

**COMISIÓN FEDERAL DE ELECTRICIDAD
(A DECENTRALIZED PUBLIC ENTITY
OF THE MEXICAN FEDERAL GOVERNMENT)
FINANCIAL STATEMENTS FOR THE YEARS
ENDED DECEMBER, 2009 AND 2008 AND
INDEPENDENT AUDITORS' REPORT**



**To the Ministry of Public Function and
the Governing Board of Comisión
Federal de Electricidad**

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We have audited the general balance sheets of Comisión Federal de Electricidad, a Decentralized Public Entity of the Mexican Federal Government (the Entity or CFE), as of December 31, 2009 and 2008, and the related statements of income, of changes in operations and changes in equity, as well as the cash flow statements for the years then ended. Such financial statements are the responsibility of the management of the Entity. It is our responsibility to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Mexico, which require that we plan and conduct the audit to obtain reasonable assurance that the financial statements are free from material misstatement and that they are prepared in accordance with Mexican financial reporting standards. An audit consists of examining, on a test basis, the evidence supporting the figures and disclosures in the financial statements. An audit also includes evaluating the financial reporting standards used, the significant estimates made by management and the presentation of the financial statements taken as a whole. We believe that our audits provide a reasonable basis for our opinion.

1. As discussed in Note 1, the accompanying financial statements have been prepared in accordance with the Mexican Financial Reporting Standards (NIF).
2. The NIF D-3, related to the accounting recognition of employee benefits, modifies the former Bulletin D-3, and the most relevant changes include the elimination of the additional liability, as well as the intangible assets and the related effects on stockholders' equity. Furthermore, a maximum limit of five years is considered for the amortization of unamortized items, which will require charges to results significantly greater than those which have been recorded using the previous Bulletin D-3, because the latter considered the amortization of such items during the remaining working life of the workers. As indicated in Note 14, the adoption of the NIF D-3 "Employee benefits" involves the cancellation of the intangible assets for \$ 13,531,190 and of the additional liabilities for \$ 86,048,200, as well as a reduction equity for \$ 72,517,010.
3. As discussed in Note 3-a, derived from the application of NIF B-10, "Effects of inflation", the financial statements as of December 31, 2009 and 2008 did not include the effects from inflation from January to December of those years. The financial statements include the effects of inflation until December 31, 2007, in accordance with Bulletin B-10 in force as of said date. According to the provisions of NIF B-10, the insufficiency in the restatement of stockholders' equity for \$ 8,007,084 thousand is presented as a part of accumulated results.

4. As mentioned in Note 6, through a presidential decree issued as of October 11, 2009 the decentralized entity, Luz y Fuerza del Centro (LFC), was extinguished, which until then was responsible for the distribution and sale of all the electric energy consumed in the Mexico City Metropolitan Area and some neighboring states.

The liquidation of LFC was in charge of the Asset Management and Disposal Service (SAE), which made available to the CFE the necessary assets to ensure the provision of the public electric power service in the above-mentioned geographical area. Said assets are still subject to the provision of the public electric power service according to the provisions in the Electricity Public Service Law.

In order to fulfill the above-mentioned decree, SAE and CFE entered into an agreement whereby they agreed to take an inventory of the assets, rights and accessory and associated services necessary for the provision of the public electric power service in the above-mentioned region. Furthermore, this agreement establishes that from the coming into effect of the above-mentioned decree, CFE will take over the invoicing of the electric power service for the aforesaid geographical zone, assuming the relevant costs of generation, operation and maintenance.

5. As discussed in Note 1, separate financial statements have been prepared and issued for use in the preparation of the Federal Public Treasury Account.

In our opinion, the aforementioned accompanying financial statements present fairly, in all material respects, the financial position of Comisión Federal de Electricidad, as of December 31, 2009 and 2008, and the results of its operations, the changes in its equity and the cash flows for the years then ended, in conformity with Mexican financial reporting standards.

