# HESS CORPORATION
# APPLICATION FOR COMPETITIVE ELECTRIC POWER SUPPLIER REGISTRATION – NEW HAMPSHIRE

## Puc 2003.01 Registration of Competitive Electric Power Suppliers

(a) Any CEPS seeking to sell electricity to retail customers in the State of New Hampshire shall file with the Commission a registration application together with an electronic copy on diskette, pursuant to Puc 202.

*Please see the following documents and attached copies and diskette*

(c) The registration application required by (a) above shall include the following:

1. The legal name of the applicant as well as any trade name(s) under which it intends to operate;

   *Hess Corporation*

2. The applicant's business address, principal place of business, telephone number, facsimile number and email address;

   *One Hess Plaza*
   *Woodbridge, NJ 07095*
   *Phone: (732) 750-6000*
   *Fax: (732) 750-6670*
   *E-Mail: qcsteam@hess.com*
   *www.hessenergy.com*

3. The applicant's place of incorporation;

   *The State of Delaware*

4. The names, titles, business addresses, telephone numbers and facsimile numbers of the applicant's principal officers;

   *Please see Exhibit 1*

5. A copy of the applicant's most recent audited financial statement;

   *Please see Exhibit 2*

6. The following regarding any affiliate and/or subsidiary of the applicant:

   a. The name and business address of the entity;
   b. A description of the business purpose of the entity; and
   c. Regarding any agreements with any affiliate New Hampshire jurisdictional electric distribution company, a description of the nature of the agreement;

   *Please see Exhibit 3*

7. The toll free telephone number of the customer service department or the name, title and toll free telephone number of the customer service contact person;

   *Customer Service Department Number: 1-800-437-7872 (HESS-USA)*

8. Name, title, business address, telephone number, facsimile number and email address of the person responsible for responding to Commission inquiries;

   *Regulatory Contact:*

   *Jay L. Kooper*
   *Director of Regulatory Affairs*
   *Hess Corporation*
   *One Hess Plaza*
   *Woodbridge, NJ 07095*
   *Phone: (732) 750-7048*
   *Fax: (732) 750-6670*
   *E-Mail: jkooper@hess.com*

9. Name, business address and telephone number of the applicant's registered agent in New Hampshire for service of process;

   *R. Carl Anderson*
   *Attorney and Registered Agent*
   *CT Corporation System*
   *c/o Sulloway and Hollis, P.L.L.C.*
   *9 Capitol Street*
   *P.O. Box 1256*
   *Concord, NH 03301*
   *Tel: (603) 224-2341*
   *E-Mail: randerson@sulloway.com*

10. A copy of the applicant's authorization to do business in New Hampshire from the New Hampshire Secretary of State;

***Please see Exhibit 4***

11. Description of geographic areas of New Hampshire in which the applicant intends to provide service, described by:

    a. A distribution company's existing franchise area;
    b. Existing town boundaries; or
    c. A map with boundary limits delineated;

***At this time, Hess Corporation intends to provide electric supply service in the Public Service Company of New Hampshire, Granite State Electric Company, Unitil Energy Systems and New Hampshire Electric Cooperative service territories.***

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

***At this time, Hess Corporation intends to provide electric supply service to medium-sized and large commercial and industrial customers in the following customer classes:***

***<u>Public Service Co. of New Hampshire</u>:***
***Rate Schedule GV (Primary General Delivery Schedule)***
***Rate Schedule LG (Large General Delivery Service)***

***<u>Granite State Electric Company</u>:***
***Rate Schedule G-1***

***<u>Unitil Energy Systems</u>:***
***Rate Schedule G-1 (Large General Service Schedule)***

***<u>New Hampshire Electric Cooperative</u>:***
***Rate Code LB3 (Industrial Service)***

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

***Hess Corporation has not been subject, to its knowledge, to any customer complaints related to the sale of electricity in the states in which Hess is a licensed electric supplier during the most recent calendar year of 2009.***

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

a. For partnerships, any of the general partners;
b. For corporations, any of the officers or directors; or
c. For limited liability companies, any of the managers or members

***Hess Corporation does not, to its knowledge, have an officer or director that has ever been convicted of a felony that has not been annulled by a court.***

15. A statement as to whether the applicant or any of the persons listed in (14) above has, within the past 10 years immediately prior to registration:

a. Had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation; or

b. Settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or

c. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;

***Hess Corporation and its affiliates (collectively "Hess") have not been subject, to its knowledge, to any investigation by any state or federal agency within the past ten years in connection with a consumer protection law or regulation. In the course of its business, Hess has been subject to certain sales and other routine tax audits, response to complaints of discriminatory treatment of employees and customers by the Equal Opportunity Employment Commission and state commissions against discrimination, and in connection with gasoline and fuel releases, and operations of facilities for the production, storage and sale of gasoline and petroleum products. Hess has paid civil penalties, entered into stipulations, consent judgments and other orders in connection with, inter alia, releases, notification of releases, cleanup activities and related claims. Hess is also subject to regulatory inspections, spill response and compliance reviews of its gasoline stations, terminals and refineries by state and federal environmental agencies.***

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

***Please refer to the response to Question 15 above.***

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

   a. Maintain a list of consumers who request being placed on a do-not-call list for purposes of telemarketing;
   b. Obtain, no less than semi-annually, access to updated telephone preference service lists maintained by the Direct Marketing Association; and
   c. Not initiate calls to New Hampshire customers who have either requested being placed on do-not-call lists or customers who are listed on the Direct Marketing Association's telephone preference lists;

18. For those applicants that intend not to telemarket, a statement to that effect shall be provided;

   ***Hess Corporation does not intend to telemarket to retail electric customers in New Hampshire. To the extent that Hess' plans change during the course of its upcoming licensing period then Hess shall immediately undertake all of the steps outlined in Question #17(a)-(c) set forth above.***

19. A sample of the bill form(s) that the applicant intends to use or a statement that the applicant intends to use the transmission/distribution company's billing service;

   ***Please see Exhibit 5 for a sample bill form.***

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

   ***As stated in response to Question 12 above, Hess Corporation does not intend to market electricity to residential or small commercial customers in New Hampshire.***

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

   ***Please see Exhibit 6.***

(d) Each CEPS applicant shall provide the following in or with its application:

1. Demonstration of technical ability to provide for the efficient and reliable transfer of data and electronic information between regulated distribution companies and CEPS in the form of:

   a. A statement from each electric distribution company with which the CEPS intends to do business indicated that the applicant has complied with the training and testing requirements for electronic data interchange; and

   b. A statement from each electric distribution company with which the CEPS intends to do business indicating that the applicant has successfully demonstrated electronic transaction capability;

   ***Hess Corporation has employed EDI in its business operations since first entering retail electric markets in 1999. Hess' energy marketing department employs a substantial number of in-house electric operations, billing and IT staff who are knowledgeable and have substantial experience in EDI standards, requirements and certification processes. Hess currently conducts EDI with numerous local electric distribution companies throughout the state in which it operates as a competitive retail electric marketer.***

   ***Enclosed herein as Exhibit 7 are the certificates from each New Hampshire electric distribution company demonstrating that Hess has complied with the training and testing requirements for electronic data interchange and its demonstrated electronic transaction capability. These documents were previously submitted as part Hess' last two electric license applications before the New Hampshire Public Utilities Commission.***

2. Evidence, including but not limited to proof of membership in the New England Power Pool (NEPOOL) or any successor organization or documentation of a contractual sponsorship relationship with a NEPOOL member, that the CEPS is able to obtain supply in the New England energy market;

   ***Please see Exhibit 8.***

3. A $250.00 registration fee;

   ***Fee enclosed***

4. Evidence of financial security, as follows:

   a. The security shall be in the form of a surety bond or other financial instrument showing evidence of liquid funds, such as a certificate of deposit, an irrevocable letter of credit, a line of credit, a loan or a guarantee;

   b. The security amount shall:

      1. Be the greater of:

         (i) $100,000; or
         (ii) 20% of the CEPS's estimated gross receipts for its first year of full operation, not including revenue from the provision of transition or default service; and

      2. Not exceed $350,000; and

   c. The security shall name the commission as oblige

***Please see Exhibit 9 for a copy of Hess' current surety bond submitted to the Commission and naming the Commission as the oblige, as filed in Docket No. DM 07-132 on February 4, 2008 in the amount of $350,000. This bond, Bond No. 929375027, remains valid and binding.***

# EXHIBIT 1

# HESS CORPORATION
# PRINCIPAL OFFICERS

John B. Hess
Chairman of the Board and CEO
Hess Corporation
1185 Avenue of the Americas
New York, NY 10036
Phone: (212) 997-8500
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John Schultz
Vice President – Electric Operations
Hess Corporation
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# EXHIBIT 2

# HESS CORPORATION
# SEC FORM 10Q –FILED NOVEMBER 6, 2009

# FORM 10-Q

## HESS CORP - HES

**Filed: November 06, 2009 (period: September 30, 2009)**

Quarterly report which provides a continuing view of a company's financial position

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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

# Form 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended *September 30, 2009*

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to ___

Commission File Number 1-1204

# HESS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**
(State or Other Jurisdiction of Incorporation or Organization)

**13-4921002**
(I.R.S. Employer Identification Number)

**1185 AVENUE OF THE AMERICAS, NEW YORK, N.Y.**
(Address of Principal Executive Offices)

**10036**
(Zip Code)

(Registrant's Telephone Number, Including Area Code is (212) 997-8500)

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

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

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

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting company)

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

At September 30, 2009, there were 327,071,438 shares of Common Stock outstanding.

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## PART I — FINANCIAL INFORMATION

**Item 1. Financial Statements.**

### HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
### STATEMENT OF CONSOLIDATED INCOME (UNAUDITED)
**(In millions, except per share data)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| **REVENUES AND NON-OPERATING INCOME** | | | | |
| Sales (excluding excise taxes) and other operating revenues | $ 7,270 | $ 11,396 | $ 20,936 | $ 33,754 |
| Equity in income (loss) of HOVENSA L.L.C. | (49) | 52 | (165) | 23 |
| Other, net | 163 | (62) | 240 | 38 |
| Total revenues and non-operating income | 7,384 | 11,386 | 21,011 | 33,815 |
| **COSTS AND EXPENSES** | | | | |
| Cost of products sold (excluding items shown separately below) | 5,069 | 8,164 | 14,956 | 24,206 |
| Production expenses | 460 | 503 | 1,313 | 1,421 |
| Marketing expenses | 240 | 266 | 742 | 766 |
| Exploration expenses, including dry holes and lease impairment | 167 | 157 | 672 | 467 |
| Other operating expenses | 43 | 62 | 134 | 154 |
| General and administrative expenses | 148 | 170 | 444 | 478 |
| Interest expense | 97 | 68 | 269 | 200 |
| Depreciation, depletion and amortization | 626 | 497 | 1,670 | 1,431 |
| Total costs and expenses | 6,850 | 9,887 | 20,200 | 29,123 |
| **INCOME BEFORE INCOME TAXES** | 534 | 1,499 | 811 | 4,692 |
| Provision for income taxes | 182 | 725 | 374 | 2,255 |
| **NET INCOME** | 352 | 774 | 437 | 2,437 |
| Less: Net income (loss) attributable to noncontrolling interests | 11 | (1) | 55 | 3 |
| **NET INCOME ATTRIBUTABLE TO HESS CORPORATION** | $ 341 | $ 775 | $ 382 | $ 2,434 |
| **NET INCOME PER SHARE ATTRIBUTABLE TO HESS CORPORATION** | | | | |
| BASIC | $ 1.05 | $ 2.40 | $ 1.18 | $ 7.60 |
| DILUTED | 1.05 | 2.37 | 1.17 | 7.47 |
| **WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (DILUTED)** | 326.0 | 327.4 | 325.8 | 325.7 |
| **COMMON STOCK DIVIDENDS PER SHARE** | $ .10 | $ .10 | $ .30 | $ .30 |

See accompanying notes to consolidated financial statements.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
### CONSOLIDATED BALANCE SHEET (UNAUDITED)
(In millions of dollars, thousands of shares)

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | $ 957 | $ 908 |
| Accounts receivable | 3,552 | 4,297 |
| Inventories | 1,424 | 1,308 |
| Other current assets | 993 | 819 |
| Total current assets | 6,926 | 7,332 |
| **INVESTMENTS IN AFFILIATES** | | |
| HOVENSA L.L.C. | 755 | 919 |
| Other | 220 | 208 |
| Total investments in affiliates | 975 | 1,127 |
| **PROPERTY, PLANT AND EQUIPMENT** | | |
| Total — at cost | 29,358 | 27,437 |
| Less reserves for depreciation, depletion, amortization and lease impairment | 12,712 | 11,166 |
| Property, plant and equipment — net | 16,646 | 16,271 |
| **GOODWILL** | 1,225 | 1,225 |
| **DEFERRED INCOME TAXES** | 2,327 | 2,292 |
| **OTHER ASSETS** | 338 | 342 |
| **TOTAL ASSETS** | $ 28,437 | $ 28,589 |
| **LIABILITIES AND EQUITY** | | |
| **CURRENT LIABILITIES** | | |
| Accounts payable | $ 4,248 | $ 5,045 |
| Accrued liabilities | 1,681 | 1,905 |
| Taxes payable | 403 | 637 |
| Current maturities of long-term debt | 136 | 143 |
| Total current liabilities | 6,468 | 7,730 |
| **LONG-TERM DEBT** | 4,243 | 3,812 |
| **DEFERRED INCOME TAXES** | 2,259 | 2,241 |
| **ASSET RETIREMENT OBLIGATIONS** | 1,220 | 1,164 |
| **OTHER LIABILITIES** | 1,240 | 1,251 |
| Total liabilities | 15,430 | 16,198 |
| **EQUITY** | | |
| Hess Corporation Stockholders' Equity | | |
| Common stock, par value $1.00 | | |
| Authorized — 600,000 shares | | |
| Issued 327,071 shares at September 30, 2009; 326,133 shares at December 31, 2008 | 327 | 326 |
| Capital in excess of par value | 2,448 | 2,347 |
| Retained earnings | 11,926 | 11,642 |
| Accumulated other comprehensive income (loss) | (1,827) | (2,008) |
| Total Hess Corporation stockholders' equity | 12,874 | 12,307 |
| Noncontrolling interests | 133 | 84 |
| Total equity | 13,007 | 12,391 |
| **TOTAL LIABILITIES AND EQUITY** | $ 28,437 | $ 28,589 |

See accompanying notes to consolidated financial statements.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
### STATEMENT OF CONSOLIDATED CASH FLOWS (UNAUDITED)
### (In millions of dollars)

| | Nine Months Ended September 30, 2009 | 2008 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income | $ 437 | $ 2,437 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation, depletion and amortization | 1,670 | 1,431 |
| Exploratory dry hole costs and lease impairment | 406 | 171 |
| (Benefit) provision for deferred income taxes | (324) | 18 |
| Equity in (income) loss of HOVENSA L.L.C., net of distributions | 165 | 27 |
| Changes in operating assets and liabilities and other | (579) | 111 |
| Net cash provided by operating activities | 1,775 | 4,195 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Capital expenditures | (1,993) | (3,282) |
| Other, net | 26 | 50 |
| Net cash used in investing activities | (1,967) | (3,232) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net borrowings (repayments) of debt with maturities of 90 days or less | (850) | 12 |
| Debt with maturities of greater than 90 days | | |
| Borrowings | 1,247 | — |
| Repayments | (38) | (60) |
| Cash dividends paid | (131) | (130) |
| Payments to noncontrolling interests | (2) | (123) |
| Employee stock options exercised, including income tax benefits | 15 | 111 |
| Net cash provided by (used in) financing activities | 241 | (190) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | 49 | 773 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | 908 | 607 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | $ 957 | $ 1,380 |

See accompanying notes to consolidated financial statements.

PART I — FINANCIAL INFORMATION (CONT'D.)

## HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### 1. Basis of Presentation

The financial statements included in this report reflect all normal and recurring adjustments which, in the opinion of management, are necessary for a fair presentation of Hess Corporation's (the Corporation) consolidated financial position at September 30, 2009 and December 31, 2008 and the consolidated results of operations for the three and nine month periods ended September 30, 2009 and 2008 and the consolidated cash flows for the nine month periods ended September 30, 2009 and 2008. The unaudited results of operations for the interim periods reported are not necessarily indicative of results to be expected for the full year.

The financial statements were prepared in accordance with the requirements of the Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain notes or other financial information that are normally required by U.S. generally accepted accounting principles (GAAP) have been condensed or omitted from these interim financial statements. These statements, therefore, should be read in conjunction with the consolidated financial statements and related notes included in the Corporation's Form 10-K for the year ended December 31, 2008.

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) became effective on July 1, 2009. The ASC combined multiple sources of authoritative accounting literature into a single source of authoritative GAAP organized by accounting topic. Since the ASC was not intended to change existing GAAP, the only impact on the Corporation's financial statements was that specific references to accounting principles have been changed to refer to the ASC.

Effective January 1, 2009, the Corporation adopted the FASB accounting standard for the accounting for and reporting of noncontrolling interests in a consolidated subsidiary (ASC 810 – Consolidation). As required, the Corporation retrospectively applied the presentation and disclosure requirements of this standard. At September 30, 2009 and December 31, 2008 noncontrolling interests of $133 million and $84 million, respectively, have been classified as a component of equity. Previously the noncontrolling interests had been classified in Other liabilities. Net income (loss) attributable to the noncontrolling interests is also now separately reported in the Statement of Consolidated Income. Certain other amounts in the consolidated financial statements and footnotes have been reclassified to conform with the presentation requirements of this standard.

