a value at least equal to the value of the distribution that each creditor or interest holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code. If the Chapter 11 Case was converted to a chapter 7 case, a trustee would be appointed to liquidate the assets of the Debtor. In liquidation under chapter 7, before Creditors receive any distributions, additional administrative expenses involved in the appointment of a trustee, including the statutory fee to a chapter 7 trustee under Section 326(a) of the Bankruptcy Code, and attorneys, accountants and other professionals to assist a trustee, would cause a substantial increase in the administrative expenses of the Debtor's Estate. The Debtor's assets available for distribution to Creditors would be reduced by such additional expenses and by Claims, some of which would be entitled to priority status. As demonstrated in the Liquidation Analysis attached as Exhibit D-5 to this Disclosure Statement, the Debtor believes that the Plan provides to each Creditor and Equity Interest holder a value at least equal

to the value of the distribution that each creditor or interest holder would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code.

6. Certain Risk Factors to Be Considered

HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN (AND ANY DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE), BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

7. Certain Bankruptcy Considerations

i. Risk of Liquidation

If the Plan is not confirmed and consummated, there can be no assurance that Debtor's Chapter 11 Case will continue as a chapter 11 reorganization case rather than be converted to liquidation, or that any alternative plan of reorganization would be on terms as favorable or more favorable to holders of Claims and Interests as the terms of the Plan.

ii. Risk of Non-Occurrence of the Effective Date

The occurrence of the Effective Date is conditioned upon the happening of certain events. There is no guaranty that all of these events will occur or that those that do not occur will be waived.

iii. Uncertainty Regarding Objections to Claims

The Plan provides that certain objections to Claims can be filed with the Bankruptcy Court after the Effective Date. A Creditor may not know that its Claim will be objected to until after the Effective Date.

iv. Performance of Plan Obligations by the Reorganized Debtor

The Debtor believes and the financial projections attached as Exhibit D-4 demonstrate that the Reorganized Companies can successfully perform all of its obligations under the Plan. However, there is no assurance that the Reorganized Companies will do so. If the Debtor and Debtor Subsidiaries are unable to comply with its obligations under the Plan, then there could possibly be a subsequent bankruptcy, and possible liquidation, of the Reorganized Companies.

8. Disclaimers and Endorsements

This Disclosure Statement contains information about the Plan. Creditors and the holders of Interests are urged to study the text of the Plan carefully to determine the Plan's impact on their Claims or Interests and to consult with their financial, tax and legal advisors.

Nothing contained in this Disclosure Statement or the Plan will be deemed an admission or statement against interest that can be used against the Plan proponents in any pending or future litigation. Any reference to a Creditor's Claims in this Disclosure Statement is not an admission that such Creditors hold Allowed Claims, or will be an admission with respect to the validity, priority, or extent of any alleged Lien, Claim, priority or encumbrance.

Certain statements and assertions in this Disclosure Statement may be subject to dispute by parties in interest.

XI. CONCLUSION AND RECOMMENDATION

The Debtor and Debtor Subsidiaries believe that confirmation and implementation of the Plan are preferable to any alternative and that the Plan provides the best alternative for the Debtor and the Debtor Subsidiaries to emerge from the Chapter 11 Case and for resolving the financial difficulties. Any other alternative would involve significant delay, litigation, uncertainty, and substantial additional administrative costs. **THE DEBTOR AND DEBTOR SUBSIDIARIES URGE HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE IN FAVOR OF THE PLAN.**

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Dated: December 21, 2012 Respectfully submitted,

NORTHAMPTON GENERATING COMPANY, L.P.

By: _____
Name: Warren MacGillivray
Title: President

Acknowledged and Agreed:

NORTHAMPTON WATER SUPPLY, INC.

By: _____
Name: Warren MacGillivray
Title: President

NORTHAMPTON FUEL SUPPLY COMPANY, INC.