CASTILLO MIRANDA Y COMPAÑIA, S. C.

C.P.A. Luis R. Michel Domínguez

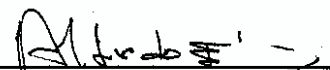


Mexico City,
March 3, 2010.


COMISIÓN FEDERAL DE ELECTRICIDAD
(A DECENTRALIZED PUBLIC ENTITY OF THE FEDERAL GOVERNMENT)
GENERAL BALANCE SHEETS
AS OF DECEMBER 31, 2009 AND 2008
(Figures expressed in thousands of pesos)

A S S E T S	<u>2 0 0 9</u>	<u>2 0 0 8</u>	L I A B I L I T I E S	<u>2 0 0 9</u>	<u>2 0 0 8</u>
CURRENT:			SHORT TERM:		
Cash and temporary investments (Note 4)	\$ 33,506,716	\$ 49,336,221	Current portion of documented debt (Note 10)	\$ 14,717,498	\$ 4,597,148
Accounts and notes receivable:			Current portion of the lease of plants, installations, equipment and PIDIREGAS (Note 11)	9,337,527	14,586,202
Consumers and other debtors, net (Note 5)	53,045,279	43,492,277	Suppliers and contractors	22,823,692	21,485,006
Luz y Fuerza del Centro (Note 6)	<u>53,045,279</u>	<u>49,147,720</u>	Taxes and fees payable (Note 12)	2,719,120	2,139,471
Materials for operations, net (Note 7)	<u>24,045,256</u>	<u>24,848,265</u>	Other accounts payable and accrued liabilities	12,885,911	8,972,205
Total current assets	110,597,251	123,332,206	Deposits from users and contractors	<u>11,440,391</u>	<u>8,534,716</u>
LONG-TERM EMPLOYEE LOANS	5,372,106	4,812,660	Total short term liabilities	73,924,139	60,314,748
PLANTS, INSTALLATIONS AND EQUIPMENT, net (Note 8)	649,444,856	640,744,343	Documented debt (Note 10)	45,216,309	44,632,727
DERIVATIVE FINANCIAL INSTRUMENTS (Note 9)	17,692,020	7,406,804	Derivative financial instruments (Note 9)	16,789,080	7,806,067
OTHER ASSETS	19,937,599	8,498,556	Lease of plants, installations, equipment and PIDIREGAS (Note 11)	53,696,719	56,101,959
			Other long-term liabilities (Note 13)	6,532,950	6,769,150
			Employee benefits (Note 14)	223,723,229	190,448,000
			Provision for labor lawsuits and other contingencies (Note 15)	<u>2,459,000</u>	<u>2,604,140</u>
			Total liabilities	<u>422,341,426</u>	<u>368,676,791</u>
			E Q U I T Y (Note 16)		
Total assets	<u>\$ 803,043,832</u>	<u>\$ 784,794,569</u>	Accumulated equity	373,663,707	429,351,882
			Contributions received	5,853,330	6,276,250
			Net income (loss) for the year	<u>1,185,369</u>	<u>(19,510,354)</u>
			Total equity	<u>380,702,406</u>	<u>416,117,778</u>
			Total liabilities and equity	<u>\$ 803,043,832</u>	<u>\$ 784,794,569</u>

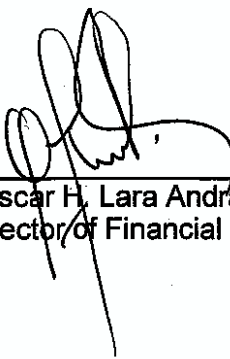
The accompanying notes are an integral part of these financial statements.