Effective January 1, 2009, the Corporation adopted the FASB accounting standard that expanded the qualitative, quantitative and credit risk disclosure requirements related to an entity's use of derivative instruments (ASC 815 – Derivatives and Hedging). See Note 8, Derivative Instruments, Hedging, and Trading Activities, for these disclosures.

Effective January 1, 2009, the Corporation also adopted the FASB staff position that requires the application of the fair value measurement and disclosure provisions to nonfinancial assets and liabilities that are measured at fair value on a nonrecurring basis (ASC 820 – Fair Value Measurements). Such fair value measurements are determined based on the same fair value hierarchy of inputs currently required to measure the fair value of financial assets and liabilities. The impact of this accounting standard was not material to the Corporation's consolidated financial statements.

Effective June 30, 2009, the Corporation adopted the FASB accounting standard which provides guidance on the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued (ASC 855 – Subsequent Events). The adoption of this standard did not impact the Corporation's existing practice of evaluating subsequent events through the date the financial statements are filed with the SEC. The Corporation evaluated subsequent events through November 6, 2009.

PART I — FINANCIAL INFORMATION (CONT'D.)

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In June 2009, the FASB amended existing accounting standards to eliminate the concept of a qualifying special-purpose entity (ASC 810 – Consolidation) and limit the circumstances in which transferred financial assets should be derecognized (ASC 860 – Transfers and Servicing). The amended standards also require additional analysis of variable interest entities, which are generally defined as entities in which equity investors do not have the characteristics of a controlling interest or do not have sufficient equity at risk to finance its activities without additional subordinated financial support. These standards also change the criteria for determining the primary beneficiary of a variable interest entity, which is the entity responsible for consolidation. As required, the Corporation will adopt the provisions of these standards effective January 1, 2010. The adoption of these standards is not expected to have a material impact on the Corporation's financial statements.

## 2. Inventories

Inventories consist of the following (in millions):

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| Crude oil and other charge stocks | $ 379 | $ 383 |
| Refined products and natural gas | 1,299 | 988 |
| Less: LIFO adjustment | (709) | (500) |
| | 969 | 871 |
| Merchandise, materials and supplies | 455 | 437 |
| Total inventories | $ 1,424 | $ 1,308 |

## 3. Refining Joint Venture

The Corporation accounts for its investment in HOVENSA L.L.C. (HOVENSA) using the equity method. Summarized financial information for HOVENSA follows (in millions):

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| Summarized balance sheet | | |
| Cash and short-term investments | $ 145 | $ 75 |
| Other current assets | 503 | 664 |
| Net fixed assets | 2,077 | 2,136 |
| Other assets | 59 | 58 |
| Current liabilities | (847) | (679) |
| Long-term debt | (356) | (356) |
| Deferred liabilities and credits | (111) | (104) |
| Members' equity | $ 1,470 | $ 1,794 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Summarized income statement | | | | |
| Total revenues | $ 2,644 | $ 5,413 | $ 7,307 | $ 15,170 |
| Cost and expenses | (2,741) | (5,308) | (7,632) | (15,119) |
| Net income (loss) | $ (97) | $ 105 | $ (325) | $ 51 |
| Hess Corporation's share, before income taxes | $ (49) | $ 52 | $ (165) | $ 23 |

PART I — FINANCIAL INFORMATION (CONT'D.)

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## 4. Capitalized Exploratory Well Costs

The following table discloses the net changes in capitalized exploratory well costs pending determination of proved reserves for the nine months ended September 30, 2009 (in millions):

| | |
|---|---|
| Balance at January 1 | $ 1,094 |
| Additions to capitalized exploratory well costs pending the determination of proved reserves | 227 |
| Reclassifications to wells, facilities, and equipment based on the determination of proved reserves | (16) |
| Capitalized exploratory well costs charged to expense | (74) |
| Balance at end of period | $ 1,231 |

The preceding table excludes costs related to exploratory dry holes of $158 million which were incurred and subsequently expensed in 2009. Capitalized exploratory well costs greater than one year old after completion of drilling were $919 million as of September 30, 2009 and $381 million as of December 31, 2008. This increase is primarily related to the Pony and Tubular Bells projects in the deepwater Gulf of Mexico and offshore projects in Western Australia (WA-Block 390-P) and Libya (Area 54). Development options for Pony and Tubular Bells are being evaluated. Further drilling is scheduled on WA-Block 390 and in Area 54.

## 5. Long-Term Debt

In February 2009, the Corporation issued $250 million of 5 year senior unsecured notes with a coupon of 7% and $1 billion of 10 year senior unsecured notes with a coupon of 8.125%. The majority of the proceeds were used to repay revolving credit debt and outstanding borrowings on other credit facilities.

In July 2009, the Corporation amended its asset backed credit facility to increase the capacity from $500 million to $1 billion, subject to the availability of sufficient levels of eligible receivables from certain Marketing and Refining operations pledged as collateral. In addition, the expiration date has been extended to July 2010.

During the third quarter of 2009, the Corporation assumed approximately $65 million of private placement debt in conjunction with the acquisition of 37 previously leased retail gasoline stations.

## 6. Foreign Currency

Foreign currency gains (losses) amounted to the following (in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Pre-tax foreign currency gains (losses) | $ 1 | $ (76) | $ 32 | $ (32) |
| After-tax foreign currency gains (losses) | 4 | (10) | (1) | 2 |

The pre-tax amount of foreign currency gains (losses) is reported in Other, net within the Statement of Consolidated Income.

PART I — FINANCIAL INFORMATION (CONT'D.)

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## 7. Retirement Plans

Components of net periodic pension cost consisted of the following (in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Service cost | $ 9 | $ 9 | $ 29 | $ 29 |
| Interest cost | 19 | 15 | 59 | 55 |
| Expected return on plan assets | (12) | (15) | (42) | (55) |
| Amortization of net loss | 17 | 6 | 45 | 12 |
| Pension expense | $ 33 | $ 15 | $ 91 | $ 41 |

In 2009, the Corporation expects to contribute approximately $135 million to its pension plans and had contributed $111 million through September 30, 2009.

## 8. Derivative Instruments, Hedging, and Trading Activities

The Corporation utilizes derivative instruments for both non-trading and trading activities. In non-trading activities, the Corporation uses futures, forwards, options and swaps individually or in combination, to mitigate its exposure to fluctuations in prices of crude oil, natural gas, refined products and electricity, and changes in foreign currency exchange rates. In trading activities, the Corporation, principally through a consolidated partnership (in which the Corporation has a 50% voting interest), trades energy commodities and energy derivatives, including futures, forwards, options and swaps, based on expectations of future market conditions. The following information includes 100% of the trading partnership's accounts.

The Corporation maintains a control environment under the direction of its chief risk officer and through its corporate risk policy, which the Corporation's senior management has approved. Controls include volumetric, term and value-at-risk limits. Risk limits are monitored daily and exceptions are reported to business units and to senior management. The Corporation's risk management department also performs independent verifications of sources of fair values and validations of valuation models. These controls apply to all of the Corporation's non-trading and trading activities, including the consolidated trading partnership.

The table below shows the gross volume of the Corporation's trading and non-trading derivative instruments outstanding at September 30, 2009:

| | Volume* |
|---|---|
| Commodity Contracts | |
| Crude oil, refined products, and natural gas liquids (millions of barrels) | 2,159 |
| Natural gas (millions of mcf) | 9,281 |
| Electricity (millions of megawatt hours) | 166 |
| Other Contracts | |
| Foreign exchange (millions of U.S. dollars) | 1,150 |

* *Volume represents all gross notional amounts of both long and short positions, including long and short positions that offset in a closed position and have not reached contractual maturity. Gross notional amounts do not quantify risk or represent assets or liabilities of the Corporation, but are used in the calculation of cash settlements under the contracts.*

## PART I — FINANCIAL INFORMATION (CONT'D.)

## HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The Corporation records all derivative instruments on the balance sheet at fair value (see Note 9, Fair Value Measurements). The table below reflects the gross and net fair values of the Corporation's derivative instruments as of September 30, 2009 (in millions):

| | Accounts Receivable | Accounts Payable |
|---|---|---|
| Derivative contracts designated as hedging instruments | | |
| Commodity | $ 894 | $ (1,426) |
| Derivative contracts not designated as hedging instruments* | | |
| Commodity | 9,910 | (11,213) |
| Foreign exchange | 4 | (44) |
| Other | 13 | (15) |
| Total derivative contracts not designated as hedging instruments | 9,927 | (11,272) |
| Gross fair value of derivative contracts | 10,821 | (12,698) |
| Master netting arrangements | (9,342) | 9,342 |
| Cash collateral (received) posted | (227) | 332 |
| Net fair value of derivative contracts | $ 1,252 | $ (3,024) |

* *Includes trading derivatives and derivatives used for risk management.*

The Corporation generally enters into master netting arrangements to mitigate counterparty credit risk. Master netting arrangements are standardized contracts that govern all specified transactions with the same counterparty and allow the Corporation to terminate all contracts upon occurrence of certain events, such as a counterparty's default or bankruptcy. Where these arrangements provide the right of offset and the Corporation's intent and practice is to offset amounts in the case of contract terminations, the Corporation records fair value on a net basis.

**Non-trading activities**

***Cash Flow Hedges***: The Corporation uses commodity contracts to hedge variability of expected future cash flows and forecasted transactions (cash flow hedges). At September 30, 2009, the Corporation used cash flow hedges principally to fix the cost of supply in its energy marketing business. The Corporation records the effective portion of changes in the fair value of cash flow hedges as a component of other comprehensive income. Amounts recorded in Accumulated other comprehensive income are reclassified into Cost of products sold in the same period that the hedged item is recognized in earnings. The ineffective portion of changes in the fair value of cash flow hedges is recognized immediately in Cost of products sold. The length of time over which the Corporation hedges exposure to variability in future cash flows is predominantly two years or less. The maximum duration was five years for the contracts outstanding at September 30, 2009.

The Corporation may use futures and swaps to hedge crude oil and natural gas production in its Exploration and Production business. In October 2008, the Corporation closed its Brent crude oil cash flow hedges, covering 24,000 barrels per day from 2009 through 2012, by entering into offsetting contracts with the same counterparty. As a result, the Corporation no longer accounts for these contracts as cash flow hedges. Because the underlying cash flows from the originally hedged production are still probable, the deferred losses within Accumulated other comprehensive income as of the date the contracts were closed will be recorded in Sales and other operating revenues as the contracts mature. There were no open hedges of crude oil or natural gas production at September 30, 2009.

PART I — FINANCIAL INFORMATION (CONT'D.)

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At September 30, 2009, the after-tax deferred losses reported in Accumulated other comprehensive income relating to cash flow hedges were $1,433 million. The Corporation estimates that approximately $606 million of this amount will be reclassified into earnings over the next twelve months.

*Other Risk Management Derivatives:* The Corporation mitigates certain risks in its energy marketing business using commodity contracts that it does not designate as hedges. Changes in the fair value of the commodity contracts, which include forward purchases and sales of energy marketing products, are recognized currently in earnings. Revenues from the sales contracts are reported within Sales and other operating revenues and supply contract purchases are reported within Cost of products sold. The Corporation also uses foreign exchange contracts that it does not designate as hedges with the intent to reduce its exposure to fluctuations in foreign exchange rates. Net pre-tax gains on these derivative contracts amounted to the following (in millions):

| | Three Months Ended September 30, 2009 | Nine Months Ended September 30, 2009 |
|---|---|---|
| Commodity | $ 5 | $ 94 |
| Foreign exchange | (24) | 83 |
| Total | $ (19) | $ 177 |

### Trading Activities

In trading activities, the Corporation is primarily exposed to changes in crude oil, natural gas, and refined product prices. Pre-tax gains (losses) from trading activities, reported in Sales and other operating revenues, amounted to the following (in millions):

| | Three Months Ended September 30, 2009 | Nine Months Ended September 30, 2009 |
|---|---|---|
| Commodity | $ 49 | $ 149 |
| Foreign exchange | (11) | 19 |
| Other | (3) | 12 |
| Total | $ 35 | $ 180 |

### Credit Risk

The Corporation is exposed to credit risks that may at times be concentrated with certain counterparties or groups of counterparties. Accounts receivable are generated from a diverse domestic and international customer base. The Corporation reduces its risk related to certain counterparties by using master netting arrangements and, in certain circumstances, requiring collateral, generally cash or letters of credit. The Corporation records the cash collateral received or posted as an offset of the fair value of derivatives executed with the same counterparty.

PART I — FINANCIAL INFORMATION (CONT'D.)

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At September 30, 2009, the Corporation had a total of $3,676 million of outstanding letters of credit, primarily issued to satisfy margin and collateral requirements. Certain of the Corporation's agreements also contain contingent collateral provisions that could require the Corporation to post additional collateral if the Corporation's credit rating declines. As of September 30, 2009, the net liability related to derivatives with contingent collateral provisions was approximately $2,642 million before cash collateral posted of approximately $323 million. At September 30, 2009, all three major credit rating agencies that rate the Corporation's debt had assigned an investment grade rating. If two of the three agencies were to downgrade the Corporation's rating to below investment grade as of September 30, 2009, the Corporation would be required to post additional collateral of approximately $265 million.

## 9. Fair Value Measurements

The Corporation determines fair value in accordance with the FASB fair value measurements accounting standard (ASC 820 – Fair Value Measurements), which established a hierarchy that categorizes the sources of inputs, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using related market data (Level 3). Multiple inputs may be used to measure fair value, however, the level of fair value for each financial asset or liability presented below is based on the lowest significant input level within this fair value hierarchy. The following table provides the fair value of the Corporation's financial assets and (liabilities) based on this hierarchy (in millions):

| | Level 1 | Level 2 | Level 3 | Collateral and counterparty netting | Balance at September 30, 2009 |
|---|---|---|---|---|---|
| Supplemental pension plan investments | $ 66 | $ — | $ 5 | $ — | $ 71 |
| Derivative contracts | | | | | |
| Assets | 181 | 988 | 390 | (307) | 1,252 |
| Liabilities | (159) | (2,627) | (649) | 411 | (3,024) |

The following table provides changes in financial assets and liabilities that are measured at fair value based on Level 3 inputs (in millions):

| | Three Months Ended September 30, 2009 | Nine Months Ended September 30, 2009 |
|---|---|---|
| Balance at beginning of period | $ (215) | $ 149 |
| Unrealized gains (losses) | | |
| Included in earnings | (61) | 93 |
| Included in other comprehensive income | 31 | (187) |
| Purchases, sales or other settlements during the period | (12) | (226) |
| Net transfers in to (out of) Level 3 | 3 | (83) |
| Balance at end of period | $ (254) | $ (254) |

The carrying amount of the Corporation's financial instruments generally approximate their fair values at September 30, 2009 except fixed rate long term debt, which had a carrying value of $4,379 million and a fair value of $4,999 million.

## PART I — FINANCIAL INFORMATION (CONT'D.)

## HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### 10. Weighted Average Common Shares

The weighted average numbers of common shares used in the basic and diluted earnings per share computations are as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Common shares – basic | 324,066 | 322,365 | 323,796 | 320,159 |
| Effect of dilutive securities | | | | |
| Restricted common stock | 1,213 | 1,670 | 1,163 | 1,866 |
| Stock options | 759 | 2,985 | 846 | 3,228 |
| Convertible preferred stock | — | 366 | — | 467 |
| Common shares – diluted | 326,038 | 327,386 | 325,805 | 325,720 |

The Corporation issued 3,091,080 stock options and 1,041,530 shares of restricted stock in the first nine months of 2009. The calculation of weighted average common shares excludes the effect of 3,533,000 and 3,893,000 out-of-the money options for the quarter and nine months ended September 30, 2009, respectively.

### 11. Equity and Comprehensive Income

The table below summarizes changes in equity (in millions):

| | Hess Stockholders' Equity | Non controlling Interests | Total Equity |
|---|---|---|---|
| Balance January 1, 2009 | $ 12,307 | $ 84 | $ 12,391 |
| Net Income | 382 | 55 | 437 |
| Deferred gains (losses) on cash flow hedges, after tax | | | |
| Effect of hedge losses recognized in income | 701 | — | 701 |
| Net change in fair value of cash flow hedges | (656) | — | (656) |
| Change in foreign currency translation adjustment and other, after tax | 109 | (4) | 105 |
| Change in post retirement plan liabilities, after tax | 27 | — | 27 |
| Comprehensive income | 563 | 51 | 614 |
| Activity related to restricted common stock awards, net | 46 | — | 46 |
| Employee stock options, including income tax benefits | 56 | — | 56 |
| Cash dividends declared | (98) | — | (98) |
| Payments to noncontrolling interests and other | — | (2) | (2) |
| Balance September 30, 2009 | $ 12,874 | $ 133 | $ 13,007 |
| | | | |
| Balance January 1, 2008 | $ 9,774 | $ 226 | $ 10,000 |
| Net Income | 2,434 | 3 | 2,437 |
| Deferred gains (losses) on cash flow hedges, after tax | | | |
| Effect of hedge losses recognized in income | 270 | — | 270 |
| Net change in fair value of cash flow hedges | (328) | — | (328) |
| Change in foreign currency translation adjustment and other, after tax | (28) | (3) | (31) |
| Change in post retirement plan liabilities, after tax | 8 | — | 8 |
| Comprehensive income | 2,356 | — | 2,356 |
| Activity related to restricted common stock awards, net | 49 | — | 49 |
| Employee stock options, including income tax benefits | 149 | — | 149 |
| Cash dividends declared | (97) | — | (97) |
| Payments to noncontrolling interests and other | — | (124) | (124) |
| Balance September 30, 2008 | $ 12,231 | $ 102 | $ 12,333 |

Comprehensive income was $629 million ($614 million attributable to Hess Corporation) for the three months ended September 30, 2009 and $1,121 million ($1,129 million attributable to Hess Corporation) for the three months ended September 30, 2008.