By: _____
Name: Warren MacGillivray
Title: President

EXHIBIT D-1

PLAN OF REORGANIZATION

EXHIBIT D-2

AMENDED BONDS TERM SHEET

- Principal: $50,000,000 of Amended Bonds.
- Interest Rate: 5.00% semi-annual coupon, tax exempt, with PIK Toggle feature (as described below).
- PIK Toggle:
    - At any interest payment date, the Debtor shall calculate available cash after payment of operating expenses (other than interest) as described below. If available cash is greater than $3,000,000, interest is payable in cash to the extent that available cash is not reduced below $3,000,000. Any amount not so paid may be payable at the option of the Debtor in kind ("PIK") with a promissory note bearing interest at 5.00% and payable pursuant to the ECF cash sweep provided below with a final maturity of December 31, 2023 (the "PIK Note").
    - If available cash is at a calculation less than $3,000,000, the Debtor shall have the option to pay the entire amount of such interest with a PIK Note as provided above.
- Maturity: December 31, 2023.
- Scheduled Amortization: None.
- Call Provisions: Callable at any time at par.
- Partial Subordination of Management Fees: Project management fees payable to EIF Opco, in accordance with the terms of the new management agreements, consist of NGC Base Fee (O&M), NGC Base Fee (MSA), NGC Earned Fee (O&M), NFS Base Fee (O&M), NFS Fixed Recovery Fee (O&M)). $1,000,000 of the annual project management fees payable to EIF Opco (the "Unsubordinated Fees") will be treated as an operating expense and will not be subordinated to the payment of interest. In the event the PIK Toggle is utilized, any fees in excess of $1,000,000 per year (the "Subordinated Fees") shall be deferred until paid by ECF Sweep. Subordinated Fees which are so deferred to accrue interest at 4.5% per annum.
- Excess Cash Flow Sweep ("ECF Sweep"): after 2015; 75% to be applied to pay down Amended Bonds and 25% to deferred Subordinated Fees based on a minimum cash balance of $3,000,000 after paying interest, taxes, and other direct project costs (operating expenses) including the current year's Subordinated Fees. If no deferred Subordinated Fees are outstanding, 100% to be applied to pay down Amended Bonds until maturity or full repayment.

- Conditional Subordination of Lease: Horwith lease assumed and one-half accrued ground rent to be paid in full at emergence with balance to be paid in 36 monthly installments as an increase in rentals due under the Horwith Lease commencing on the first day of the month following the Effective Date. To be treated as an operating expense and not subordinated to the payment of interest; payments of the type currently subordinated to be subordinated for periods after three years from Effective Date if Amended Bonds go into default.

- Debt Service Reserve: A debt service reserve shall be funded by (i) the Equity Contribution in the amount of $1,000,000 plus (ii) by any amounts remaining within the existing debt service reserve fund after payment of or reserve for trustee/collateral agent fees, and professional expenses.

- Permitted Tax Distributions: Yes, treated as an operating expense (no subordination).

- Permitted Equity Distributions: Yes, pursuant to ECF Sweep, but only after full retirement of Amended Bonds and deferred Subordinated Fees.

- Equity Cures: Yes, unlimited.

- Covenants: Existing bond documentation to be used except as expressly provided, subject to any changes required to implement this transaction.

- Ownership Interests, Transfers: Initial equity ownership to be maintained if necessary to maintain the tax exempt status of interest on the Amended Bonds. Thereafter, ownership transfers permitted so long as no adverse effect on tax exempt status of interest on the Amended Bonds.

- Major Maintenance Reserve Account: Any funds remaining at emergence to be rolled over.