Ing. Alfredo Eifas Ayub
General Director



Lic. Francisco J. Santoyo Vargas
Financial Director



C.P. Oscar H. Lara Andrade
Deputy Director of Financial Control



C.P. Aurora Navarrete Díaz
Accounting Manager


COMISIÓN FEDERAL DE ELECTRICIDAD
(A DECENTRALIZED PUBLIC ENTITY OF THE FEDERAL GOVERNMENT)
STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Figures expressed in thousands of pesos)

	2 0 0 9	2 0 0 8
Revenues from energy sales	\$ <u>220,034,258</u>	\$ <u>269,682,377</u>
Costs and expenses:		
Exploitation	180,970,681	212,935,017
depreciation	26,641,175	26,160,722
Administrative expenses	5,605,003	5,125,838
Estimated actuarial cost for the year due to labor obligations	<u>46,635,660</u>	<u>43,107,125</u>
Total operating costs and expenses	<u>259,852,519</u>	<u>287,328,702</u>
Operating loss	<u>(39,818,261)</u>	<u>(17,646,325)</u>
Other revenues, net (Note 17)	<u>475,599</u>	<u>379,130</u>
Income tax on distributable surplus (Note 18)	<u>(962,997)</u>	<u>(901,062)</u>
Duties (Note 19)	(55,484,574)	(55,767,440)
Transfer from the Federal Government to supplement deficient rates (Note 19)	<u>98,339,370</u>	<u>77,011,831</u>
Shortfall of duties over transfers from the Federal Government to supplement deficient rates (Note 19)	<u>42,854,796</u>	<u>21,244,391</u>
Comprehensive result of financing (Nota 20):		
Interest payable, net	(4,983,374)	(4,564,614)
Foreign exchange income (loss), net	2,615,970	(17,762,326)
Income (loss) in financial instruments	<u>1,003,636</u>	<u>(259,548)</u>
	<u>(1,363,768)</u>	<u>(22,586,488)</u>
Net income (loss) for the year	<u>\$ 1,185,369</u>	<u>\$ (19,510,354)</u>

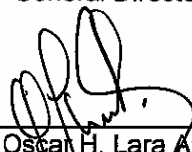
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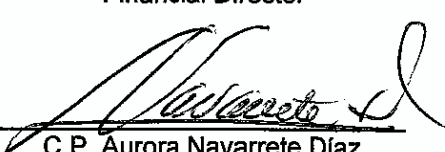
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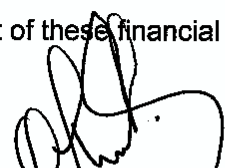
COMISIÓN FEDERAL DE ELECTRICIDAD
(A DECENTRALIZED PUBLIC ENTITY OF THE FEDERAL GOVERNMENT)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Figures expressed in thousands of pesos)


	<u>Accumulated equity</u>	<u>Contributions received</u>	<u>Net income (loss) for the year</u>	<u>Insufficiency in restated equity</u>	<u>Effect on net worth due to labor obligations</u>	<u>Total</u>
BALANCES AS OF DECEMBER 31, 2007	\$ 459,880,417	\$ 5,478,295	\$ (7,457,695)	\$ (8,007,084)	\$ (72,517,010)	\$ 377,376,923
Transfers of balances from the previous year, approved by the Governing Board	(9,986,484)	(5,478,295)	7,457,695	8,007,084		
Contributions received in 2008 from State and Municipal Governments and others		6,276,250				6,276,250
Shortfall of duties over transfers from the Federal Government (Note 19)	(21,244,392)					(21,244,392)
Comprehensive income (Note 21)	<u>702,341</u>		<u>(19,510,354)</u>		<u>72,517,010</u>	<u>53,708,997</u>
BALANCES AS OF DECEMBER 31, 2008	429,351,882	6,276,250	(19,510,354)	000	000	416,117,778
Transfer of balances from the previous year, approved by the Governing Board	(13,234,104)	(6,276,250)	19,510,354			
Contributions received during 2009 from State and Municipal Governments and others		5,853,330				5,853,330
Shortfall of duties over transfers from the Federal Government	(42,854,796)					(42,854,796)
Comprehensive income (Note 21)	<u>400,725</u>		<u>1,185,369</u>			<u>1,586,094</u>
BALANCES AS OF DECEMBER 31, 2009	<u>\$ 373,663,707</u>	<u>\$ 5,853,330</u>	<u>\$ 1,185,369</u>	<u>\$ 000</u>	<u>\$ 000</u>	<u>\$ 380,702,406</u>

The accompanying notes are an integral part of these financial statements.