## PART I — FINANCIAL INFORMATION (CONT'D.)

## HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

### 12. Segment Information

The Corporation's results by operating segment were as follows (in millions):

| | Three Months Ended September 30, 2009 | Three Months Ended September 30, 2008 | Nine Months Ended September 30, 2009 | Nine Months Ended September 30, 2008 |
|---|---|---|---|---|
| Operating revenues | | | | |
| Exploration and Production | $ 1,858 | $ 2,773 | $ 4,885 | $ 8,659 |
| Marketing and Refining | 5,435 | 8,681 | 16,128 | 25,302 |
| Less: Transfers between affiliates | (23) | (58) | (77) | (207) |
| Total | $ 7,270 | $ 11,396 | $ 20,936 | $ 33,754 |
| Net income (loss) attributable to Hess Corporation | | | | |
| Exploration and Production | $ 397 | $ 699 | $ 548 | $ 2,548 |
| Marketing and Refining | 38 | 161 | 110 | 125 |
| Corporate, including interest | (94) | (85) | (276) | (239) |
| Total | $ 341 | $ 775 | $ 382 | $ 2,434 |

Operating revenues exclude excise and similar taxes of approximately $525 million and $550 million in the third quarter of 2009 and 2008, respectively, and $1,525 million and $1,650 million during the first nine months of 2009 and 2008, respectively.

Identifiable assets by operating segment were as follows (in millions):

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| Exploration and Production | $ 21,275 | $ 19,506 |
| Marketing and Refining | 5,869 | 6,680 |
| Corporate | 1,293 | 2,403 |
| Total | $ 28,437 | $ 28,589 |

### 13. Contingencies

The United States Deep Water Royalty Relief Act of 1995 (the Act) implemented a royalty relief program that relieves eligible leases issued between November 28, 1995 and November 28, 2000 from paying royalties on deepwater production in Federal Outer Continental Shelf lands. The Act does not impose any price thresholds in order to qualify for the royalty relief. The U.S. Minerals Management Service (MMS) created regulations that included pricing requirements to qualify for the royalty relief provided in the Act. During the period from 2003 to 2009, the Corporation accrued the royalties imposed by the MMS regulations. The legality of the thresholds imposed by the MMS was challenged in the federal courts and, in early October 2009, the U.S. Supreme Court decided not to review the appellate court's decision against the MMS. As a result, the Corporation recognized a pre-tax gain of $143 million ($89 million after income taxes) in the third quarter of 2009 to reverse all previously recorded royalties. The pre-tax gain is reported in Other, net within the Statement of Consolidated Income.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

#### Overview

Hess Corporation (the Corporation) is a global integrated energy company that operates in two segments, Exploration and Production (E&P) and Marketing and Refining (M&R). The E&P segment explores for, develops, produces, purchases, transports and sells crude oil and natural gas. The M&R segment manufactures refined petroleum products and purchases, trades and markets refined petroleum products, natural gas and electricity. The Corporation reported net income of $341 million in the third quarter of 2009, compared with $775 million in the third quarter of 2008.

*Exploration and Production:* E&P reported income of $397 million for the third quarter of 2009, compared with income of $699 million in the third quarter of 2008. The decrease in earnings mainly reflects significantly lower average oil and gas selling prices. Reported E&P earnings for the third quarter of 2009 included after-tax income of $89 million related to the resolution of a U.S. royalty dispute.

In the third quarter of 2009, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was $56.07 per barrel compared with $93.36 per barrel in the third quarter of 2008. The Corporation's average worldwide natural gas selling price was $4.60 per thousand cubic feet (mcf) in the third quarter of 2009 compared with $7.60 per mcf in the third quarter of 2008.

Worldwide crude oil and natural gas production was 420,000 barrels of oil equivalent per day (boepd) in the third quarter of 2009 compared with 361,000 boepd in the same period of 2008. This increase was largely due to production from the Shenzi Field together with Phase 2 production from Block A-18 of the Joint Development Area of Malaysia and Thailand (JDA). The Shenzi Field commenced production at the end of the first quarter of 2009 and net production averaged 38,000 boepd for the third quarter. For the full year of 2009, worldwide crude oil and natural gas production is expected to average between approximately 400,000 and 410,000 boepd.

Drilling continued in the Carnarvon Basin offshore Western Australia (WA-Block 390-P, Hess 100%) during the third quarter. The Corporation has now completed 9 wells and expects to drill the remaining 7 wells of the program by mid-2010.

*Marketing and Refining:* M&R results generated income of $38 million for the third quarter of 2009, compared with income of $161 million in the third quarter of 2008, primarily reflecting lower margins. M&R results included a benefit of $12 million due to an income tax adjustment relating to refining operations.

#### Results of Operations

The after-tax results by major operating activity were as follows (in millions, except per share data):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Exploration and Production | $ 397 | $ 699 | $ 548 | $ 2,548 |
| Marketing and Refining | 38 | 161 | 110 | 125 |
| Corporate | (33) | (42) | (108) | (114) |
| Interest expense | (61) | (43) | (168) | (125) |
| Net income (loss) attributable to Hess Corporation | $ 341 | $ 775 | $ 382 | $ 2,434 |
| Net income (loss) per share (diluted) | $ 1.05 | $ 2.37 | $ 1.17 | $ 7.47 |

## PART I — FINANCIAL INFORMATION (CONT'D.)

**Results of Operations (continued)**

**Items Affecting Comparability Between Periods**

The following table summarizes, on an after-tax basis, items of income (expense) that are included in net income and affect comparability between periods (amounts in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Exploration and Production | $ 89 | $ — | $ 45 | $ — |
| Marketing and Refining | 12 | — | 12 | — |
| Corporate | — | — | (16) | — |
| Total | $ 101 | $ — | $ 41 | $ — |

The items in the table above are explained on pages 17 through 19.

In the discussion that follows, the financial effects of certain transactions are disclosed on an after-tax basis. Management reviews segment earnings on an after-tax basis and uses after-tax amounts in its review of variances in segment earnings. Management believes that after-tax amounts are preferable to pre-tax amounts for explaining variances in earnings, since they show the entire effect of a transaction. After-tax amounts are determined by applying the appropriate income tax rate in each tax jurisdiction to pre-tax amounts.

**Comparison of Results**

*Exploration and Production*

Following is a summarized income statement of the Corporation's E&P operations (in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Sales and other operating revenues* | $ 1,792 | $ 2,661 | $ 4,622 | $ 8,343 |
| Other, net | 145 | (71) | 210 | (2) |
| Total revenues and non-operating income | 1,937 | 2,590 | 4,832 | 8,341 |
| Cost and expenses | | | | |
| Production expenses, including related taxes | 460 | 503 | 1,313 | 1,421 |
| Exploration expenses, including dry holes and lease impairment | 167 | 157 | 672 | 467 |
| General, administrative and other expenses | 65 | 84 | 182 | 220 |
| Depreciation, depletion and amortization | 602 | 479 | 1,605 | 1,375 |
| Total costs and expenses | 1,294 | 1,223 | 3,772 | 3,483 |
| Results of operations before income taxes | 643 | 1,367 | 1,060 | 4,858 |
| Provision for income taxes | 246 | 668 | 512 | 2,310 |
| Results of operations attributable to Hess Corporation | $ 397 | $ 699 | $ 548 | $ 2,548 |

* Amounts differ from E&P operating revenues in Note 12, Segment Information, primarily due to the exclusion of sales of hydrocarbons purchased from unrelated third parties.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Results of Operations (continued)

After considering the items affecting comparability between periods in the table on page 17, the remaining changes in E&P earnings are primarily attributable to changes in selling prices, sales volumes, operating costs, depreciation, depletion and amortization, and exploration expenses as discussed below.

***Selling prices:*** Lower average realized selling prices of crude oil and natural gas decreased E&P revenues by approximately $1,205 million and $4,250 million in the third quarter and first nine months of 2009, respectively, compared with the corresponding periods of 2008. The Corporation's average selling prices were as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Average selling prices | | | | |
| Crude oil — per barrel (including hedging) | | | | |
| United States | $ 63.79 | $ 116.14 | $ 56.02 | $ 109.39 |
| Europe | 47.34 | 83.23 | 42.80 | 90.69 |
| Africa | 54.97 | 91.72 | 44.98 | 89.66 |
| Asia and other | 67.49 | 105.58 | 56.63 | 106.09 |
| Worldwide | 56.07 | 93.36 | 47.09 | 93.62 |
| Crude oil — per barrel (excluding hedging) | | | | |
| United States | $ 63.79 | $ 116.14 | $ 56.02 | $ 109.39 |
| Europe | 47.34 | 83.23 | 42.80 | 90.69 |
| Africa | 67.27 | 108.49 | 56.59 | 106.91 |
| Asia and other | 67.49 | 105.58 | 56.63 | 106.09 |
| Worldwide | 61.42 | 102.80 | 52.35 | 102.03 |
| Natural gas liquids — per barrel | | | | |
| United States | $ 36.05 | $ 77.50 | $ 32.38 | $ 72.79 |
| Europe | 43.53 | 81.84 | 37.86 | 84.77 |
| Asia and other | 44.74 | — | 38.49 | — |
| Worldwide | 37.27 | 78.50 | 33.90 | 75.96 |
| Natural gas — per mcf (including hedging) | | | | |
| United States | $ 2.65 | $ 8.57 | $ 3.19 | $ 9.35 |
| Europe | 4.38 | 10.12 | 5.25 | 9.75 |
| Asia and other | 5.12 | 5.77 | 4.88 | 5.33 |
| Worldwide | 4.60 | 7.60 | 4.74 | 7.48 |
| Natural gas — per mcf (excluding hedging) | | | | |
| United States | $ 2.65 | $ 8.57 | $ 3.19 | $ 9.35 |
| Europe | 4.38 | 10.84 | 5.25 | 10.16 |
| Asia and other | 5.12 | 5.77 | 4.88 | 5.33 |
| Worldwide | 4.60 | 7.85 | 4.74 | 7.64 |

In October 2008, the Corporation closed its Brent crude oil cash flow hedges, covering 24,000 barrels per day from 2009 through 2012, by entering into offsetting contracts with the same counterparty. The deferred after tax loss as of the date the hedge positions were closed will be recorded in earnings as the contracts mature. The estimated annual after-tax loss from the closed positions will be approximately $335 million from 2009 through 2012. Crude oil hedges reduced E&P earnings by $84 million and $249 million in the third quarter and first nine months of 2009 ($134 million and $398 million before income taxes). Crude oil and natural gas hedges reduced Exploration and Production earnings by $138 million and $377 million in the third quarter and first nine months of 2008, respectively ($224 million and $610 million before income taxes).

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Results of Operations (continued)

*Sales and production volumes:* The Corporation's crude oil and natural gas production was 420,000 boepd in the third quarter of 2009 compared with 361,000 boepd in the same period of 2008. Production in the first nine months of 2009 was 406,000 boepd compared with 382,000 boepd in the first nine months of 2008. The Corporation anticipates that its production for the full year of 2009 will average between approximately 400,000 and 410,000 boepd.

The Corporation's net daily worldwide production by region was as follows (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Crude oil (barrels per day) | | | | |
| United States | 73 | 31 | 54 | 34 |
| Europe | 83 | 80 | 82 | 82 |
| Africa | 124 | 121 | 125 | 123 |
| Asia and other | 17 | 12 | 16 | 14 |
| Total | 297 | 244 | 277 | 253 |
| Natural gas liquids (barrels per day) | | | | |
| United States | 12 | 9 | 10 | 10 |
| Europe | 2 | 4 | 3 | 4 |
| Asia and other | — | — | 1 | — |
| Total | 14 | 13 | 14 | 14 |
| Natural gas (mcf per day) | | | | |
| United States | 105 | 76 | 92 | 84 |
| Europe | 120 | 216 | 153 | 260 |
| Asia and other | 429 | 333 | 442 | 346 |
| Total | 654 | 625 | 687 | 690 |
| Barrels of oil equivalent per day* | 420 | 361 | 406 | 382 |

* Natural gas production is converted assuming six Mcf equals one barrel.

*United States:* Crude oil production in the United States was higher in the third quarter and first nine months of 2009 compared to the corresponding periods in 2008, primarily due to the Shenzi Field which commenced production at the end of the first quarter of 2009. Crude oil and natural gas production in the Gulf of Mexico totaling approximately 10,000 boepd was shut-in during the third quarter of 2008 due to the impact of hurricanes.

*Europe:* Crude oil production in Europe in the third quarter and first nine months of 2009 was comparable to the same periods in 2008, as higher production in Russia was offset by lower production in the U.K. North Sea. Natural gas production was lower in the third quarter and first nine months of 2009 compared to the same periods in 2008, primarily due to decline at the Atlantic and Cromarty fields, which are nearing the end of their productive lives.

*Asia and other:* The increase in natural gas production in the third quarter and first nine months of 2009 compared to the corresponding periods in 2008 was principally due to Phase 2 gas sales from the JDA, which commenced production in November 2008.

*Sales volumes:* Higher crude oil sales volumes increased revenue by approximately $335 million in the third quarter and $530 million in the first nine months of 2009, compared with the corresponding periods of 2008. During the third quarter of 2009, the Corporation's sales volumes were under lifted compared to production while year-to-date sales volumes approximated total production volumes.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Results of Operations (continued)

*Operating costs and depreciation, depletion and amortization:* Cash operating costs, consisting of production expenses and general and administrative expenses, decreased by $62 million and $165 million in the third quarter and first nine months of 2009 compared with the corresponding periods of 2008, excluding the impact of items affecting comparability discussed below. These decreases were principally due to lower price related production taxes.

Depreciation, depletion and amortization expenses increased by $123 million and $179 million in the third quarter and first nine months of 2009 compared with the corresponding periods of 2008, excluding the impact of items affecting comparability discussed below. These increases were primarily due to the commencement of production in the Shenzi Field at the end of the first quarter 2009 and the ramp up of production at the JDA with Phase 2 gas. Rates per barrel also increased due to the mix of production from assets with varying per barrel rates, including the Shenzi Field.

Excluding the impact of items affecting comparability discussed below, E&P total production unit costs (cash operating costs plus depreciation, depletion, and amortization) are anticipated to be in the range of $27 to $29 per barrel of oil equivalent (boe).

*Exploration expenses:* Exploration expenses were higher in the third quarter and the first nine months of 2009 compared with the same periods in 2008 principally reflecting higher dry hole expense and lease impairment partially offset by lower seismic costs.

*Income taxes:* The effective income tax rate for E&P operations in the first nine months of 2009 was 49% compared with 48% in the first nine months of 2008. The effective income tax rate for E&P operations for the full year of 2009 is expected to be in the range of 47% to 49%.

*Foreign exchange:* The after-tax foreign currency gains related to E&P activities were $4 million in the third quarter of 2009 compared with losses of $8 million in the third quarter of 2008. The after-tax foreign currency loss in the nine months ended September 30, 2009 was $1 million compared with a gain of $3 million for the nine months ended September 30, 2008.

Reported E&P earnings include the following items affecting comparability of earnings between periods, after-tax (in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Royalty dispute resolution | $ 89 | $ — | $ 89 | $ — |
| Reductions in carrying values of assets | — | — | (44) | — |
| Total | $ 89 | $ — | $ 45 | $ — |

In early October 2009, the U.S. Supreme Court decided it would not review the decision of the 5th Circuit Court of Appeals against the U.S. Minerals Management Service relating to royalty relief under the Deep Water Royalty Relief Act of 1995. As a result, the Corporation recognized an after-tax gain of $89 million in the third quarter of 2009 to reverse all previously recorded royalties covering the periods from 2003 to 2009. The pre-tax gain of $143 million is reported in Other, net within the Statement of Consolidated Income. Approximately $7 million of the after-tax gain related to 2009.

## PART I — FINANCIAL INFORMATION (CONT'D.)

**Results of Operations (continued)**

In the second quarter of 2009, after-tax charges of $31 million ($51 million before income taxes) were recorded to reduce the carrying values of production equipment in the U.K. North Sea and materials inventory in Equatorial Guinea and the United States. In the first quarter of 2009, the Corporation recorded an after-tax charge of $13 million ($26 million before income taxes) to reduce the carrying values of two short-lived fields in the U.K. North Sea. The pre-tax amount of the reductions in carrying value of production equipment and the short-lived fields was reported in Depreciation, depletion and amortization and the majority of the reduction in carrying values of inventory of $25 million was reported in Production expenses in the Statement of Consolidated Income.

The Corporation's future E&P earnings may be impacted by external factors, such as political risk, volatility in the selling prices of crude oil and natural gas, reserve and production changes, industry cost inflation, exploration expenses, the effects of weather and changes in foreign exchange and income tax rates.