EXHIBIT D-3

HISTORICAL CASH FLOWS

($ in thousands)	Net Operating Cash Flow		
Period	Budget	Actual	Variance
December 2011	$748.83	$1,151.03	$402.20
January 2012	663.81	1,496.63	832.82
February 2012	(672.41)	800.73	1,473.14
March 2012	(724.62)	(543.75)	180.88
April 2012	224.97	433.12	208.15
May 2012	(697.35)	(1,353.94)	(656.59)
June 2012	(1,443.75)	(901.07)	542.68
July 2012	(363.65)	32.59	396.24
August 2012	351.71	676.80	325.09
September 2012	155.52	348.69	193.18
October 2012	(187.17)	(218.85)	(31.68)
November 2012	(493.99)	(80.66)	413.33
Total	**($2,438.12)**	**$1,841.32**	**$4,279.44**

EXHIBIT D-4

DEBTOR'S FINANCIAL PROJECTIONS

In connection with plan, the Debtor, in consultation with its advisors, prepared financial projections for calendar years 2013 through 2023 (the "Projections").

A. OVERVIEW OF FINANCIAL PROJECTIONS

As a condition to Confirmation of the Plan, the Bankruptcy Code requires the Court to find that Confirmation is not likely to be followed by a liquidation or the need to further reorganize the Debtor. The Debtor believes that the Plan meets the feasibility requirement set forth in Section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtor or any successor under the Plan. In connection with the development of the Plan and for the purposes of determining whether the Plan satisfies this feasibility standard, the Debtor analyzed its ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

THE PROJECTIONS ARE SUBJECT TO FURTHER REVIEW AND ANALYSIS BY THE DEBTOR, AND THE DEBTOR RESERVES THE RIGHT TO SUPPLEMENT, AMEND, UPDATE AND/OR OTHERWISE MODIFY SUCH PROJECTIONS PRIOR TO THE HEARING ON THE DISCLOSURE STATEMENT AND UP TO AND THROUGH THE CONFIRMATION HEARING.

THE PROJECTIONS ARE PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING "ADEQUATE INFORMATION" UNDER SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE UNDER THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER

PURPOSE, INCLUDING THE PURCHASE OR SALE OF SECURITIES OF, OR CLAIMS OR EQUITY INTERESTS IN, THE DEBTOR OR ANY OF ITS AFFILIATES.

The Debtor, with the assistance of various professionals, prepared the Projections based upon, among other things, the anticipated future results of operations of the Debtor and the Reorganized Debtor. In connection with the planning and development of the Plan, the Projections were prepared by the Debtor to present the anticipated impact of the Plan. The Projections assume that the Plan will be implemented in accordance with its stated terms. The Projections are based on forecasts of key economic variables and may be significantly impacted by, among other factors, industry performance, general business, economic, competitive, market, and financial conditions, as well as the impact of management transitions, if any, and the effect of certain capital expenditure projects. Accordingly, the estimates and assumptions underlying the Projections are inherently uncertain and are subject to significant business, economic and competitive uncertainties. Therefore, such Projections, estimates and assumptions are not necessarily indicative of current values or future performance, which may be significantly less or more favorable than set forth herein. Debtor's management is unaware of any circumstances as of the date of this Disclosure Statement that would require the re-forecasting of the Projections due to a material change in the Debtor's prospects. The Projections should be read in conjunction with the significant assumptions, qualifications and notes set forth below and discussed throughout the Plan and Disclosure Statement.

THE PROJECTIONS ARE BASED UPON A NUMBER OF SIGNIFICANT ASSUMPTIONS. ACTUAL OPERATING RESULTS AND VALUES MAY VARY SIGNIFICANTLY FROM THESE PROJECTIONS. THE DEBTOR'S INDEPENDENT AUDITOR HAS NOT COMPILED OR EXAMINED THE PROJECTIONS TO

DETERMINE THE REASONABLENESS THEREOF AND, ACCORDINGLY, HAS NOT EXPRESSED AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT THERETO. THE DEBTOR DID NOT PREPARE SUCH PROJECTIONS TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND THE RULES AND REGULATIONS OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR DISCLOSURE STATEMENT, THE DEBTOR DOES NOT INTEND AND UNDERTAKES NO OBLIGATION TO UPDATE OR OTHERWISE REVISE THE PROJECTIONS TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE THE DISCLOSURE STATEMENT IS INITIALLY FILED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS AND SHOULD CONSULT WITH THEIR OWN ADVISORS.

The Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated thereby will be consummated by the Effective Date. Any significant delay in the Effective Date may have a material adverse impact on the Debtor's

business operations and financial performance, including, among other things, the incurrence of higher restructuring expenses.

Although the Projections represent the Debtor's best estimates and good faith judgment (for which the Debtor believes they have a reasonable basis) of the results of future operations, they are only estimates, and actual results may vary considerably from such Projections. Consequently, the inclusion of the Projections herein should not be regarded as a representation by the Debtor, the Debtor's advisors, or any other person that the projected results of operations of the Debtor will be achieved. The Debtor does not intend to update or otherwise revise the Projections to reflect circumstances that may occur after their preparation, or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Additional information relating to the principal assumptions used in preparing the Projections is set forth below.

B. GENERAL ASSUMPTIONS AND METHODOLOGY

The Projections consist of the selected income statement items as of December 31 for each year for calendar years 2013 through 2023. The Projections do not reflect the impact of "fresh start" accounting. The Projections are based on a combination of (a) the latest 2013 forecast developed by management and (b) long-term projections developed by management in consultation with the Debtor's financial advisor.

The Projections, among other things: (a) are based upon current and projected market conditions; (b) assume emergence from chapter 11 on the Effective Date under the terms expected in the Plan; (c) assume the current management and operating company structure remains in place; (d) assume the ability to maintain current and obtain new permits and licenses as required; (e) assume the successful implementation of the Debtor's fuel plan; and (f) assume

the completion of certain capital expenditures and execution of certain strategies to improve efficiencies and maintain the operational viability of the Debtor's business.

C. ASSUMPTIONS

- General Methodology: The Projections were developed on a bottom-up basis and reflect a synthesis of numerous information sources, including general business and economic conditions as well as industry and competitive trends.

- Revenue: Includes Merchant Revenue Collections and Merchant Ancillary Revenue Collections. Each of these categories was derived as follows:

    - Merchant Revenue Collections: Generated by power sold into the PJM day-ahead market. Power is sold at market rates and is subject to fluctuations based upon, among other items, the time of day, day of week, weather and season, underlying commodity pricing and demand constraints in the local area. Underlying forward pricing is derived from market futures pricing listed on the Chicago Mercantile Exchange through 2015, and a combination of publicly available information and pricing fundamentals provided by an independent energy consultant thereafter.

    - Merchant Ancillary Collections: Comprised of RPM capacity revenue and revenue collections for other ancillary services such as reactive power & voltage control, automatic generation control, and waste coal AECP credits. Due to the Debtor's recent conversion to merchant status, the Projections do not contemplate receiving Merchant Ancillary Collections other than RPM capacity revenue until 2014.

- Expenses: Includes Fuel & Consumption Expenses and Operating Expenses. Each of these expense categories was forecasted as follows:

    - Fuel & Consumption Expenses: Consists of the costs related to (i) the harvest and transportation of anthracite waste coal and various byproducts from directly controlled fuel sites; (ii) the purchase and delivery of third party fuel; (iii) the disposition of used fuel material, (iv) propane required for plant start-up; (v) necessary additives used to maintain optimal boiler operation; and (vi) maintaining compliance with certain environmental emissions standards. These expenses have been forecasted based on a comprehensive fuel plan contemplating a specific progression of owned and leased fuel sites, each with a discrete mix of fuel availability and associated costs.

    - Operating Expenses: Consists of costs related to (i) the operation and maintenance of electric generating equipment including maintenance during major planned outages; (ii) site, building and equipment leases; (iii) salary and benefits for the Debtor's operational workforce (employed by NAES); (iv) third-party management oversight; (v) professional fees; (vi) insurance; (vii) office and

communication expenses; (viii) power marketing services; (ix) lease expenses including the payment of the 36 month deferral of accrued lease payments pursuant to the settlement with the Horwiths; and (x) other miscellaneous operating expenses

Financial Projections 2013 through 2023

($ in millions)