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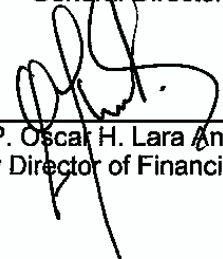
COMISIÓN FEDERAL DE ELECTRICIDAD
(A DECENTRALIZED PUBLIC ENTITY OF THE FEDERAL GOVERNMENT)
CASH FLOW STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(Figures expressed in thousands of pesos)

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
OPERATING ACTIVITIES:		
Net income (loss) for the year	\$ 1,185,369	\$ (19,510,354)
Charges (credits) to results that do not involve cash movements:		
Shortfall of duties over transfers from the Federal Government to supplement deficient rates	(42,854,796)	(21,244,392)
Net cost of the year for employee benefits	46,635,660	40,648,125
Final settlement of employee benefits		2,459,000
Depreciation in the year of plants, installations and equipment	26,641,175	26,160,722
Reserves and allowances	(125,549)	1,917,620
Exchange fluctuations for debt	(1,687,762)	10,239,561
Exchange fluctuations for lease and PIDIREGAS	(1,109,000)	7,623,197
Other exchange fluctuations	<u>180,792</u>	<u>159,116</u>
	28,865,889	48,452,595
Pensions and retirements	(15,521,901)	(12,174,685)
Interest payable on debt and equipment lease	(284,543)	67,050
Income tax on distributable surplus	962,997	901,062
Decrease in accounts receivable	(9,628,857)	(3,993,905)
Decrease in materials for operations	748,982	(6,252,381)
Increase in suppliers and contractors	1,338,686	1,744,400
Transactions with Luz y Fuerza del Centro	<u>5,655,444</u>	<u>(1,269,006)</u>
Net cash flows from operating activities	<u>12,136,697</u>	<u>27,475,130</u>
INVESTING ACTIVITIES:		
Investment in plants, installations and equipment	31,227,241	24,727,138
Investment in PIDIREGAS	3,191,062	3,589,681
Other cash applications	<u>18,045,297</u>	<u>4,882,168</u>
Net cash flows from investing activities	<u>52,463,600</u>	<u>33,198,987</u>
INVESTING ACTIVITIES:		
Contracting of debts	17,188,631	29,708,760
Financing paid, debt	(4,796,937)	(16,118,638)
Financing paid, PIDIREGAS	(13,877,731)	(9,494,154)
Contributions received from the Federal and State Government and others	5,853,330	6,276,250
Other sources of cash	<u>20,130,105</u>	<u>14,360,390</u>
Net cash flows from investing activities	<u>24,497,398</u>	<u>24,732,608</u>
Net (decrease) increase in cash and temporary investments	(15,829,505)	19,008,751
Cash and temporary investments at beginning of the year	<u>49,336,221</u>	<u>30,327,470</u>
Cash and temporary investments at end of the year	<u>\$ 33,506,716</u>	<u>\$ 49,336,221</u>

The accompanying notes are an integral part of these financial statements.



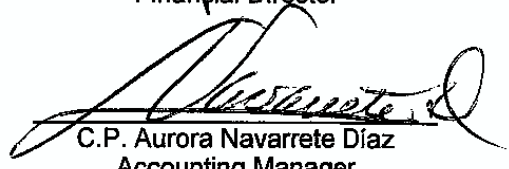
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COMISIÓN FEDERAL DE ELECTRICIDAD
(A DECENTRALIZED PUBLIC ENTITY OF THE FEDERAL GOVERNMENT)
NOTES TO THE FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2009 AND 2008
(Figures expressed in thousands of pesos)

1. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The accompanying financial statements have been prepared in conformity with Mexican Financial Reporting Standards (NIF).