*Marketing and Refining*

M&R activities generated income of $38 million and $110 million in the third quarter and first nine months of 2009 compared with $161 million and $125 million for the corresponding periods of 2008. The Corporation's downstream operations include HOVENSA L.L.C. (HOVENSA), a 50% owned refining joint venture with a subsidiary of Petroleos de Venezuela S.A. (PDVSA), which is accounted for using the equity method. Additional Marketing and Refining activities include a fluid catalytic cracking facility in Port Reading, New Jersey, as well as retail gasoline stations, energy marketing and trading operations.

***Refining:*** Refining operations generated a loss of $15 million and $59 million in the third quarter and first nine months of 2009 compared with income of $46 million in both the third quarter and first nine months of 2008, excluding the impact of the item affecting comparability discussed below. The Corporation's share of HOVENSA's losses, after income taxes, was $30 million in the third quarter of 2009 and $101 million in the first nine months of 2009 compared with income of $32 million and $14 million in the corresponding periods of 2008, principally reflecting lower refining margins. Port Reading's after tax earnings were $16 million and $43 million in the third quarter and first nine months of 2009, compared with $14 million and $30 million in the corresponding periods of 2008.

The following table summarizes refinery capacity and utilization rates:

| | Refinery capacity (thousands of barrels per day) | Refinery utilization — Three Months Ended September 30, | | Refinery utilization — Nine Months Ended September 30, | |
|---|---|---|---|---|---|
| | | 2009 | 2008 | 2009 | 2008 |
| HOVENSA | | | | | |
| Crude | 500 | 76.9% | 91.3% | 82.4% | 91.5% |
| Fluid catalytic cracker | 150 | 82.9% | 72.8% | 75.2% | 73.4% |
| Coker | 58 | 78.9% | 105.4% | 83.6% | 98.8% |
| Port Reading | 70 | 92.2% | 92.4% | 91.1% | 90.3% |

In the third quarter of 2009, M&R results included a benefit of $12 million due to an income tax adjustment. This amount is included in the table of items affecting comparability between periods on page 14.

## PART I — FINANCIAL INFORMATION (CONT'D.)

**Results of Operations (continued)**

*Marketing:* Marketing operations, which consist principally of energy marketing and retail gasoline operations, generated earnings of $35 million in the third quarter of 2009 compared with $110 million in the third quarter of 2008. The decrease was primarily due to lower margins and lower refined product volumes. Marketing operations had earnings of $123 million in the first nine months of 2009 compared with earnings of $102 million in the first nine months of 2008.

The following table summarizes marketing sales volumes:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Refined products (thousands of barrels per day) | 443 | 460 | 466 | 470 |
| Natural gas (thousands of mcf per day) | 1,800 | 1,600 | 2,100 | 1,900 |
| Electricity (megawatts round the clock) | 5,200 | 3,400 | 4,400 | 3,200 |

The Corporation has a 50% voting interest in a consolidated partnership that trades energy commodities and energy derivatives. The Corporation also takes trading positions for its own account. The Corporation's after-tax results from trading activities, including its share of the results from the trading partnership, amounted to income of $6 million in the third quarter and $34 million in the first nine months of 2009 compared with income of $5 million in the third quarter and a loss of $23 million in the first nine months of 2008.

Marketing expenses decreased in the third quarter and first nine months of 2009 compared with the corresponding periods of 2008, principally reflecting lower retail credit card fees.

The Corporation's future M&R earnings may be impacted by external factors, such as volatility in margins, competitive industry conditions, government regulatory changes, credit risk and supply and demand factors, including the effects of weather.

*Corporate*

The following table summarizes corporate expenses (in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Corporate expenses | $ (52) | $ (61) | $ (169) | $ (167) |
| Income tax benefits | 19 | 19 | 61 | 53 |
| | (33) | (42) | (108) | (114) |
| Items affecting comparability between periods, after-tax | — | — | (16) | — |
| Net corporate expenses | $ (33) | $ (42) | $ (92) | $ (114) |

After-tax corporate expenses were lower in the third quarter and first nine months of 2009 compared with the same periods of 2008, mainly due to higher income from pension related investments and lower costs as a result of cost saving initiatives, partly offset by higher bank facility fees. In the first nine months of 2009, a charge of $25 million before income taxes ($16 million after-tax) relating to retirement benefits and employee severance costs, was recorded in General and administrative expenses. In the fourth quarter of 2009, the Corporation will record a pre-tax charge of approximately $15 million ($10 million after-tax) for pension plan settlements relating to the retirements referred to above.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Results of Operations (continued)

After-tax corporate expenses in 2009 are estimated to be in the range of $145 to $150 million, excluding items affecting comparability between periods.

*Interest*

Interest expense was as follows (in millions):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 |
| Total interest incurred | $ (98) | $ (70) | $ (273) | $ (204) |
| Less: capitalized interest | 1 | 2 | 4 | 4 |
| Interest expense before income taxes | (97) | (68) | (269) | (200) |
| Income tax benefits | 36 | 25 | 101 | 75 |
| After-tax interest expense | $ (61) | $ (43) | $ (168) | $ (125) |

The increase in interest incurred in 2009 reflects higher average debt principally resulting from the Corporation's $1.25 billion debt offering in February 2009 (see Note 5, Long-Term Debt), higher average interest rates and higher fees relating to letters of credit.

*Sales and Other Operating Revenues*

Sales and other operating revenues decreased by 36% in the third quarter and 38% in the first nine months of 2009 compared with the corresponding periods of 2008, primarily due to lower crude oil, natural gas and refined product selling prices. The decrease in cost of products sold principally reflects lower costs of refined products and purchased natural gas.

### Liquidity and Capital Resources

The following table sets forth certain relevant measures of the Corporation's liquidity and capital resources (in millions, except ratios):

| | September 30, 2009 | December 31, 2008 |
|---|---|---|
| Cash and cash equivalents | $ 957 | $ 908 |
| Current portion of long-term debt | 136 | 143 |
| Total debt | 4,379 | 3,955 |
| Total equity | 13,007 | 12,391 |
| Debt to capitalization ratio* | 25.2% | 24.2% |

* Total debt as a percentage of the sum of total debt plus total equity.

*Cash Flows*

The following table sets forth a summary of the Corporation's cash flows (in millions):

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2009 | 2008 |
| Net cash provided by (used in): | | |
| Operating activities | $ 1,775 | $ 4,195 |
| Investing activities | (1,967) | (3,232) |
| Financing activities | 241 | (190) |
| Net increase in cash and cash equivalents | $ 49 | $ 773 |

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Liquidity and Capital Resources (continued)

*Operating Activities:* Net cash provided by operating activities, including changes in operating assets and liabilities, amounted to $1,775 million in the first nine months of 2009 compared with $4,195 million in 2008, reflecting decreased earnings.

*Investing Activities:* The following table summarizes the Corporation's capital expenditures (in millions):

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2009 | 2008 |
| Exploration and Production | $ 1,910 | $ 3,185 |
| Marketing, Refining and Corporate | 83 | 97 |
| Total | $ 1,993 | $ 3,282 |

*Financing Activities:* In the first nine months of 2009, net borrowings were $359 million. In February 2009, the Corporation issued $250 million of 5 year senior unsecured notes with a coupon of 7% and $1 billion of 10 year senior unsecured notes with a coupon of 8.125%. The majority of the proceeds were used to repay outstanding borrowings. Dividends paid were $131 million in the first nine months of 2009 ($130 million in the first nine months of 2008).

*Future Capital Requirements and Resources*

The Corporation anticipates investing a total of approximately $3.2 billion in capital and exploratory expenditures during 2009, of which $3.1 billion relates to E&P operations. The Corporation expects to fund its 2009 operations, including capital expenditures, dividends, pension contributions and required debt repayments, with existing cash on-hand, cash flow from operations and its available credit facilities. Crude oil prices, natural gas prices, and refining margins are volatile and difficult to predict. In addition, unplanned increases in the Corporation's capital expenditure program could occur. Refining margins are currently weak, which may lead HOVENSA to seek additional financial support. The Corporation intends to provide its share of the financial support. The Corporation will take steps as necessary to protect its financial flexibility and may pursue other sources of liquidity, including the issuance of debt securities, the issuance of equity securities, and/or asset sales.

The table below summarizes the capacity, usage, and available capacity of the Corporation's borrowing and letter of credit facilities at September 30, 2009 (in millions):

| | Expiration Date | Capacity | Borrowings | Letters of Credit Issued | Total Used | Available Capacity |
|---|---|---|---|---|---|---|
| Revolving credit facility | May 2012(a) | $ 3,000 | $ — | $ 3 | $ 3 | $ 2,997 |
| Asset backed credit facility | July 2010 | 630(b) | — | 500 | 500 | 130 |
| Committed lines | Various(c) | 1,965 | — | 1,390 | 1,390 | 575 |
| Uncommitted lines | Various(c) | 1,783 | — | 1,783 | 1,783 | — |
| Total | | $ 7,378 | $ — | $ 3,676 | $ 3,676 | $ 3,702 |

(a) *$75 million expires in May 2011.*

(b) *Total capacity of $1.0 billion subject to the amount of eligible receivables posted.*

(c) *Committed and uncommitted lines have expiration dates primarily through 2010.*

PART I — FINANCIAL INFORMATION (CONT'D.)

Liquidity and Capital Resources (continued)

The Corporation maintains a $3.0 billion syndicated revolving credit facility, of which $2,925 million is committed through May 2012. This facility can be used for borrowings and letters of credit. At September 30, 2009, available capacity under the facility was $2,997 million. The Corporation has a 364 day asset-backed credit facility securitized by certain accounts receivable from its M&R operations. At September 30, 2009, under the terms of this financing arrangement, the Corporation has the ability to borrow or issue letters of credit of up to $1.0 billion, subject to the availability of sufficient levels of eligible receivables. At September 30, 2009, outstanding letters of credit under this facility were collateralized by a total of $1,029 million of accounts receivable, which are held by a wholly owned subsidiary. These receivables are only available to pay the general obligations of the Corporation after satisfaction of the outstanding obligations under the asset backed facility.

The Corporation also has a shelf registration under which it may issue additional debt securities, warrants, common stock or preferred stock.

At September 30, 2009, a loan agreement covenant based on the Corporation's debt to capitalization ratio permitted the Corporation to borrow up to an additional $17.3 billion for the construction or acquisition of assets. Under a separate loan agreement covenant, the Corporation has the ability to borrow up to $3.5 billion of additional secured debt at September 30, 2009. The Corporation's $3,676 million of letters of credit outstanding at September 30, 2009 were primarily issued to satisfy margin and collateral requirements. See also Note 8, Derivative Instruments, Hedging, and Trading Activities.

*Off-Balance Sheet Arrangements*

The Corporation has leveraged leases not included in its balance sheet, primarily related to retail gasoline stations that the Corporation operates. The net present value of these leases is $412 million at September 30, 2009. The Corporation's September 30, 2009 debt to capitalization ratio would increase from 25.2% to 26.9% if the leases were included as debt.

The Corporation guarantees the payment of up to 50% of HOVENSA's crude oil purchases from suppliers other than PDVSA. At September 30, 2009, the guarantee amounted to $202 million. This amount fluctuates based on the volume of crude oil purchased and related prices. In addition, the Corporation has agreed to provide funding up to a maximum of $15 million to the extent HOVENSA does not have funds to meet its senior debt obligations.

Change in Accounting Policies

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) became effective on July 1, 2009. The ASC combined multiple sources of authoritative accounting literature into a single source of authoritative GAAP organized by accounting topic. Since the ASC was not intended to change existing GAAP, the only impact on the Corporation's financial statements was that specific references to accounting principles have been changed to refer to the ASC.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Change in Accounting Policies (continued)

Effective January 1, 2009, the Corporation adopted the FASB accounting standard for the accounting for and reporting of noncontrolling interests in a consolidated subsidiary (ASC 810 – Consolidation). As required, the Corporation retrospectively applied the presentation and disclosure requirements of this standard. At September 30, 2009 and December 31, 2008 noncontrolling interests of $133 million and $84 million, respectively, have been classified as a component of equity. Previously the noncontrolling interests had been classified in Other liabilities. Net income (loss) attributable to the noncontrolling interests is also now separately reported in the Statement of Consolidated Income. Certain other amounts in the consolidated financial statements and footnotes have been reclassified to conform with the presentation requirements of this standard.

Effective January 1, 2009, the Corporation adopted the FASB accounting standard that expanded the qualitative, quantitative and credit risk disclosure requirements related to an entity's use of derivative instruments (ASC 815 – Derivatives and Hedging). See Note 8, Derivative Instruments, Hedging, and Trading Activities, for these disclosures.

Effective January 1, 2009, the Corporation also adopted the FASB staff position that requires the application of the fair value measurement and disclosure provisions to nonfinancial assets and liabilities that are measured at fair value on a nonrecurring basis (ASC 820 – Fair Value Measurements). Such fair value measurements are determined based on the same fair value hierarchy of inputs required to measure the fair value of financial assets and liabilities. The impact of this accounting standard was not material to the Corporation's consolidated financial statements.

Effective June 30, 2009, the Corporation adopted the FASB accounting standard which provides guidance on the accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued (ASC 855 – Subsequent Events). The adoption of this standard did not impact the Corporation's existing practice of evaluating subsequent events through the date the financial statements are filed with the SEC. The Corporation evaluated subsequent events through November 6, 2009.

### Recently Issued Accounting Standards

In June 2009, the FASB amended existing accounting standards to eliminate the concept of a qualifying special-purpose entity (ASC 810 – Consolidation) and limit the circumstances in which transferred financial assets should be derecognized (ASC 860 – Transfers and Servicing). The amended standards also require additional analysis of variable interest entities, which are generally defined as entities in which equity investors do not have the characteristics of a controlling interest or do not have sufficient equity at risk to finance its activities without additional subordinated financial support. These standards also change the criteria for determining the primary beneficiary of a variable interest entity, which is the entity responsible for consolidation. As required, the Corporation will adopt the provisions of these standards effective January 1, 2010. The adoption of these standards is not expected to have a material impact on the Corporation's financial statements.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Market Risk Disclosures

In the normal course of its business, the Corporation is exposed to commodity risks related to changes in the prices of crude oil, natural gas, refined products and electricity, as well as to changes in interest rates and foreign currency values. In the disclosures that follow, these operations are referred to as non-trading activities. The Corporation also has trading operations, principally through a 50% voting interest in a trading partnership. These trading operations are also exposed to commodity risks primarily related to the prices of crude oil, natural gas and refined products.

***Instruments:*** The Corporation primarily uses forward commodity contracts, foreign exchange forward contracts, futures, swaps, options and energy securities in its non-trading and trading activities.

***Value-at-Risk:*** The Corporation uses value-at-risk to monitor and control commodity risk within its trading and non-trading activities. The value-at-risk model uses historical simulation and the results represent the potential loss in fair value over one day at a 95% confidence level. The model captures both first and second order sensitivities for options. The potential change in fair value based on commodity price risk is presented in the non-trading and trading sections below.

***Non-Trading:*** The Corporation's non-trading activities may include hedging of crude oil and natural gas production. Futures and swaps are used to fix the selling prices of a portion of the Corporation's future production and the related gains or losses are an integral part of the Corporation's selling prices. In October 2008, the Corporation closed its Brent crude oil hedges, covering 24,000 barrels per day from 2009 through 2012, by entering into offsetting positions with the same counterparty. The estimated annual after-tax loss that will be reflected in earnings related to the closed crude oil positions will be $335 million from 2009 to 2012. There were no open hedges of crude oil or natural gas production at September 30, 2009.

The Corporation also markets energy commodities including refined petroleum products, natural gas, and electricity. The Corporation uses futures, swaps, and options to manage the risk in its marketing activities. The Corporation estimates that the value-at-risk for commodity related derivatives that are settled in cash and used in non-trading activities was $13 million at September 30, 2009 and December 31, 2008. The results may vary from time to time as hedge levels change.

The Corporation uses foreign exchange contracts to reduce its exposure to fluctuating foreign exchange rates by entering into forward contracts for various currencies, including the British pound, the Euro, and the Thai baht.

***Trading:*** In trading activities, the Corporation is exposed to changes in crude oil, natural gas and refined product prices. The trading partnership, in which the Corporation has a 50% voting interest, trades energy commodities and derivatives. The accounts of the partnership are consolidated with those of the Corporation. The Corporation also takes trading positions for its own account. The information that follows represents 100% of the trading partnership and the Corporation's proprietary trading accounts.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Market Risk Disclosures (continued)

Total net realized gains for the first nine months of 2009 amounted to $335 million ($97 million of realized gains for the first nine months of 2008). The following table provides an assessment of the factors affecting the changes in fair value of trading activities (in millions):

| | 2009 | 2008 |
|---|---|---|
| Fair value of contracts outstanding at January 1 | $ 864 | $ 154 |
| Change in fair value of contracts outstanding at the beginning of the year and still outstanding at September 30 | 48 | 141 |
| Reversal of fair value for contracts closed during the period | (386) | 49 |
| Fair value of contracts entered into during the period and still outstanding | (241) | (60) |
| Fair value of contracts outstanding at September 30 | $ 285 | $ 284 |

The Corporation determines fair value in accordance with the Fair Value Measurements Accounting Standard (ASC 820 – Fair Value Measurements). The following table summarizes the sources of fair values of derivatives used in the Corporation's trading activities at September 30, 2009 (in millions):

| | Instruments Maturing | | | | |
|---|---|---|---|---|---|
| Source of Fair Value | Total | 2009 | 2010 | 2011 | 2012 and beyond |
| Level 1 | $ (27) | $ 267 | $ (333) | $ 57 | $ (18) |
| Level 2 | 340 | 47 | 233 | 4 | 56 |
| Level 3 | (28) | (2) | 15 | 12 | (53) |
| Total | $ 285 | $ 312 | $ (85) | $ 73 | $ (15) |

The Corporation estimates that at September 30, 2009, the value-at-risk for trading activities, including commodities, was $15 million compared with $17 million at December 31, 2008. The value-at-risk for trading activities may vary from time to time as strategies change to capture potential market rate movements.