	Year Ending December,										
	2013 (*)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues											
Merchant Revenue Collections	$25.5	$38.3	$35.5	$43.2	$45.3	$47.0	$49.8	$54.0	$54.7	$56.3	$59.8
Merchant Ancillary Collections	5.5	7.8	7.2	8.4	9.6	10.1	10.5	11.2	11.5	12.0	12.2
Total Revenues	**$31.0**	**$46.2**	**$42.7**	**$51.6**	**$54.9**	**$57.0**	**$60.3**	**$65.2**	**$66.2**	**$68.3**	**$71.9**
Fuel & Consumption Expenses	(18.2)	(22.3)	(21.3)	(25.8)	(25.8)	(23.4)	(24.5)	(25.8)	(24.9)	(25.5)	(27.0)
Gross Margin	**12.7**	**23.8**	**21.4**	**25.8**	**29.1**	**33.6**	**35.8**	**39.4**	**41.2**	**42.7**	**44.9**
Total Operating Expenses	($15.9)	($16.5)	($23.1)	($20.8)	($18.0)	($21.0)	($22.0)	($19.4)	($22.8)	($23.2)	($20.8)
Depreciation and Amortization	(1.5)	($1.5)	($1.6)	($1.6)	($1.6)	($1.6)	($1.6)	($1.7)	($1.7)	($1.7)	($1.7)
Operating Income	**($4.6)**	**$5.8**	**($3.2)**	**$3.4**	**$9.4**	**$11.0**	**$12.2**	**$18.3**	**$16.8**	**$17.8**	**$22.3**
EBITDA	**($3.1)**	**$7.3**	**($1.6)**	**$5.0**	**$11.0**	**$12.6**	**$13.8**	**$20.0**	**$18.5**	**$19.5**	**$24.1**

(*) Represents the post-emergence period (April 2013-December 2013)

EXHIBIT D-5

DEBTOR'S LIQUIDATION ANALYSIS

LIQUIDATION ANALYSIS

Pursuant to section 1129(a)(7) of the Bankruptcy Code (often referred to as the "Best Interests Test"), each holder of an impaired Claim or Equity Interest must either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such non-accepting holder would receive or retain if the Debtor's assets were to be liquidated under chapter 7 of the Bankruptcy Code on the Effective Date. In determining whether the Best Interests Test has been met, the dollar amount that would be generated from a hypothetical liquidation of the Debtor's assets in a chapter 7 proceeding must be determined. Such amount then would be reduced by the costs and expenses of the liquidation. Prior to determining whether the Best Interests Test has been satisfied, available Cash and the proceeds from the liquidation of the Debtor's assets would be applied to Secured claims (to the extent of the value of the underlying collateral) and to satisfy Administrative, Priority Tax and other Priority Claims, all of which are senior in priority to General Unsecured Claims, including any incremental Administrative Claims that may result from the termination of the Debtor's business and the liquidation of their assets. Any remaining Cash would be available for distribution to General Unsecured Claims and shareholders in accordance with the distribution hierarchy established by section 726 of the Bankruptcy Code.

This liquidation analysis ("Liquidation Analysis") was prepared by the Debtor with assistance from their financial advisor, and represents the Debtor's best estimate of the Cash proceeds, net of liquidation related costs, which would be available for distribution to the Holders of Claims and Interests if the Debtor was to be liquidated in chapter 7 cases that do not

preserve the going concern value of the Debtor's estates. Underlying the Liquidation Analysis are a number of estimates and assumptions regarding liquidation proceeds that, although developed and considered reasonable by the Debtor and its professionals, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtor and its management.

THE INFORMATION SET FORTH IN THIS LIQUIDATION ANALYSIS IS PRELIMINARY AND IS SUBJECT TO MODIFICATION AND SUPPLEMENTATION BY THE DEBTOR AT ANY TIME UP TO THE CONFIRMATION HEARING. THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTOR WAS, IN FACT, TO UNDERGO SUCH A LIQUIDATION UNDER CHAPTER 7, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ESTIMATED HERE.