Separate financial statements have been prepared and issued for use in the preparation and composition of the Federal Public Treasury Account, in compliance with Financial Reporting Standard 009B (NIFG 009B) issued jointly by the Treasury Department (SHCP) and the Ministry of Public Function (SFP).

2. ACTIVITIES OF THE ENTITY AND ESTABLISHMENT

Comisión Federal de Electricidad (CFE or the Entity) is a decentralized public Entity of the Mexican federal government, of a technical, industrial and commercial nature with its own legal capacity and equity, created by Decree of the National Congress on August 14, 1937, published in the Federal Official Gazette (DOF) on August 24 of that year (which eliminated the Decree issued by the National Congress on December 29, 1933, published in the DOF on January 29, 1934).

The purpose of the Entity is to render the public electricity service within national territory, which consists of: generating, conducting, transforming, distributing and supplying electric power, as well as planning and performing all constructions, installations and works required by the national electricity system in terms of planning, execution, operation and maintenance, with the applicable participation of independent energy producers, in the terms of the Electricity Public Service Law and its Regulations. Furthermore, on February 28, 2006, the Entity amended different numerals of the organic bylaws to modify its corporate purpose and enable it to provide the telecommunications service in the terms of the Federal Telecommunications Law.

The presidential decree extinguishing the Public Decentralized Entity, Luz y Fuerza del Centro (LFC) was issued on October 11th, 2009, for which reason the responsibility for the provision of the public electric service has been in charge of CFE from October 11th, which it used to share with LFC until October 10th, 2009. The latter was responsible for the distribution and sale of all the electric energy consumed in the Mexico City Metropolitan Area and some neighboring states and, to a lesser degree, for some energy generation and transmission activities. About 95% of the energy distributed and marketed by LFC in its area of influence was bought from CFE (See Note 6).

The rates applicable to the sale of electricity in the Mexican Republic are defined and authorized by the Mexican Federal Government, through the Deputy Ministry of Revenues of the Treasury Department (SHCP).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Entity are as follows:

a. Recognition of the effects of inflation

Given that the economic environment in this country has stabilized within a scenario of single-digit annual inflation in recent years, the Mexican Board for the Research and Development of Financial Reporting Standards (CINIF) evaluated the continuing validity of Bulletin B-10, and came to the conclusion that it would be advisable to maintain this standard and, in specific circumstances, allow for the nonrecognition of the effects of inflation (disconnection of inflation in the accounting).

As of January 1, 2008, NIF B-10 "Effects of inflation" went into effect, allowing for the disconnection of inflation in accounting; i.e., that with the change from an inflationary economic environment to a non-inflationary environment, the effects of inflation for the period which may exist in this type of environment, should not be recognized. This NIF eliminates the possibility of using replacement values to restate the value of inventories and the specific indexation method for fixed assets, and establishes the reclassification of the realized result from holding nonmonetary assets and result from accumulated monetary position to accumulated results.

Given that the accumulated inflation in the three previous years was lower than 26%, the economic environment is considered as noninflationary and, consequently, the financial statements as of December 31, 2009 and 2008 do not recognize the effects of inflation for the year.

The financial statements as of December 31, 2007 were restated in terms of the purchasing power of the close of that year, in conformity with the Bulletin B-10 in effect as of that date, as follows:

- Restatement of equity

Up to December 31, 2007, the restatement of the different components of equity was determined by restating the original amounts, taking as the base the dates of contribution, retirement and generation of the results by applying factors derived from the National Consumer Price Index (INPC).

- Insufficiency in restated equity

In accordance with the provisions of NIF B-10, the insufficiency in restated equity accumulated up to December 31, 2007, was reclassified to the accumulated equity account.