The following table summarizes the fair values of net receivables relating to the Corporation's trading activities and the credit ratings of counterparties at September 30, 2009 (in millions):

| | |
|---|---|
| Investment grade determined by outside sources | $ 145 |
| Investment grade determined internally* | 46 |
| Less than investment grade | 62 |
| Fair value of net receivables outstanding at end of period | $ 253 |

* Based on information provided by counterparties and other available sources.

### Forward-Looking Information

Certain sections of Management's Discussion and Analysis of Results of Operations and Financial Condition, including references to the Corporation's future results of operations and financial position, liquidity and capital resources, capital expenditures, oil and gas production, tax rates, debt repayment, hedging, derivative and market risk disclosures and off-balance sheet arrangements include forward-looking information. Forward-looking disclosures are based on the Corporation's current understanding and assessment of these activities and reasonable assumptions about the future. Actual results may differ from these disclosures because of changes in market conditions, government actions and other factors.

## PART I — FINANCIAL INFORMATION (CONT'D.)

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

The information required by this item is presented under Item 2, Management's Discussion and Analysis of Results of Operations and Financial Condition – Market Risk Disclosure.

### Item 4. Controls and Procedures

Based upon their evaluation of the Corporation's disclosure controls and procedures (as defined in Exchange Act Rules 13a — 15(e) and 15d — 15(e)) as of September 30, 2009, John B. Hess, Chief Executive Officer, and John P. Rielly, Chief Financial Officer, concluded that these disclosure controls and procedures were effective as of September 30, 2009.

There was no change in internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 in the quarter ended September 30, 2009 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

## PART II — OTHER INFORMATION

**Item 6. Exhibits and Reports on Form 8-K**

a. Exhibits

31(1) Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))

31(2) Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a))

32(1) Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)

32(2) Certification required by Rule 13a-14(b) (17 CFR 240.13a-14(b)) or Rule 15d-14(b) (17 CFR 240.15d-14(b)) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)

101(INS) XBRL Instance Document.

101(SCH) XBRL Schema Document

101(CAL) XBRL Calculation Linkbase Document

101(LAB) XBRL Label Linkbase Document

101(PRE) XBRL Presentation Linkbase Document

101(DEF) XBRL Definition Linkbase Document

b. Reports on Form 8-K

During the quarter ended September 30, 2009, Registrant filed one report on Form 8-K:

(i) Filing dated July 29, 2009 reporting under Items 2.02 and 9.01 a news release dated July 29, 2009 reporting results for the second quarter of 2009 and furnishing under Item 9.01 the prepared remarks of John B. Hess, Chairman of the Board and Chief Executive Officer of Hess Corporation, at a public conference call held on July 29, 2009.

**SIGNATURES**

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

HESS CORPORATION
(REGISTRANT)

By /s/ John B. Hess
JOHN B. HESS
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

By /s/ John P. Rielly
JOHN P. RIELLY
SENIOR VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: November 6, 2009

## CERTIFICATIONS

I, John B. Hess, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hess Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ John B. Hess
JOHN B. HESS
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

Date: November 6, 2009

**Exhibit 31(2)**

I, John P. Rielly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hess Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ John P. Rielly
JOHN P. RIELLY
SENIOR VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Date: November 6, 2009

Exhibit 32(1)

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

In connection with the Quarterly Report of Hess Corporation (the "Corporation") on Form 10-Q for the period ending September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John B. Hess, Chairman of the Board and Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By /s/ John B. Hess
JOHN B. HESS
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER
Date: November 6, 2009

A signed original of this written statement required by Section 906 has been provided to Hess Corporation and will be retained by Hess Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Quarterly Report of Hess Corporation (the "Corporation") on Form 10-Q for the period ending September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. Rielly, Senior Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By /s/ John P. Rielly
JOHN P. RIELLY
SENIOR VICE PRESIDENT AND CHIEF
FINANCIAL OFFICER
Date: November 6, 2009

A signed original of this written statement required by Section 906 has been provided to Hess Corporation and will be retained by Hess Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

# EXHIBIT 3

## HESS CORPORATION
## AFFILIATE/SUBSIDIARY INFORMATION

1. Name and business of address of the entity:

   **Hess Corporation**
   **One Hess Plaza**
   **Woodbridge, NJ 07095**

2. Description of the business purpose of the entity:

   **Hess Corporation is a leading energy provider in the Eastern United States and is also a major supplier of natural gas to many East Coast LDCs. Hess is also the largest supplier of fuel oil to commercial and industrial customers and a major supplier of electricity and natural gas to large commercial, industrial and institutional end-use customers.**

3. Regarding any agreements with any affiliated New Hampshire jurisdictional electric distribution company, a description of the nature of the agreement:

   **Hess Corporation is not affiliated with any New Hampshire EDC.**

# EXHIBIT 4

# HESS CORPORATION
# CERTIFICATE OF AUTHORITY TO CONDUCT BUSINESS
# NEW HAMPSHIRE SECRETARY OF STATE

# State of New Hampshire

## OFFICE OF SECRETARY OF STATE

*I, DAVID M. SCANLAN, Deputy Secretary of State of the State of New Hampshire, do hereby certify that the attached is a true copy of Application for Certificate of Authority, Certificate of Change of Name, Articles of Merger, documentation pertaining to ownership and merger and Application for Amended Certificate of Authority of* ***Hess Corporation*** *formerly AMERADA HESS CORPORATION formerly AMERADA PETROLEUM CORPORATION as filed in this office and held in the custody of the Secretary of State.*

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Seal of the State, at Concord, this 29th day of December A.D. 2009*

*Deputy Secretary of State*

NEW HAMPSHIRE

J2-9184
Pd. $50

# APPLICATION FOR CERTIFICATE OF AUTHORITY
# TO TRANSACT BUSINESS IN NEW HAMPSHIRE

To the Secretary of State
State of New Hampshire
Concord, New Hampshire

AMERADA PETROLEUM CORPORATION, a corporation incorporated and existing under and by virtue of the laws of Delaware (State ~~or Country~~), desiring to transact business in The State of New Hampshire in conformity with the laws thereof, hereby makes application for a Certificate of Authority and submits the following statements:

(a) The name of said corporation is AMERADA PETROLEUM CORPORATION

and it was organized under the laws of Delaware (State ~~or Country~~). The postoffice address of its principal office therein is 100 West Tenth St. (Street and number, if any), Wilmington (City or Town), Delaware (State or Country)

(b) Said corporation hereby registers an office and agent in The State of New Hampshire as follows:

The address of its registered office in The State of New Hampshire is 9 Capitol Street (Street and number, if any), Concord (City or Town), New Hampshire, and the name of its registered agent at such address is C T Corporation System

RECEIVED
MAY 20 1969
OFFICE OF
SECRETARY OF STATE

# COPY OF VOTE AUTHORIZING EXECUTION OF APPLICATION FOR CERTIFICATE OF AUTHORITY

A meeting of the directors of AMERADA PETROLEUM CORPORATION

properly warned, was held at 51 W. 51st St., N.Y., N.Y. 10019 on the 23rd day of April, 1969, at which time the following vote was adopted:

VOTED that the said AMERADA PETROLEUM CORPORATION

desiring to transact business in The State of New Hampshire, in accordance with Chapter 300, Revised Statutes Annotated, as amended, hereby authorizes and directs the * Vice-President and the ** Secretary to execute and file in the office of The Secretary of State of the State of New Hampshire, in the name of the corporation and under its corporate seal, an Application for Certificate of Authority to Transact Business in New Hampshire, and registering 9 Capitol Street (Street and number, if any), Concord (City or Town), New Hampshire as its registered office in the State, and C T Corporation System at such address as its registered agent in the State upon whom may be served process in any suit, action or proceeding or any notice or demand required or permitted by law to be served on this corporation. It is hereby duly agreed on the part of said corporation that service of process as aforesaid shall be of the same legal force and validity as if served on said corporation.

**I hereby certify** that the foregoing is a true copy of the vote taken at the meeting of the directors of AMERADA PETROLEUM CORPORATION

held at the time and place first above written and that said vote has not been revoked and is in full force and effect.

**In Witness Whereof** I have hereunto set my hand and affixed the seal of the corporation this 12th day of May, 1969.

Donald E. Ramsay

(CORPORATE SEAL)

Title ** Secretary

RECEIVED
MAY 20 1969
OFFICE OF
SECRETARY OF STATE

*Any executive officer.
**The clerk or secretary or assistant clerk or assistant secretary.

73-9274
Pd $10

# State of New Hampshire

**CERTIFICATE OF CHANGE OF NAME OF**

AMERADA PETROLEUM CORPORATION
(Former Name)

to

AMERADA HESS CORPORATION
(New Name)

Pursuant to Section 12, Chapter 280 of the Revised Laws of the State of New Hampshire, as amended, I, ............................, Clerk (or Secretary or Assistant Clerk or Assistant Secretary) of Amerada Hess Corporation (new name), a corporation organized and existing under the laws of Delaware (State or Country), do hereby certify:

1. That said corporation received authority to do business in the State of New Hampshire under the name "Amerada Petroleum Corporation"

2. That the name of said corporation has been changed to "Amerada Hess Corporation"

3. That the change of name has been made in the manner prescribed by the laws of Delaware
(State or Country Where Incorporated)

(Corporate Seal)

[signature]
(Clerk ~~or Secretary or Assistant Clerk or Assistant Secretary~~)

Dated July 11, 19 69

Filing fee of $10 enclosed herewith.

STATE OF Oklahoma )
) ss.
COUNTY OF Tulsa )

Tulsa (City), July 11 (Month), ...... (Day), 19 69

John P. Hammond being duly sworn, did depose and say: That he is ~~Clerk (or Secretary or Assistant Clerk or Assistant Secretary)~~ Executive Vice President of Amerada Hess Corporation; that he has read the foregoing certificate and knows the contents thereof and that the statements contained therein are true.

Before me,

Kathryn Rush
(Notary Public)

My commission expires September 26, 1971.

RECEIVED
JUL 22 1969
OFFICE OF
SECRETARY OF STATE

STATE OF NEW HAMPSHIRE

Filing fee: $35.00
Use black print or type.
Leave 1" margins both sides.

Form No. 26
RSA 293-A:11.05

## ARTICLES OF MERGER OF DOMESTIC AND FOREIGN CORPORATIONS

AMERADA HESS CORPORATION
(surviving corporation)

PURSUANT TO THE PROVISIONS OF THE NEW HAMPSHIRE BUSINESS CORPORATION ACT, THE UNDERSIGNED DOMESTIC AND FOREIGN CORPORATIONS ADOPT THE FOLLOWING ARTICLES OF MERGER FOR THE PURPOSE OF MERGING THEM INTO ONE OF SUCH CORPORATIONS:

FIRST: The plan of merger was approved by each of the undersigned corporations in the manner prescribed by the New Hampshire Business Corporation Act. **THE PLAN OF MERGER IS ATTACHED.** (Note 1)

Name of Domestic Corporation MERIT OIL OF NEW HAMPSHIRE, INC.

(Check one) A. x Shareholder approval was not required.

B. ____ Shareholder approval was required. (Note 2)

| Designation (class or series) of voting group | No. of shares outstanding | Total no. of votes entitled to be cast | Total no. of votes cast FOR | AGAINST | OR | Total no. of undisputed votes FOR |
|---|---|---|---|---|---|---|
| Common, $100 par value | 50 | All 50 shares owned by Surviving Parent | not requi | | | |

FILED
MAY 17 2000
WILLIAM M. GARDNER
NEW HAMPSHIRE
SECRETARY OF STATE

SECOND: The number of votes cast for the plan by each voting group was sufficient for approval by each voting group.

******************************************

Name of Foreign Corporation AMERADA HESS CORPORATION.

State of Incorporation Delaware

THIRD: The laws of the state under which the foreign corporation was organized permit such a merger and the foreign corporation has complied with the laws of that state in effecting the merger.

ARTICLES OF MERGER
INTO AMERADA HESS CORPORATION

Form No. 26
(Cont.)

FOURTH: The aggregate number of shares, which the surviving corporation has authority to issue as a result of the merger is (Note 3) NOT APPLICABLE

Dated May 15, 2000

AMERADA HESS CORPORATION (Note 4)

By [signature] (Note 5)
Signature of its Executive Vice President

John Y. Schreyer
Print or type name

******************************************

MERIT OIL OF NEW HAMPSHIRE, INC. (Note 4)

By [signature] (Note 5)
Signature of its President

F. Borden Walker
Print or type name

Notes:

1. The Plan of Merger must be submitted with this form.
2. All sections under "B." must be completed. If any voting group is entitled to vote separately, give respective information for each voting group. (See RSA 293-A:1.40 for definition of voting group.)
3. Complete this section if surviving corporation is a domestic corporation.
4. Exact corporate names of respective corporations executing the Articles.
5. Signature and title of person signing for the corporation. Must be signed by Chairman of the Board of Directors, President or other officer; or see RSA 293-A:1.20(f) for alternative signatures.

Mail fee and ORIGINAL (INCLUDING PLAN OF MERGER) and ONE EXACT OR CONFORMED COPY to: Secretary of State, State House, Room 204, 107 North Main Street, Concord, NH 03301-4989

# CERTIFICATE OF OWNERSHIP
# AND
# ARTICLES OF MERGER

## OF

**Merit Oil of District of Columbia, Inc.**
**Merit Oil of Maryland, Inc.**
**Merit Oil of Massachusetts, Inc.**
**Merit Oil of New Hampshire, Inc.**
**Merit Oil of New Jersey, Inc.**
**Merit Oil of New York, Inc.**
**Merit Oil of Pennsylvania, Inc.**
**Merit Oil of Rhode Island, Inc.**
**Merit Oil of Virginia, Inc.**
**and**
**Independent Petroleum Corporation**

## INTO

## AMERADA HESS CORPORATION

(Pursuant to Section 253 of
the General Corporation Law of the State of Delaware)

* * * * *

The undersigned does hereby certify that:

FIRST: The name and state of incorporation of each of the constituent corporations is as follows:

| Name | Place of Incorporation |
|---|---|
| Amerada Hess Corporation | Delaware |
| Merit Oil of District of Columbia, Inc. | District of Columbia |
| Merit Oil of Maryland, Inc. | Maryland |
| Merit Oil of Massachusetts, Inc. | Massachusetts |
| Merit Oil of New Hampshire, Inc. | New Hampshire |

| | |
|---|---|
| Merit Oil of New Jersey, Inc. | New Jersey |
| Merit Oil of New York, Inc. | New York |
| Merit Oil of Pennsylvania, Inc. | Pennsylvania |
| Merit Oil of Rhode Island, Inc. | Rhode Island |
| Merit Oil of Virginia, Inc. | Virginia |
| Independent Petroleum Corporation | Pennsylvania |

SECOND: Pursuant to an Agreement and Plan of Merger dated as of February 10, 2000, between Amerada Hess Corporation ("Hess") and The Meadville Corporation, effective on this date, each of the constituent corporations listed above became a wholly-owned subsidiary of Hess.

THIRD: On May 3, 2000, the Board of Directors of Hess adopted the following Resolution:

> **RESOLVED**, that the Board of Directors has determined that upon the merger of The Meadville Corporation with and into this Corporation it is in the best interests of this Corporation to merge into itself the following subsidiaries of The Meadville Corporation: Merit Oil of District of Columbia, Inc., Merit Oil of Maryland, Inc., Merit Oil of Massachusetts, Inc., Merit Oil of New Hampshire, Inc., Merit Oil of New Jersey, Inc., Merit Oil of New York, Inc., Merit Oil of Pennsylvania, Inc., Merit Oil of Rhode Island, Inc., Merit Oil of Virginia, Inc. and Independent Petroleum Corporation (the "Merit Subsidiaries"), all of the outstanding capital stock of which will be owned by this Corporation at the time of such Merger;
>
> **FURTHER RESOLVED**, that this Corporation merge, and it hereby does merge, into itself said Merit Subsidiaries, and assume all of their liabilities and obligations;
>
> **FURTHER RESOLVED**, that the mergers of such Merit Subsidiaries shall be effective on May 15, 2000 or such other date that the proper officers of this Corporation determine; and

**FURTHER RESOLVED**, that the proper officers of this Corporation be and they hereby are authorized and directed to make and execute such Certificates of Ownership and Merger setting forth a copy of the resolution to merge said Merit Subsidiaries and assume their liabilities and obligations, and the date of adoption thereof, and to cause the same to be filed with the Secretaries of the State of Delaware and of the state of incorporation of each Merit Subsidiary, as appropriate for each merger, and a certified copy recorded in the office of the Recorder of Deeds of New Castle County and such agencies or offices in the states of incorporation of the Merit Subsidiaries as are required or permitted by law and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in anyway necessary or proper to effect said merger.

FOURTH: The name of the surviving corporation is Amerada Hess Corporation.

FIFTH: The Certificate of Incorporation of the surviving corporation shall remain in full force and effect.

SIXTH: The principal place of business of the surviving corporation at 1185 Avenue of the Americas, New York, New York 10036. Amerada Hess Corporation was incorporated in Delaware pursuant to the General Corporation Law on February 7, 1920 as Hess Oil & Chemical Corporation, and was renamed Amerada Hess Corporation following a merger of Hess Oil & Chemical Corporation and Amerada Petroleum Corporation on June 20, 1969.