The Liquidation Analysis assumes the Debtor's Chapter 11 case would convert to chapter 7 as of December 31, 2012. It is also assumed that the liquidation of the Debtor would commence under the direction of a Court-appointed chapter 7 trustee and would continue for four months (the "Wind-Down Period"), during which time all of the Debtor's major assets would either be sold or conveyed to the respective lien holders. There can be no assurances that all assets would be completely liquidated during this period.

The Liquidation Analysis was prepared based on a review of the Debtor's assets based on the latest monthly financial report as of October 31, 2012, and estimates of hypothetical liquidation values were determined primarily by assessing classes of assets at percentage discounts to book value, as opposed to appraising specific assets. The Debtor did not retain third party experts to value individual assets in preparing this analysis.

To estimate recoveries under a hypothetical liquidation under chapter 7, the Liquidation Analysis contains an estimate of the amount of claims that will ultimately become allowed claims. Estimates for various classes of claims are based solely upon the Debtor's continuing review of the claims filed in these Chapter 11 cases and the Company's books and records. No order or finding has been entered by the Court estimating or otherwise fixing the amount of Claims at the projected levels set forth in this Liquidation Analysis.

Liquidation would likely prompt certain other events to occur, including the rejection of remaining executory contracts and unexpired leases not assumed by the purchaser. Such events could create a larger number of unsecured creditors and would subject the chapter 7 estates to additional damage claims for the rejection of those contracts under the Bankruptcy Code. Such claims would also increase the aggregate amount of unsecured claims against the Debtor, perhaps materially, and would dilute any potential recoveries to holders of the unsecured claims. No attempt has been made to estimate additional unsecured claims that may result from such events.

		Estimated Claim	Estimated Balance Sheet Amount	Recovery			Value		
($ in thousands)				Low	Mid	High	Low	Mid	High
Cash and Cash Equivalents	2		$4,146	100.0%	100.0%	100.0%	$4,146	$4,146	$4,146
Accounts Receivable	3		3,296	100.0%	100.0%	100.0%	3,296	3,296	3,296
Inventory	4		3,217	13.7%	20.6%	27.5%	442	663	884
Prepaid Assets	5		422	0.0%	8.3%	16.6%	0	35	70
Property, Plant and Equipment	6		150,782	3.0%	4.0%	5.0%	4,523	6,031	7,539
Value from Sale of Northampton Fuel Supply Co.	7		24,580	11.3%	15.7%	20.2%	2,774	3,866	4,959
Gross Liquidation Proceeds Available for Distribution				6.9%	8.2%	9.5%	$15,181	$18,038	$20,895
Chapter 7 Trustee Fees and Expenses	8						$455	$541	$627
Other Professional Fees and Expenses	9						500	500	500
Administrative Claims	10	$2,379		100.0%	100.0%	100.0%	2,379	2,379	2,379
Proceeds Available to Bond Claims							$11,847	$14,618	$17,389
Bond Claims									
Senior Bond Claims	11	$73,411		16.1%	19.9%	23.7%	$11,847	$14,618	$17,389
Junior Bond Claims	12	21,789		0.0%	0.0%	0.0%	0	0	0
Proceeds Available to Unsecured Claims							$0	$0	$0
General Unsecured Claims	13	$31,224		0.0%	0.0%	0.0%	$0	$0	$0
Proceeds Available to Intercompany Claims							$0	$0	$0
Intercompany Claims		$4,114		0.0%	0.0%	0.0%	0	0	0
Proceeds Available to Equity Interests							$0	$0	$0
Old Equity		$0		0.0%	0.0%	0.0%	$0	$0	$0

FOOTNOTES TO LIQUIDATION ANALYSIS

Note 1 - Book Values

The book values used in the Liquidation Analysis for cash and cash equivalents are used as a reference point for the analysis and are assumed to be representative projections of the Debtor's assets as of December 31, 2012.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of all cash or liquid investments with maturities of three months or less in banks or operating accounts and are assumed to be fully recoverable. The projected balance as of December 31, 2012 is based on current management projections. The cash and cash equivalents are encumbered in favor of the Senior and Junior Bondholders.