The effects recorded up to the year ended December 31, 2007 represent the net increase obtained by the fixed assets acquired under the PIDIREGAS programs, which are restated based on the movement of the exchange rate, which is equivalent to its specific cost, in comparison with the restatement that would be obtained by restating such assets in accordance with the INPC.

Up to December 31, 2005, the insufficiency in restated equity was represented by the difference resulting from a comparison between the restatement of the materials for operations and fixed assets based on specific costs, and the restatement of the different components of equity performed by applying the INPC.

- Result from monetary position

This represents the loss of the purchasing power of monetary items due to inflation; it is determined by applying factors derived from the INPC to the monthly net monetary position.

b. Cash and temporary investments

This item is represented by cash, deposits and short-term investments, which are valued at their market value and any yields generated are recognized in results as they are accrued.

Temporary investments refer to easily realizable investments with very short-term maturities that are valued at fair value.

c. Inventory of materials for operations and cost of consumptions

The inventories of materials for operations and the related consumptions are recorded originally at their acquisition cost and the monthly final balances at their average cost.

Up to December 31, 2007, the inventory and its consumptions were restated by applying factors derived from the INPC.

d. Plants, installations and equipment

These are recorded at their cost of acquisition and/or construction, including the following items as part of the cost: administrative costs of Corporate office related directly to the construction and installation of assets; costs of retirement and seniority premiums for full time employees in the construction areas and depreciation of the equipment used in the construction and installation of the assets.

Up to December 31, 2007, the fixed assets acquired under the PIDIREGAS programs were restated based on the movement of the exchange rate of the contracting currency, which is equivalent to their specific cost.

From January 1, 1997 to December 31, 2007, the assets were restated by using the adjustment to the historical cost method based on changes in the general price level, applying inflation factors derived from the INPC, and taking as the base the replacement values determined at the close of the year 1996, and the costs of acquisition and/or construction for those acquired from that date until December 31, 2007.

Up to December 31, 1996, the assets were restated at replacement values, by using capital pricing indexes of the electricity industry, determined by specialist experts of the CFE, except for construction in progress, which continued to be restated by using this method up to the close of 1998.

The depreciation of operating plants, installations and equipment is calculated by the straight-line method as of the initial operating date of the assets, considering depreciation rates based on the useful life of the assets, determined by specialist technicians of the CFE, as follows:

	<u>Annual rate %</u>
Geothermal power stations	From 2 to 3.70
Steam generating power stations	From 1.33 to 2.86
Hydroelectric power stations	From 1.25 to 2.50
Internal combustion power stations	From 1.33 to 3.03
Turbogas and combined-cycle power stations	From 1.33 to 3.03
Nuclear power station	From 1.33 to 2.86
Substations	From 1.33 to 2.56
Transmission lines	From 1.33 to 2.86
Distribution networks	From 1.67 to 3.33

The real property and assets used for offices and general services are depreciated in accordance with the rates authorized in the Income Tax Law.

e. Long-term productive infrastructure projects (PIDIREGAS) and capital leases

In 1996 the CFE began investment projects to construct revenue-generating assets, under direct budgetary control, with long-term private financing.

At the time the construction work subject matter of the contract is delivered, and received to the satisfaction of the CFE, the asset is recorded in the leased equipment account, together with the total liability that reflects the value of the good.

The assets acquired through capital leases, as well as the related obligation, are recorded at a value equal to the lower of the present value of the minimum payments and the market value of the asset leased at the starting date of the lease.

f. Impairment of long-lived assets in use

The Entity revises the value in books of long-lived assets in use, in the presence of any indicators of impairment which might indicate that they might not be recoverable, considering the higher of the present value of the future cash flows or the net selling price in the event of their eventual disposal. The indicators of impairment that are considered for these purposes are, among others: the losses from operations or negative cash flows in the period, if they are combined with a history or projection of losses, which in percentage terms, in relation to revenues, are substantially higher than those from previous years, the effects of obsolescence, competition and other economic and legal factors.

g. Derivative financial instruments

The Entity values all derivatives in the balance sheet at fair value or market value ("mark to market"). When the derivatives are designated as hedging derivatives, the recognition of fair value depends on whether the hedge is fair value or cash flow.