SEVENTH: The authorized capital stock of each subsidiary prior to the Merger consisted of the shares of common stock, and par value listed after their name below.

| | |
|---|---|
| Merit Oil of District of Columbia, Inc. | 250 shares, $100 par value |
| Merit Oil of Maryland, Inc. | 250 shares, $100 par value |
| Merit Oil of Massachusetts, Inc. | 50 shares, $100 par value |
| Merit Oil of New Hampshire, Inc. | 50 shares, $100 par value |
| Merit Oil of New Jersey, Inc. | 500 shares, $100 par value |
| Merit Oil of New York, Inc. | 250 shares, $100 par value |

| | |
|---|---|
| Merit Oil of Pennsylvania, Inc. | 200 shares, $50 par value |
| Merit Oil of Rhode Island, Inc. | 50 shares, $100 par value |
| Merit Oil of Virginia, Inc. | 250 shares, $100 par value |
| Independent Petroleum Corporation | 50 shares, $100 par value |

EIGHTH: This Articles of Merger shall become effective upon filing.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed by its authorized officers.

Dated: May 15, 2000

AMERADA HESS CORPORATION

By: ______________________
Name: John Y. Schreyer
Title: Executive Vice President
and Chief Financial Officer

[SEAL]

Attest:

______________________
Douglas E. Friedman
Assistant Secretary

# Delaware

The First State

FC 42879

PAGE FILED

AUG 12 2002

WILLIAM M. GARDNER
NEW HAMPSHIRE
SECRETARY OF STATE

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

2471

"MERIT OIL CORPORATION", A DELAWARE CORPORATION,

WITH AND INTO "AMERADA HESS CORPORATION" UNDER THE NAME OF

145

"AMERADA HESS CORPORATION", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE FIRST DAY OF AUGUST, A.D. 2002, AT 4:30 O'CLOCK P.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

0097017 8100M

AUTHENTICATION: 1926966

020504276

DATE: 08-08-02

# CERTIFICATE OF OWNERSHIP AND MERGER

# MERGING

# MERIT OIL CORPORATION

# INTO

# AMERADA HESS CORPORATION

Amerada Hess Corporation, a corporation organized and existing under the laws of Delaware,

DOES HEREBY CERTIFY:

FIRST: That this corporation was incorporated on the 7th day of February, 1920, pursuant to the General Corporation Law of the State of Delaware.

SECOND: That this corporation owns all of the outstanding shares of the stock of Merit Oil Corporation, a corporation incorporated on the 8th day of July, 1963, pursuant to the General Corporation Law of the State of Delaware.

THIRD: That this corporation, by the following resolutions of its Board of Directors, duly adopted at a meeting held on the 3rd day of May, 2002, determined to and did merge into itself:

> **RESOLVED**, that the Board of Directors has determined that it is in the best interests of Amerada Hess Corporation, a Delaware corporation, to merge into itself Merit Oil Corporation a ("Merit Oil"), a Delaware corporation, all of the outstanding capital stock of which is owned by Amerada Hess Corporation;
>
> **FURTHER RESOLVED**, that Amerada Hess Corporation merge, and it hereby does merge, into itself Merit Oil, and assume all of its liabilities and obligations.

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 04:30 PM 08/01/2002
020492053 – 0097017

**FURTHER RESOLVED**, that the foregoing resolution has been adopted to accomplish the merger of Merit Oil with and into Amerada Hess Corporation, effective upon filing of the Certificate of Ownership and Merger as referred to below; and

**FURTHER RESOLVED**, that the proper officers of this Corporation be and they hereby are directed to make and execute such Certificate of Ownership and Merger setting forth a copy of the resolutions to merge Merit Oil and assume its liabilities and obligations, and the date of adoption thereof, and to cause the same to be filed with the Secretary of State of Delaware and a certified copy recorded in the office of the Recorder of Deeds of New Castle County and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in anyway necessary or proper to effect said merger.

FOURTH: Anything herein or elsewhere to the contrary notwithstanding, this merger may be amended or terminated and abandoned by the Board of Directors of Amerada Hess Corporation at any time prior to the date of filing the Certificate of Ownership and Merger with the Secretary of State of Delaware.

IN WITNESS WHEREOF, said Amerada Hess Corporation has caused this Certificate to be signed by J. Barclay Collins, its Executive Vice President, and attested by Terry B. Garcia, its Assistant Secretary this 17th day of July, 2002.

AMERADA HESS CORPORATION

By ______________________
J. Barclay Collins
Executive Vice President

ATTEST:

By ______________________
Terry B. Garcia
Assistant Secretary

Filed
Date Filed: 12/01/2008
Business ID: 145
William M. Gardner
Secretary of State

STATE OF NEW HAMPSHIRE

Filing fee: $35.00
Use black print or type.

Form No. 42
RSA 293-A:15.04

# APPLICATION FOR AMENDED CERTIFICATE OF AUTHORITY FOR PROFIT FOREIGN CORPORATION

TO THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE

PURSUANT TO THE PROVISIONS OF THE NEW HAMPSHIRE BUSINESS CORPORATION ACT, THE UNDERSIGNED CORPORATION HEREBY APPLIES FOR AN AMENDED CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN NEW HAMPSHIRE AND FOR THAT PURPOSE SUBMITS THE FOLLOWING STATEMENT:

FIRST: The name of the corporation is: Amerada Hess Corporation

SECOND: The name the corporation is currently using in the state of New Hampshire is: Amerada Hess Corporation

THIRD: The state or country of incorporation is: Delaware

FOURTH: The date the corporation was authorized to transact business in the state of New Hampshire is: May 20, 1969

FIFTH: This application is filed for the following reason (complete all applicable items)

a. The corporation has changed its corporate name to: Hess Corporation

b. The name the corporation will hereafter use in the state of New Hampshire is changed to: ______ (Note 1)

C. The corporation has changed its period of duration to: ______

d. The corporation has changed the state or country of its incorporation to: ______

Dated November 21, 2008

Amerada Hess Corporation (Note 2)

By ______ (Note 3)
Signature of its VP and Secretary

George C. Barry
Print or type name

(212) 997-8500
Phone Number

Email Address

Mail fee and DATED AND SIGNED ORIGINAL WITH A CERTIFICATE OF LEGAL EXISTENCE OR GOOD STANDING ISSUED BY THE STATE OR COUNTRY OF INCORPORATION (Note 4) to: Corporation Division, Department of State, 107 ... NH 03301-4989.

State of New Hampshire
Form 42 - Application for Amended Certificate of Authority 2 Page(s)

T0833644014

# Delaware



The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "HESS CORPORATION" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FIRST DAY OF NOVEMBER, A.D. 2008.

SECRETARY'S OFFICE 1793 DELAWARE 1855

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

0097017 8300

081135565

AUTHENTICATION: 6980789

DATE: 11-21-08

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

# EXHIBIT 5

# HESS CORPORATION
# SAMPLE BILL FORM

# HESS CORPORATION

**ACCESS YOUR INVOICES ONLINE AT WWW.HESSENERGY.COM**

## BILLING ADDRESS

ABC Corporation
Attn:David Williams
215 Lower Mountain View Dr
Colchester, VT 05446

**Phone**
1-800-HESS-AOK
(1-800-437-7265)

**Fax**
1-866-239-5671

**Email**
QCSTeam@hess.com

**Web**
www.hessenergy.com

**Hours (Sept - May)**
Mon-Fri 8am-6pm
**Hours (June - Aug)**
Mon-Fri 8am-5pm

## INVOICE INFORMATION

Invoice Date: August 1, 2007
Invoice Number: E03094516
Amount Due: $12,871.10
Payment Due Date: August 16, 2007
Terms Of Sale: Net 15 Days

## SERVICE LOCATION INFORMATION

Hess Account #: 424649/424652
Service Location: ABC Corp
350 Pleasant St
Northampton, MA 01060

Utility Company: Massachusetts Electric Company
Utility Account #:05541020652784

## ACCOUNT INFORMATION

## NEW CHARGES

| Electricity Information | From | To | kWh | Price Per Unit | Total |
|---|---|---|---|---|---|
| Commodity Charge | 06/28/2007 | 07/30/2007 | 171,900 | 0.07131 | $12,258.19 |
| Total Electricity Charges | | | | | $12,258.19 |
| Applicable Taxes | | | | | |
| Sales Tax | | | | | |
| State (5.000%) | | | | | $612.91 |

SAMPLE

TOTAL CHARGES: $12,871.10

*PLEASE TEAR AT PERFORATION AND RETURN WITH YOUR PAYMENT*

*THANK YOU FOR CHOOSING HESS AS YOUR ENERGY SUPPLIER*

CUSTOMER NAME: ABC Corporation

HESS ACCOUNT # : 424649/424652
UTILITY ACCOUNT # : :05541020652784

INVOICE #: E03094516

AMOUNT DUE $12,871.10

PAYMENT DUE ON: August 16, 2007

AMOUNT ENCLOSED $

REMIT TO:

AMERADA HESS CORPORATION
P. O. Box 905243
Charlotte NC 28290-5243

*For Internal Use Only*

# EXHIBIT 6

# HESS CORPORATION
# CERTIFICATION

# CERTIFICATION

I, ***John Schultz***, hereby certify that I am the ***Vice President, Electric Operations – Energy Marketing*** of the Applicant, Hess Corporation, and have been authorized to file this application for registration as a competitive electric power supplier in New Hampshire.

I hereby certify that I have reviewed all of the statements contained in this registration application and accompanying exhibits and that the matters set forth herein are true and correct to the best of my knowledge, information or belief and that I know of no material omission.

Dated this 4th day of January, 2010 at Woodbridge, New Jersey

Signature: John Schultz

Vice President, Electric Operations – Energy Marketing

NOTARIZATION:

Colleen M. Frost

COLLEEN M. FROST
ID # 2296543
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 4/1/2013

# EXHIBIT 7

# HESS CORPORATION
# NEW HAMPSHIRE EDC CERTIFICATIONS

# Public Service of New Hampshire
# Certificate of Completion

*is hereby granted to:*

## Amerada Hess Corporation

*to certify that they have completed to satisfaction*

## EDI Testing

*Granted: April 27, 2006*

*Catalina J. Celentano, Supplier Services Analyst*

your NEW HAMPSHIRE Electric Co-op

579 Tenney Mountain Highway
Plymouth, NH 03264-3154
www.nhec.coop
603-536-1800 / 800-698-2007

## Test Acceptance Form

The undersigned agree that Amerada Hess Corporation and New Hampshire Electric Cooperative (NHEC) have successfully completed electronic interchange testing on May 3, 2006.

Subject to finalization of bilateral agreements between Amerada Hess Corporation and NHEC and fulfillment of all other registration requirements as directed by the New Hampshire Public Utility Commission, Amerada Hess Corporation may submit customer enrollment transactions electronically to NHEC beginning on May 8, 2006.

Competitive Supplier Company: Amerada Hess Corporation

Competitive Supplier Business Contact Signature: ______
Date of Test Acceptance: 5/4/06

Competitive Supplier Technical Contact Signature: Pedro Torres Jr
Date of Test Acceptance: 5/4/06

Distribution Company: New Hampshire Electric Cooperative Inc.

Distribution Company Business Contact Signature: Norman E Brien
Date of Test Acceptance: 05/04/06

Distribution Company Technical Contact Signature: Mark A. Patton
Date of Test Acceptance: 5/04/06

# CERTIFICATE OF COMPLETION

**Awarded to:**

***Amerada Hess Corporation***

***This certificate of completion acknowledges that you have completed EDI system testing with National Grid in New Hampshire.***

March 29, 2006

***Date***

Patricia McMahon

***Patricia McMahon***

# CERTIFICATE OF COMPLETION

This is to certify that a Representative of

## Amerada Hess Corporation

has attended and successfully completed the

New Hampshire

SUPPLIER TRAINING WORKSHOP

Given this 22nd Day of February 2006

Jean Mangini

Host Utility Coordinator

# CERTIFICATE OF COMPLETION

This is to certify that a Representative of

**Amerada Hess Corporation**

has attended and successfully completed the

## EDI TESTING

Given this ***24th*** Day of ***April, 2006***

UES New Hampshire

Host Utility Coordinator

# EXHIBIT 8

# HESS CORPORATION
# NEPOOL MEMBERSHIP DOCUMENTATION

NEPOOL

**David T. Doot**
**Secretary**

November 8, 2005

Sandy Lomm
Amerada Hess Corporation
1 Hess Plaza
12th Floor
Woodbridge, NJ 07095
slomm@hess.com

Dear Sandy:

You have requested that the New England Power Pool ("NEPOOL"), a voluntary association of entities that participate in the wholesale electric markets in the six New England states, indicate to you whether Amerada Hess Corporation ("Amerada Hess") is a member "in good standing in NEPOOL." This letter is in response to that request.

As of the date of this letter, Amerada Hess is a NEPOOL member entitled to full rights and subject to full obligations of members as set forth in the Second Restated NEPOOL Agreement, which is NEPOOL's governing document. Amerada Hess was most recently accepted for membership in NEPOOL effective as of July 1, 2005 pursuant to an order of the Federal Energy Regulatory Commission issued June 20, 2005 in Docket No. ER05-920-000, subject to the conditions and waivers agreed to between NEPOOL and Amerada Hess as filed with the Commission in that Docket. Amerada Hess has not requested termination of its membership and NEPOOL has no application pending for termination of its membership in NEPOOL.

Respectfully,

David T. Doot
Secretary

Day, Berry & Howard LLP ORIGINAL

COUNSELLORS AT LAW

Patrick M. Gerity
Direct Dial: (860) 275-0533
E-mail: pmgerity@dbh.com

FILED OFFICE OF THE SECRETARY
2005 APR 29 P 4:20
FEDERAL ENERGY REGULATORY COMMISSION

April 29, 2005

**VIA HAND DELIVERY**

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: New England Power Pool - FERC Docket No. ER05-920-000
NEPOOL Member Applications – EnerNOC, Inc. and Amerada Hess Corporation;
Termination of NEPOOL Memberships – Lew A. Cummings, Inc. and USGen New England, Inc.

Dear Secretary Salas:

The New England Power Pool ("NEPOOL") Participants Committee[1] hereby submits an original and six (6) copies of this transmittal letter along with counterpart signature pages of the New England Power Pool Agreement, dated as of September 1, 1971, as amended ("Second Restated NEPOOL Agreement") executed by the following Entities:

- EnerNOC, Inc. ("EnerNOC"); and
- Amerada Hess Corporation ("Hess").

Also included are letters from Lew A. Cummings, Inc. ("Cummings") and USGen New England, Inc. ("USGen") providing notice of the termination of their NEPOOL memberships and participation in the New England Markets. These materials are submitted in order to expand NEPOOL membership to include EnerNOC and Hess (collectively, the "Applicants") and to terminate the Participant status of Cummings and USGen (collectively, the "Terminating Participants").

## I. MEMBER APPLICATIONS

EnerNOC has indicated that it owns or controls Demand Response Resources in the New England Control Area and will participate in NEPOOL as a Load Response Resource Provider. Accordingly, EnerNOC will join the Alternative Resources Sector for governance purposes.

[1] Capitalized terms used but not defined in this filing are intended to have the same meaning given to such terms in the Second Restated New England Power Pool Agreement (the "Second Restated NEPOOL Agreement"), the Participants Agreement, or the ISO New England Inc. Transmission, Markets and Services Tariff ("ISO Tariff").



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Hess has indicated that it, too, will participate in NEPOOL as a power marketer as well as as a load aggregator (an entity purchases at wholesale electric energy and capacity for resale to retail customers and resells such energy and capacity to retail customers in New England). NEPOOL notes that Hess filed materials for engaging in power marketing activities under market-based rates and that those materials were accepted by delegated letter order dated May 1, 1997 in Docket No. ER97-2153-000.

## II. TERMINATION OF MEMBERSHIPS

Pursuant to Section 16.1(a) of the Second Restated NEPOOL Agreement, "[a]ny Participant shall have the right to terminate its status as a Participant upon no less than sixty (60) days' prior written notice given to the Secretary of the Participants Committee." Cummings and USGen have provided such notice, each requesting waiver of the sixty days' notice requirement, and each requesting that termination of its status as a Participant be made effective as of April 1, 2005. (See Attachments 8 and 9.) If the termination of the memberships of Cummings and USGen are accepted for filing by the Commission, the Terminating Participants will be relieved of their Pool obligations and responsibilities from and after April 1, 2005.[2]

## III. PARTICIPANT NAME CHANGE

The list of NEPOOL Participants included as Attachment 1 has also been modified to reflect the fact that Tractebel Energy Marketing, Inc. has changed its name to SUEZ Energy Marketing NA, Inc.

## IV. REQUESTED EFFECTIVE DATES

EnerNOC has requested expedited consideration of its membership application. Expedited consideration of the termination of the Participant status of Cummings and USGen is also requested. Accordingly, the NEPOOL Participants Committee requests that the Commission waive any applicable notice requirements to permit the NEPOOL membership of EnerNOC to become effective May 1, 2005 and the termination of the Participant status of Cummings and USGen to become effective as of April 1, 2005. In addition, the Participants Committee requests that the NEPOOL membership of Hess become effective July 1, 2005.