Note 3 – Accounts Receivable

Accounts receivable is comprised of one month of Merchant Revenue Collections and Merchant Ancillary Revenue Collections due from PJM. In a liquidation scenario, Accounts Receivable are expected to recover a significant portion of book value. In this Liquidation Analysis, the Debtor expects that a full recovery of Accounts Receivable would be realized.

Note 4 – Inventory

Inventory consists primarily of spare parts, small equipment and onsite coal. Due to the specific nature of the parts kept in stock, the estimated recovery is expected to range from 15% to 30%. It is assumed that the facility will use its entire onsite coal inventory before commencing the liquidation process.

Note 5 – Prepaid Assets
Prepaid assets include, among other things, prepaid insurance, property taxes and agency & bank fees. In this Liquidation Analysis, it is assumed that the estate would receive little to no value for the Debtors' prepaid assets.

Note 6 – Property, Plant & Equipment

Property, Plant and Equipment consists of machinery & equipment, computer hardware, autos & trucks and the electric plant. In this Liquidation Analysis, it is assumed that Property, Plant and Equipment will be either resold for parts, or sold as scrap.

Note 7 – Value from Sale of Northampton Fuel Supply Co.

The Liquidation Analysis assumes that all the assets of Northampton Fuel Supply Co. (a non-debtor subsidiary) are liquidated and proceeds are distributed to the Debtor.

Note 8 - Trustee Fees & Expenses

Compensation for the Chapter 7 trustee would be subject to the fee guidelines in Bankruptcy Code Section 326(a). The Liquidation Analysis has assumed Chapter 7 trustee fees of 3% of the gross proceeds in the liquidation which have been estimated based on historical experience in similar cases.

Note 9 - Other Professional Fees & Expenses

Compensation for the Chapter 7 trustee's counsel and other legal, financial and professional services provided to the Chapter 7 trustee during the Chapter 7 proceedings is estimated to be approximately $125,000 per month beginning at the commencement of the liquidation proceedings and continuing throughout the Wind-Down Period.

Note 10 - Administrative Claims

The Liquidation Analysis assumes all accrued and unpaid professional fees and Debtor's expenses as of December 31, 2012 are paid prior to conversion to Chapter 7 or are paid thereafter as Administrative Claims through distributions from liquidation. This category also includes the Met-Ed Administrative Claim.

Note 11 – Senior Bond Claim

The Senior Bond Claim is assumed to consist of $71.4 million in principal and $2.0 million in accrued interest as of the petition date. The holders of the Senior Bond Claim are expected to receive a partial recovery in the Liquidation Analysis.

Note 12 – Junior Bond Claim

The Junior Bond Claim is assumed to consist of $19.8 million in principal and $2.7 million in accrued interest as of the petition date. There are insufficient proceeds for the holders of the Junior Bond Claim to obtain any recovery in the Liquidation Analysis.

Note 13 - General Unsecured Claims

The estimate of General Unsecured Claims included in the Liquidation Analysis is comprised of both Scheduled and Filed Claim amounts and excludes only instances in which the two are clearly duplicative. The claim estimates reflected in this Liquidation Analysis should be considered speculative and subject to material revision. All figures are subject to ongoing review. The Debtor reserves all rights to object to these Claims. This amount would be grossed up by any deficiency claims arising from the Senior and Junior Bonds. These deficiency claims are not included in the $30.8 million of General Unsecured Claims shown in the analysis above.

Liquidation would likely prompt certain other events to occur, including the rejection of additional executory contracts and unexpired leases not assumed by the purchaser. No attempt has been made to estimate additional unsecured claims that may result from such events. Notwithstanding the preceding sentence, the Horwith Lease Claim has been included in the General Unsecured Claims.

There are insufficient proceeds for the holders of Allowed General Unsecured Claims to obtain any recovery in the Liquidation Analysis.