The derivatives designated as hedges recognize the changes in fair value as follows: (1) if they are fair value, the fluctuations both of the derivative and the item hedged are charged against results, or (2) if they are cash flow, they are recognized temporarily in comprehensive income (loss) and are reclassified to results when the hedged item affects them. The ineffective portion of the change in fair value is recognized immediately in results, as part of the comprehensive result of financing, regardless of whether the derivative is designated as a fair value or cash flow hedge.

The Entity uses mainly interest rate and foreign currency "swaps" and foreign currency "forward" contracts to manage its exposure to exchange rate and foreign currency fluctuations. The CFE formally documents all hedging relationships, in which it describes the objectives and strategies of risk management to carry out transactions involving derivatives. The policy of the Entity is to refrain from carrying out speculative transactions involving derivative financial instruments.

Certain derivative financial instruments, although they were contracted for hedging purposes from an economic perspective, have not been designated as hedges for accounting purposes, but as trading securities. The fluctuation in fair value of such derivatives is recognized in results within the comprehensive result of financing.

Bulletin C-10 "Derivative Financial Instruments and Hedging Operations" establishes that: "If the critical characteristics of the hedging instrument and of the primary position are equal (the notional amount, reference rates for payment and collection and the related bases, the effective term of the agreement, the date of price determination and payment, the dates of formal designation and liquidation, among others), then the changes in the fair value or in the cash flows attributable to the risk being hedged, these will be compensated completely at the beginning, during and until the expiry of the coverage, for which reason it will not be necessary to evaluate and measure the effectiveness thereof". Due to the foregoing, in the case of the financial derivative instruments for hedging purposes and when said characteristics are met, the effectiveness of said derivatives is not evaluated and measured.

h. Other long-term liabilities

By law, once the operating service of a nuclear installation is concluded (due to the termination of licenses), it must be dismantled for safety and environmental protection reasons.

The policy of the CFE is to conduct a technical-economic study, which must be periodically updated (every five years) and includes the estimated cost for this concept, based on the energy output of the Laguna Verde Nuclear Power Station, whose distribution is made uniformly over the useful life of the facility and which, based on the provisions of Bulletin C-9, "Liabilities, provisions, contingent assets and liabilities and commitments", must be compared with the calculations at their present value.

During the year 2005, the Entity performed the update of the technical-economic study, supported with studies on the dismantling of similar plants prepared by international companies, for the purpose of determining the necessary funds to carry out the dismantling of the nuclear power station. As a result of such restatement, the new amount of the reserve was adjusted from 312 million to 500 million United States Dollars. The change in the original estimate is due to the inclusion of costs related to cooling, transportation and storage of the radioactive waste material. These expenses will be amortized over the remaining useful life of the power station.

i. Employee benefits

Given the need to bring about convergence with International Financial Reporting Standards, both in terms of technology and regulations, and to ensure that it is a standard more in line with such international standards, in July 2007 the NIF D-3 "Employee benefits" was issued, effective as of January 1, 2008.

This standard oversees the previous Bulletin D-3 "Labor obligations", in which the most relevant changes are the elimination of the treatment related to the recognition of additional liability. This procedure gave rise to recognition of an intangible asset and, if appropriate, to another constituent item such as an element of stockholders' equity, for which reason its treatment is also eliminated.

NIF D-3 establishes a maximum limit of five years for the amortization of unamortized items, which will require charges to results significantly higher than those which had been recorded using the previous Bulletin D-3, inasmuch as the latter required the amortization of such items during the remaining working life of the employees.