## V. ADDITIONAL SUPPORTING INFORMATION

The NEPOOL Participants Committee has the authority, pursuant to Section 3.1 of the Second Restated NEPOOL Agreement and Sections 8.1.3(f) and (g) of the Participants Agreement, to act on an Entity's application to become a Participant in NEPOOL. By delegation of authority, the Participants Committee has authorized the Membership Subcommittee to approve applications which will be subject to the standard conditions, waivers and reminders established by the Participants Committee. The

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[2] To the extent the Commission determines that certain filing requirements have not been met fully, the NEPOOL Participants Committee respectfully requests waiver of such requirements in order for the Participant status of EnerNOC and the termination of the Participant status of Cummings and USGen to be accepted as of the requested effective dates. No party will be adversely affected by the waivers requested in these circumstances.

Membership Subcommittee has reviewed the materials submitted by Applicants and has approved the Applicants for membership in NEPOOL. Accordingly, the following materials are submitted herewith for filing:

- The list of NEPOOL Participants from the Second Restated NEPOOL Agreement, which has been marked to show the addition of Applicants to, and the removal of Terminating Participants from, the list of NEPOOL Participants, as well as the name change by SUEZ Energy Marketing NA, Inc. (Attachment 1);[3]

- The counterpart signature page to the NEPOOL Agreement executed by EnerNOC (Attachment 2);

- A letter from NEPOOL to EnerNOC dated April 25, 2005 confirming the approval of EnerNOC's application for membership, and EnerNOC's acceptance of the conditions and waivers by countersignature dated April 27, 2005 (Attachment 3);

- The counterpart signature page to the NEPOOL Agreement executed by Hess (Attachment 4);

- A letter from NEPOOL to Hess dated April 25, 2005 confirming the approval of Hess' application for membership, and Hess' acceptance of the conditions and waivers by countersignature dated April 27, 2005 (Attachment 5);

- A letter from Cummings, dated March 23, 2005, requesting, among other things, termination of Cummings' NEPOOL membership with a requested effective date of April 1, 2005, and a waiver of the sixty days' notice requirement set forth in Section 16.1(a) of the Second Restated NEPOOL Agreement (Attachment 6);

- A letter from USGen, dated March 25, 2005, requesting, among other things, termination of USGen's NEPOOL membership with a requested effective date of April 1, 2005, and a waiver of the sixty days' notice requirement set forth in Section 16.1(a) of the Second Restated NEPOOL Agreement (Attachment 7); and

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[3] The Commission has relieved NEPOOL of the requirement to file changes to the NEPOOL Agreement in tariff format. ISO New England, Inc. and New England Power Pool, 95 FERC ¶ 61,384 at 62,441-42 (2001). Accordingly, proposed designations pursuant to Order 614 are not included. However, because proposed changes to the NEPOOL Agreement are still required to be filed with the Commission with enough information provided to permit the Commission to view the proposed changes in the context of the composite Agreement, Id. at 62,442, Attachment 1 is included herewith and is marked to show the addition of Applicants to, and the removal of Terminating Participants from, the list of NEPOOL Participants. A composite list of NEPOOL Participants is posted on the ISO's website at: http://www.iso-ne.com/customer_and_asset_information/List_of_NEPOOL_Participants.pdf; a composite copy of the Second Restated NEPOOL Agreement is posted at: http://www.iso-ne.com/FERC/filings/second_restated_NEPOOL_agreement/second_restated_NEPOOL_agreement.pdf.

- A draft form of notice, suitable for publication in the Federal Register (Attachment 8), and a diskette containing this form of notice.

The materials filed herewith do not change the NEPOOL Agreement as previously filed with the Commission, other than to make Applicants additional Participants, and to terminate the Participant status of Cummings and USGen, in NEPOOL. Therefore, no comparisons of the transactions and revenues or cost data are submitted. No estimates of future transactions and revenues relating to participation by Applicants in NEPOOL are submitted because they cannot be made with any reasonable accuracy. Existing facilities are sufficient for service to Applicants. Accordingly, no additional facilities are to be installed or modified by the Participants in order for Applicants to become Participants in NEPOOL pursuant to the Second Restated NEPOOL Agreement.

An electronic copy of this filing has been furnished to all the members and alternates of the Participants Committee, which represent all of the electric utilities rendering or receiving service under the ISO Tariff,[4] as well as each of the independent power producers, power markets, power brokers, load aggregators, customer-owned utility systems, merchant transmission providers and end users that are currently Participants in the Pool. This transmittal letter and the accompanying materials have also been sent to the governors and electric utility regulatory agencies for the six New England states which comprise the New England Control Area, and to the New England Conference of Public Utilities Commissioners, Inc.

Correspondence and communications regarding this filing should be addressed as follows:

Debi Smith
NEPOOL Membership Coordinator
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
Tel: 413-535-4069
Fax: 413-535-4156
E-mail: dsmith@iso-ne.com

Patrick M. Gerity, Esq.
Counsel, NEPOOL Participants Committee
Day, Berry & Howard LLP
CityPlace I
Hartford, CT 06103-3499
Tel: 860-275-0533
Fax: 860-275-0343
E-mail: pmgerity@dbh.com

[4] The Commission approved the settlement agreement pursuant to which the regional transmission organization for New England (the "RTO") was established. *ISO New England Inc. et al.*, 109 FERC ¶ 61,147 (2004). Activation of the RTO was noticed in accordance with the settlement agreement and became effective on February 1, 2005. *See also* Order Authorizing RTO Operations, *ISO New England Inc. et al.*, 110 FERC ¶ 61,111 (2005).

ATTACHMENT 1

| Participant Name | Effective Date of Membership if after 6/30/2000 |
|---|---|
| AIG Energy Inc. | 1/1/2003 |
| Amerada Hess Corporation | 7/1/2005 |
| American Electric Power Service Corporation | |
| ANP Funding I, LLC | 6/1/2001 |
| Appalachian Power Company | |
| Ashburnham Municipal Light Plant | |
| Associated Industries of Massachusetts | |
| Bangor Hydro-Electric Company | |
| Bank of America, N.A. | 10/1/2003 |
| Barclays Bank PLC | 11/1/2004 |
| Belmont Municipal Light Department | |
| Black Oak Energy, LLC | 2/1/2004 |
| Blackstone Hydro, Inc. | 12/1/2004 |
| BOC Energy Services, Inc. | 10/1/2003 |
| Boralex Stratton Energy Inc. | 12/1/2004 |
| Boston Edison Company | |
| Boston Generating, LLC | 8/1/2004 |
| Boylston Municipal Light Department | |
| BP Energy Company | 12/1/2000 |
| Braintree Electric Light Department | |
| Brascan Energy Marketing Inc. | 2/1/2002 |
| Burlington Electric Department | |
| Calpine Energy Services, LP | 11/1/2000 |
| CAM Energy Products, LP | 2/1/2004 |
| Cambridge Electric Light Company | |
| Canal Electric Company | |
| Cape Light Compact | 7/1/2000 |
| Cargill Power Markets, LLC | |
| Central Maine Power Company | |
| Central Vermont Public Service | |
| Chicopee Municipal Lighting Plant | |
| CinCap IV, LLC | |
| CinCap V, LLC | |
| Cincinnati Gas & Electric Company, Inc., The | |

| Participant Name | Effective Date of Membership if after 6/30/2000 |
|---|---|
| DTE Energy Trading, Inc. | 2/1/2001 |
| Duke Energy Marketing America, L.L.C. | 9/1/2003 |
| Duke Energy North America LLC | |
| Duke Energy Trading and Marketing, LLC | |
| Dynegy Power Marketing, Inc. | |
| Edison Mission Marketing & Trading, Inc. | 9/1/2000 |
| El Paso Marketing, LP | |
| Emera Energy Services, Inc. | 4/1/2002 |
| Emera Energy U.S. Subsidiary No. 1 Inc. | 3/1/2004 |
| Energy America, LLC | |
| Energy Management, Inc. | 2/1/2001 |
| Energy New England LLC | |
| EnerNOC, Inc. | 5/1/2005 |
| Entergy Nuclear Generation Company | |
| Entergy Nuclear Vermont Yankee, LLC | 3/1/2002 |
| Epic Merchant Energy, LP | 1/1/2004 |
| ESI Northeast Energy GP, Inc. | |
| Exelon Generation Company, LLC | 5/1/2001 |
| Exelon New Boston, LLC | 4/1/2002 |
| Exelon New England Holdings, LLC | |
| Fitchburg Gas and Electric Light Company | |
| Florida Power & Light Company | 10/1/2003 |
| FPL Energy Maine Hydro, LLC | |
| FPL Energy Maine, Inc. | |
| FPL Energy Mason, LLC | |
| FPL Energy Power Marketing, Inc. | |
| FPL Energy Seabrook, LLC | 11/1/2002 |
| FPL Energy Wyman IV, LLC | |
| FPL Energy Wyman, LLC | |
| FPL Energy LLC | |

| Participant Name | Effective Date of Membership if after 6/30/2000 |
|---|---|
| Granite Ridge Energy, LLC | 12/1/2001 |
| Granite State Electric Company | |
| Great Bay Power Marketing, Inc. | 12/1/2002 |
| Green Mountain Power | |
| Groton Electric Light Department | |
| H.Q. Energy Services (U.S.) Inc. | |
| Harvard Dedicated Energy Limited | 2/1/2005 |
| Hingham Municipal Lighting Plant | |
| Holden Municipal Light Department | |
| Holyoke Gas & Electric Department | |
| Holyoke Water Power Company | |
| Hudson Light and Power Department | |
| Hull Municipal Lighting Plant | |
| Indeck Energy-Alexandria, LLC | 5/1/2001 |
| Indeck Maine Energy, LLC | |
| Indiana Michigan Power Company | |
| Industrial Energy Consumer Group | |
| Industrial Power Services Corporation | 3/1/2003 |
| Ipswich Municipal Light Department | |
| J & L Electric | 5/1/2004 |
| J. Aron & Company | 1/1/2002 |
| J.F. Gray & Associates, LLC | 7/1/2000 |
| Kentucky Power Company | |
| Lake Road Generating Company, L.P. | 2/1/2003 |
| ~~Lew A. Cummings Co. Inc.~~ | ~~1/1/2005~~ |
| Lincoln Paper and Tissue, Inc. | 3/1/2005 |
| Linde Gas LLC | 5/1/2004 |
| Littleton (MA) Electric Light Department | |
| Littleton (NH) Water and Light Department | 6/1/2004 |
| Long Island Lighting Company d/b/a LIPA | 10/1/2001 |
| Lowell Cogeneration Co. Limited Partnership | |
| Lowell Power LLC | |
| LP&T Energy LLC | 4/1/2005 |

| Participant Name | Effective Date of Membership if after 6/30/2000 |
|---|---|
| Rainbow Energy Marketing Corporation | 7/1/2003 |
| Reading Municipal Light Plant | |
| Rentricity Inc. | 4/1/2005 |
| Richard Silkman | |
| Ridgewood Maine Hydro Partners, L.P. | 3/1/2004 |
| Ridgewood Rhode Island Generation, LLC | 11/1/2003 |
| Ritchie Energy Products, L.L.C. | 9/1/2003 |
| Rochester Electric Light & Power | |
| Rowley Municipal Light Plant | |
| Rumford Power Associates Limited Partnership | |
| Select Energy Inc. | |
| Select Energy New York, Inc. | |
| Sempra Energy Solutions | 8/1/2002 |
| Sempra Energy Trading Corp. | |
| Seneca Energy II, LLC | 7/1/2004 |
| SESCO Enterprises, LLC | 6/1/2003 |
| Shrewsbury's Electric Light Department | |
| Somerset Power LLC | |
| South Hadley Electric Light Department | |
| Split Rock Energy, LLC | 7/1/2003 |
| Sprague Energy Corp. | 3/1/2002 |
| Spring Street Energy, LLC | 2/1/2005 |
| Spring Street Limited Partnership | 2/1/2005 |
| State of Connecticut, Office of Consumer Counsel | 2/1/2002 |
| State of Maine, Office of the Governor | |
| Sterling Municipal Electric Light Department | |
| Strategic Energy, Limited Partnership | |
| Styrka Energy Fund LLC | 9/1/2004 |
| Styrka Energy Master Fund LLC | 1/1/2005 |
| SUEZ Energy Marketing NA, Inc. | |
| SUEZ Energy Resources NA, Inc. | 3/1/2003 |
| Susquehanna Energy Products, LLC | 4/1/2004 |

| Participant Name | Effective Date of Membership if after 6/30/2000 |
|---|---|
| Taunton Municipal Lighting Plant | |
| TCPL Power Ltd. | 12/1/2000 |
| Telegraph Publishing Company | 12/1/2004 |
| Templeton Municipal Lighting Plant | |
| Texas Instruments Incorporated | |
| The Energy Consortium | |
| The Energy Council of Rhode Island | |
| Tiverton Power Associates Limited Partnership | |
| ~~Tractebel Energy Marketing, Inc.~~ | |
| TransAlta Energy Marketing (U.S.) Inc. | 7/1/2000 |
| TransCanada Energy Ltd. | |
| TransCanada Power Marketing Ltd. | |
| TransEnergie U.S. Ltd. | |
| TXU Energy Trading Company LP | 11/1/2000 |
| UBS AG, acting through its London Branch | 5/8/2002 |
| Union of Concerned Scientists, Inc. | |
| United Illuminating Company, The | |
| Unitil Energy Systems, Inc. | |
| UNITIL Power Corp. | |
| UPC Wind Management, LLC | 6/1/2004 |
| ~~USGen New England, Inc.~~ | |

Please acknowledge receipt of the foregoing by date-stamping the enclosed extra copy of this filing and returning it to the courier delivering this filing.

Respectfully submitted,

NEPOOL PARTICIPANTS COMMITTEE

By: Patrick M. Gerity /H
Patrick M. Gerity
Its Counsel

Enclosures

cc: Applicants
Terminating Participants
NEPOOL Participants Committee Members and Alternates
Governors and Utility Regulatory Agencies as identified herein

ATTACHMENT 4

**COUNTERPART SIGNATURE PAGE**
**NEW ENGLAND POWER POOL AGREEMENT**

IN WITNESS WHEREOF, the undersigned has caused this counterpart signature page to the New England Power Pool Agreement, being dated as of September 1, 1971, as amended, to be executed by its duly authorized representative as of February 28, 2005.
(please insert date)

Amerada Hess Corporation
(Applicant Company Name)

By: [signature]

Name: John A. Gartman

Title: Sr. V.P., Energy Marketing

Company: Amerada Hess Corporation

Address: One Hess Plaza
12th Floor
Woodbridge, NJ 07095

# ATTACHMENT 5

Michael Lynch, Chair
NEPOOL Membership Subcommittee

April 25, 2005

Hemant Jain
Amerada Hess Corporation
One Hess Plaza 12th Floor
Woodbridge, NJ 07095

Re: Application for NEPOOL Membership

Dear Mr. Jain:

The request of Amerada Hess Corporation ("Hess") to become a Participant[1] in the New England Power Pool ("NEPOOL") was approved by the NEPOOL Participants Committee Membership Subcommittee at its April 25, 2005 meeting, subject to the applicable understandings, including those which reflected in the attachment to this letter.

Please confirm Hess' acceptance of NEPOOL's Standard Membership Conditions, Waivers and Reminders by signing a copy of this letter and returning it, *along with a copy of the Standard Membership Conditions, Waivers and Reminders*, to:

**Debra Smith**
**New England Membership Coordinator**
**c/o ISO New England Inc.**
**One Sullivan Road**
**Holyoke, MA 01040-2841**
**Fax: 413-535-4156**
**E-mail: dsmith@iso-ne.com**

I understand that Hess intends to operate in New England as a broker, load aggregator and a power marketer. Your signature on the enclosed duplicate copy of this letter will also serve to confirm that understanding.

I have been instructed to remind Hess of the following obligations which are common to all NEPOOL Participants that operate as brokers, load aggregators or power marketers:

[1] Capitalized terms used but not defined in this letter are intended to have the meanings given to such terms in the Second Restated New England Power Pool Agreement ("Restated NEPOOL Agreement"), the Participants Agreement, or the ISO New England Inc. Transmission, Markets and Services Tariff ("ISO Tariff").

(1) each Participant, except a Governance Only Member, has the obligation to assure for each transaction that it has identified transmission facilities required to accomplish such transaction and has made appropriate arrangements with the ISO or the owners of such transmission facilities, as appropriate, for use of such facilities;

(2) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement the Restated NEPOOL Agreement, the ISO Tariff and any other agreement that NEPOOL or the ISO administers and, except a Governance Only Member, to verify that satisfactory transmission arrangements have been made for each transaction;

(3) each Participant is obligated to provide NEPOOL or the ISO the information that NEPOOL or the ISO determines is required in order to administer and implement these conditions and waivers;

(4) each Participant is obligated to conform to any future changes in NEPOOL requirements;

(5) each Participant is obligated to comply with all governmental, regulatory or other legal requirements which must be satisfied as a condition to its participation in NEPOOL or the New England Markets, or which may be otherwise applicable to such participation;

(6) each Participant is obligated to pay an allocated portion of certain NEPOOL and ISO costs in accordance with the Restated NEPOOL Agreement, and the ISO Tariff;

(7) each Participant is obligated to pay its monthly NEPOOL charges by the settlement date as specified in the Billing Policy (or any successor rule or procedure), which is currently the first work day after the nineteenth of the month but may be subject to change (Participants should regularly review the Billing Policy or any successor rule or procedure for any change to the settlement date);

(8) each Participant is obligated to provide adequate financial security assurances as reflected in Financial Assurance Policies on file with the FERC as they may be affected from time to time;

(9) each Participant is required to submit information to the ISO from time to time, as is necessary to enable the ISO to meet its obligations, concerning any entity owned 10% or more by the Participant or any entity which owns 10% or more of the Participant;

(10) for brokered transactions, a Participant while acting, now or in the future, as a broker would not be considered either the purchaser or the seller;

(11) each Participant is obligated to conform to standards established by the ISO or any duly authorized NEPOOL committee to assure reliable operation of the New England Control Area, including, without limitation, the obligation to have the ability to subject its load to load shedding as required by the ISO; and

(12) no Participant may use its rights under the Restated NEPOOL Agreement or ISO Tariff to avoid the application of any stranded cost policy, or to avoid or reduce the payment of any applicable stranded costs or access charges related to such stranded cost policy that has been approved by Federal regulators or regulators in any New England state in which that Participant is purchasing or selling electric energy and/or capacity for resale at wholesale or to retail customers.

Upon receipt of this countersigned letter, NEPOOL expects to make the necessary filings with the Federal Energy Regulatory Commission in order for Hess' application to become effective.

Very truly yours,

/s/

Michael J. Lynch
Chair, Membership Subcommittee
*of the NEPOOL Participants Committee*

Accepted and approved:

**Amerada Hess Corporation**

By: ______________________
Name: HEMANT JAIN
Its: DIRECTOR, ELECTRIC OPERATIONS.

Dated: 4/27/05

Enclosure

# STANDARD MEMBERSHIP CONDITIONS, WAIVERS AND REMINDERS FOR LOAD AGGREGATORS, POWER MARKETERS, EWGS, QF OWNERS, IPPS, BROKERS AND END USERS

WHEREAS, an applicant for NEPOOL membership ("Applicant") may be one or more of the following types of entities: a **"load aggregator,"** which is considered for this purpose to be an entity that purchases at wholesale electric energy and capacity for resale to retail customers and resells such energy and capacity to retail customers in New England; a **"power marketer,"** which is considered for this purpose to be an entity that purchases as a principal or as a principal and a broker at wholesale electric energy and capacity for resale to wholesale customers and resells such energy and capacity to wholesale customers in New England; an **"exempt wholesale generator"** or **"EWG,"** which is considered for this purpose to be an entity granted such status by the Federal Energy Regulatory Commission under the Public Utility Holding Company Act of 1935, as amended ("PUHCA"), pursuant to which it is required to be engaged "exclusively in the business of owning or operating, or both owning and operating, all or part of one or more eligible facilities and selling electric energy at wholesale"; an entity which owns a **"qualifying facility"** or **"QF,"** which is considered for this purpose to be an entity within the meaning of the Public Utility Regulatory Policies Act of 1978 ("PURPA") or an **"eligible facility"** within the meaning of the PUHCA; an **"independent power producer"** or **"IPP,"** which is considered for this purpose to be an entity other than an EWG or QF whose exclusive business is owning or owning and operating all or a part of one or more generating facilities and selling electric energy at wholesale or retail; a **"broker,"** which is considered for this purpose to be an entity that acts from time to time for purchasers or sellers in New England in arranging the purchase or sale at wholesale of electric energy and/or capacity; and an **"end user with generation"** or an **"end user without generation,"** which is considered for this purpose to be a consumer of electricity in the NEPOOL Control Area that generates or purchases electricity primarily for its own consumption or a non-profit group representing such consumers.

WHEREAS, the NEPOOL Agreement as in effect on December 1, 1996 (the "Prior NEPOOL Agreement") was amended and restated by the Thirty-Third Agreement and by one or more supplements or amendments (the "Restated NEPOOL Agreement");

WHEREAS, pursuant to order of the Federal Energy Regulatory Commission ("FERC"), the Restated NEPOOL Agreement was amended to permit, inter alia, end users to become members of the Pool;

WHEREAS, the Restated NEPOOL Agreement, as amended, including the NEPOOL Open Access Transmission Tariff (the "NEPOOL Tariff"), has been accepted and/or approved by the FERC subject, in some instances, to further FERC orders;

WHEREAS, the system for effecting all Interchange Transactions on the basis of separate Bid Prices for each type of Entitlement shall take effect on the Third Effective Date, as defined in the Restated NEPOOL Agreement, subject to acceptance by the FERC;

WHEREAS, a New England independent system operator, ISO New England, Inc. (the "ISO"), is responsible for administering the transmission and market arrangements in accordance with the Restated NEPOOL Agreement and the Tariff;

WHEREAS, an Applicant that proposes to act as a load aggregator must represent that, if it is permitted to become a NEPOOL Participant, it would qualify under existing law and regulation in the one or more New England states where it proposes to act as a load aggregator;

WHEREAS, an Applicant that is qualified to become an End User Participant may elect to be subject to "Governance Only" membership;

WHEREAS, a duly authorized NEPOOL subcommittee has recommended that certain conditions and waivers be applied to an Applicant in connection with its becoming a Participant in NEPOOL; and

WHEREAS, each Applicant acknowledges that it is aware of its financial obligations to NEPOOL pursuant to Section 3.5 of the Restated NEPOOL Agreement and related billing in financial assurance policies which have been accepted by the FERC.

NOW, THEREFORE, an Applicant to become a Participant in NEPOOL shall be required to agree in writing to the following understandings:

Any capitalized terms used in the following understandings (a) through (n) that are not defined in such understandings shall have the same meaning ascribed to them in the Prior NEPOOL Agreement or the Restated NEPOOL Agreement, as appropriate. The following understandings (a) through (d) apply to all such Applicants:

(a) Applicant will have an ongoing obligation to meet the definition of an "Entity" within the meaning of the Restated NEPOOL Agreement as it is in effect on the date of the NEPOOL Participants Committee's approval of the Applicant's application to become a Participant in NEPOOL.

(b) Applicant shall notify NEPOOL of any proposed change in affiliate status or any proposed change in the electric business Applicant conducts within the NEPOOL Control Area to include business other than that originally applied for in its NEPOOL membership application. NEPOOL shall have the right to delete any conditions imposed or waivers granted at this time and to impose additional reasonable conditions on Applicant's participation in NEPOOL that shall apply to such change in Applicant's business or circumstances, if such deletions or conditions are necessary or appropriate in view of such changes (see additional provisions regarding this understanding (b) in paragraph (e) below for load aggregators and paragraph (f) below for EWGs and QF owners and paragraph (h) below for end users and paragraph (i) below for end users electing Governance Only Membership). Applicant shall be advised of any deletion of conditions or waivers and shall be provided a draft of any additional conditions before such deletions or additional conditions become effective. In accordance with the Restated NEPOOL Agreement, comments on such deletions or additions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.

(c) The provisions of Section 9.2 of the Prior Agreement and of Section 12.2 of the Restated NEPOOL Agreement, which define the Capability Responsibility of each Participant, shall be waived to the extent required so that Applicant is not assigned any New Unit Adjustment for any month that the Applicant's "P" (as defined by that Section) is zero and Applicant has not engaged in a system contract sale during the hour that the New Unit Adjustment is assigned for that month. This condition (c) will terminate once the New Unit Adjustment has been fully phased out in accordance with the provisions of the Restated NEPOOL Agreement.

(d) In the event it is determined in an appeal or in an arbitration proceeding pursuant to the Restated NEPOOL Agreement, or by a court or regulatory agency, that any of the foregoing conditions is invalid for any reason, NEPOOL shall have the right to impose one or more valid reasonable conditions in place of the invalidated condition. Applicant shall be advised of any invalidated condition and shall be provided a draft of any replacement conditions before such conditions become effective. In accordance with the Restated NEPOOL Agreement, comments on such replacement conditions may be presented by Applicant to the NEPOOL Participants Committee or its designee for consideration.

The following additional understanding (e) applies only to Applicants while acting, now or in the future, as load aggregators in the NEPOOL Control Area:

(e) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes:

(i) it is determined that Applicant has failed to qualify as a load aggregator in the one or more New England states where it proposes to act as a load aggregator in accordance with its representation; or

(ii) the state laws or regulations under which Applicant does qualify to act as a load aggregator are changed in ways that could impact NEPOOL operations.

The following additional understanding (f) applies only to Applicants while acting, now or in the future, as EWGs and/or QF owners:

(f) Consistent with understanding (b) above, NEPOOL shall have the right to delete any conditions initially imposed or waivers initially granted and to impose additional reasonable conditions on Applicant's participation in NEPOOL which shall apply to any of the following changes in Applicant's circumstances, if such deletions or conditions are necessary or appropriate in view of such changes:

(i) Applicant has represented that its facility is a "qualifying facility" within the meaning of PURPA and the facility is determined at any time not to be such a facility or PURPA is amended to permit Applicant to own facilities or engage in activities not permitted to it as the owner of a qualifying facility under the present provisions of PURPA; or

(ii) Applicant has represented that it is an "exempt wholesale generator" within the meaning of PUHCA and Applicant is determined at any time not to be such a generator or PUHCA is amended to permit Applicant to own facilities or engage in activities not permitted to it as an exempt wholesale generator under the present provisions of PUHCA.

The following additional understanding (g) applies only to Applicants while acting, now or in the future, as EWGs, QF owners, IPPs or end users:

(g) As part of Applicant's obligations to provide information as set forth in clause (2) below, or in addition to such obligations to the extent not otherwise identified in clause (2) below, Applicant shall provide to the ISO the fossil fuel cost information for the facility that the ISO determines is required to carry out responsibility to administer the Firm Energy Contract entered into as of October 14, 1985 with Hydro-Quebec. Such information shall be provided on the same basis as other Participants provide information concerning their fossil fuel costs.

The following additional understanding (h) applies only to Applicants while acting, now or in the future, as owners of a QF which (i) is eligible to join the Generation Sector; (ii) produces electric energy solely by the use, as a primary energy source, of biomass, waste resources (including wood and liquid or solid waste), renewable resources, geothermal resources, or any combination thereof; and (iii) has an aggregate Winter Capability of less than 35 MW ("Renewable Resources Generator"):

(h) The provisions of Section 13.2 of the Restated NEPOOL Agreement, which would require Applicant to subject the Renewable Resources Generator to central dispatch by the System Operator, and the provisions of Section 13.3 of the Restated NEPOOL Agreement, which describe Participant responsibilities with respect to the maintenance and repair of generation facilities, shall be waived (i) provided that (1) Applicant does not participate directly in the NEPOOL Market and (2) another Participant is obligated under tariff or contract to report the output of the Renewable Resource Generator to the ISO pursuant to applicable Market Rules, and (ii) only to the extent required to prevent such provisions from precluding the Renewable Resources Generator from being classified as a "qualifying facility" under PURPA. For the purpose of this understanding (h), "primary energy source" means the fuel or fuels used for the generation of electric energy and shall not include (x) the minimum amounts of fuel required for ignition, startup, testing, flame stabilization, and control uses or (y) the minimum amounts of fuel required to alleviate or prevent unanticipated equipment outages and emergencies, directly affecting the public health, safety, or welfare, which would result from electric power outages.

The following additional understanding (i) applies only to Applicants while acting, now or in the future, as end users in NEPOOL:

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

New England Power Pool Docket No. ER05-920-000

NOTICE OF FILING

(May 6, 2005)

Take notice that on April 29, 2005, the New England Power Pool (NEPOOL) Participants Committee filed for acceptance materials to permit NEPOOL (1) to expand its membership to include EnerNOC, Inc. (EnerNOC) and Amerada Hess Corporation (Hess) (collectively, the Applicants); and (2) to terminate the memberships of Lew A. Cummings, Inc. (Cummings) and USGen New England, Inc. (USGen). NEPOOL and the Participants Committee requests the following effective dates: April 1, 2005 for the termination of the memberships of Cummings and USGen, May 1, 2005 for the membership of EnerNOC, and July 1 for the membership of Hess.

NEPOOL and the Participants Committee state that copies of these materials were sent to the New England state governors and regulatory commissions and the Participants in NEPOOL.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at http://www.ferc.gov. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at http://www.ferc.gov, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on May 20, 2005

Linda Mitry
Deputy Secretary

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

6/20/05

To: New England Power Pool

Docket No. ER05-920-000

Re: Membership Filing

Pursuant to authority delegated to the Director, Division of Tariffs and Market Development - East, under 18 C.F.R. 375.307, your submittal in the above referenced docket is accepted as designated for informational purposes and made effective on the dates requested.

Under 18 C.F.R. 385.210, interventions are timely if made within the time prescribed by the Secretary. Under 18 C.F.R. 385.214, the filing of a timely motion to intervene makes the movant a party to the proceeding, if no answer in opposition is filed within fifteen days. The filing of a timely notice of intervention makes a State Commission a party to the proceeding.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. 385.713.

Sincerely,

Anna Cochrane, Director
Division of Tariffs and Market Development - East

# EXHIBIT 9

# HESS CORPORATION
# FINANCIAL SECURITY – SURETY BOND

CNA SURETY

39 Broadway, Suite 620, New York, NY 10006-3003

Telephone: 800-648-7481
Facsimile: 212. 842.9588

# INCREASE RIDER

TO BE ATTACHED TO and form part of **Bond Number 929375027** issued by the **WESTERN SURETY COMPANY** as Surety, on behalf of **HESS CORPORATION of One Hess Plaza, Woodbridge, NJ 07095,** hereinafter referred to as the Principal, and in favor of the **NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**, hereinafter referred to as the Obligee, and dated the **18th day of November, 2005.**

IN CONSIDERATION of the premium charged for the attached bond and other good and valuable consideration it is understood and agreed that effective the **1st day of December, 2007** and subject to all the terms, conditions and limitations of the attached bond, the penal sum thereof shall be and the same is hereby increased from **One Hundred Thousand and 00/100 Dollars ($100,00.00)** to the sum of **Three Hundred Fifty Thousand and 00/100 Dollars ($350,000.00).**

IT IS FURTHER UNDERSTOOD and agreed subject to all the terms, conditions and limitations of the attached bond, the aggregate liability of the Surety for any loss occurring prior to said date shall not exceed the sum of **One Hundred Thousand and 00/100 Dollars ($100,000.00)** or for any loss occurring subsequent to said date shall not exceed the sum of **Three Hundred Fifty Thousand and 00/100 Dollars ($350,000.00).**

In no event, however, shall the aggregate liability of the Surety exceed the larger of the aforementioned sums, it being the intent hereof to preclude cumulative liability.

SIGNED, SEALED AND DATED this 24th day of January, 2008.

HESS CORPORATION
Principal)

By: ______________ (Seal)

WESTERN SURETY COMPANY
Surety)

By ______________ (Seal)
James K C Tom, Attorney-in-Fact

# Western Surety Company

## POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Ernesta G Bowman, James K C Tom, Individually

of New York, NY, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 1st day of August, 2003.

WESTERN SURETY COMPANY CORPORATE SEAL SOUTH DAKOTA

WESTERN SURETY COMPANY

Paul T Bruflat

Paul T. Bruflat, Senior Vice President

State of South Dakota
County of Minnehaha } ss

On this 1st day of August, 2003, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2006

D. KRELL
SEAL NOTARY PUBLIC SEAL
SOUTH DAKOTA

Deb Krell

D. Krell, Notary Public

## CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 24th day of January, 2008.

WESTERN SURETY COMPANY CORPORATE SEAL SOUTH DAKOTA

WESTERN SURETY COMPANY

L. Nelson

L. Nelson, Assistant Secretary

Form F4280-01-02

CNA

# ACKNOWLEDGMENT FORMS

## COPARTNERSHIP

STATE OF

COUNTY OF ☐SS:

On this _________ day of _________________________, 19______, before me personally appeared __________________ ____________________, to me known and known to me to be one of the firm of ________________________________ described in and who executed the foregoing instrument and (s)he thereupon acknowledged to me that (s)he executed the same as and for the act and deed of said firm.

____________________________________

Notary Public

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## CORPORATE

STATE OF

COUNTY OF ☐SS:

On this _________ day of _________________________, 19______, before me personally appeared __________________ ____________________, to me known, who, being by me first duly sworn, did depose and say that (s)he resides in ____________________________; that (s)he is the ______________________________ of ______________________ ____________________________, the corporation described in and which executed the foregoing instrument; that (s)he knows the corporate seal of said corporation; that the corporate seal affixed to said instrument is such corporate seal; that it was so affixed by order and authority of the Board of Directors of said corporation, and that (s)he signed h______ name thereto by like order and authority.

____________________________________

Notary Public

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## INDIVIDUAL

STATE OF

COUNTY OF ☐SS:

On this _________ day of _________________________, 19______, before me personally appeared __________________ ____________________, to me known and known to me to be the individual described in and who executed the foregoing instrument and ____________ acknowledged to me that ______________ executed the same in h______ individual capacity.

____________________________________

Notary Public

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## SURETY

STATE OF NEW YORK

COUNTY OF NEW YORK ☐SS:

I, Judith D Levine, Notary Public of New York County, in the State of New York, do hereby certify that James KC Tom Attorney-in-Fact, of the Western Surety Company who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that (s)he signed, sealed and delivered said instrument for and on behalf of the Western Surety Co. for the uses and purposes therein set forth.

Given under my hand and notarial seal at my office in the City of New York in said County, this 24th day of January A.D., ~~2000~~x 2008.

Judith D Levine

Notary Public

JUDITH D. LEVINE
Notary Public, State of New York
No. 31-7514905
Qualified in New York County
Commission Expires Nov. 30, 2010