In accordance with this NIF, the liabilities for employee retirement benefits (seniority premiums and pensions) and for termination of the employment relationship are recorded as they are accrued, which are calculated by independent actuaries based on the projected unit credit method using nominal interest rates. Therefore, the benefit is being recognized, which at present value is estimated that it will cover the obligation for these benefits at the estimated retirement date of the employees working at the Entity.

j. Recognition of revenues

Revenues are recognized in the period in which the energy sale services are rendered to the customers.

k. Information by segments

As a state economic entity, the CFE, in accordance with the terms of NIF B-5, differentiates and discloses its information by segments, which is presented in the form used by the CFE to evaluate each activity based on a management approach.

l. Energy sold that is currently being billed

The energy that has been delivered and is currently involved in the billing process is considered as revenue for the year and its amount is estimated based on the actual invoices issued in the immediately preceding two month period (bimester).

m. Transactions in foreign currency

Transactions in foreign currency are recorded at the exchange rate in effect on the date they are performed. Monetary assets and liabilities in foreign currency are valued in Mexican pesos at the exchange rate in effect at the date of the financial statements. Exchange fluctuations are recorded in results within the comprehensive result of financing.

n. Transactions with the Federal, State and Municipal Governments

The principal transactions that are performed with the Federal Government and the State and Municipal Governments and their respective accounting treatment are as follows:

With the Federal Government:

Government nontax charges - In accordance with article 46 of the Electricity Public Service Law, in effect as of December 23, 1992, the CFE is obligated to pay a nontax charge to the Federal Government for the assets that it uses to render the public electricity service.

The government nontax charge is determined annually based on the profitability rates established for state-owned companies in each year; for 2009 and 2008 the rate was 9%, which was authorized by the SHCP. Such rate is applied to the value of the net fixed assets in operation from the immediately preceding year, and the resulting amount is charged to results of the year.

The annual expense for the nontax charge is compared against the revenues from transfers to supplement deficit rates (a subsidy). Up to 1999, a net liability had been generated in favor of the Federal Government which was not payable, but was capitalized as part of equity at the close of each year. However, as of the year 2000, the amount of the nontax charge has been lower than that of the subsidy, with the insufficiency directly affecting the equity of the Entity.

Transfers to supplement deficit rates - These refer to the resources which the Federal Government provides to users of the electricity service through the CFE, by means of different subsidized rates on energy sales. A significant part of these transfers is considered as virtual transactions because, in accordance with the current Electricity Public Service Law, they are credited against the nontax charge payable by the Entity. During the year 2009, the CFE recorded virtual transfers. In the year 2008, it recorded both virtual and cash transfers. These transfers are credited in results for the year.

With State and Municipal Governments:

Contributions - The contributions received from the Federal Government and the State and Municipal Governments to provide electrification to rural settlements and low-income districts, as well as from private parties to extend the distribution network, are recorded as an increase in equity.

o. Comprehensive result of financing

The comprehensive result of financing includes all financial revenue or expense items, such as interest, exchange gain or loss, and the gain from monetary position, as they occur or as they are accrued.

p. Comprehensive income

The comprehensive income that is presented in the statement of changes in equity, is comprised of the loss for the year, plus other items that represent a gain or loss from the same period, which in accordance with the NIF are presented directly in equity without affecting the statement of income (Note 21).

4. CASH AND TEMPORARY INVESTMENTS

As of December 31, 2009 and 2008, cash and temporary investments are composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Cash on hand and in banks	\$ 8,570,385	\$ 20,280,566
Temporary investments	<u>24,936,331</u>	<u>29,055,655</u>
	<u>\$ 33,506,716</u>	<u>\$ 49,336,221</u>

5. CONSUMERS AND OTHER DEBTORS

As of December 31, 2009 and 2008, these accounts receivable are composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Public consumers	\$ 31,333,466	\$ 23,212,484
Government consumers	4,833,440	4,403,067
Energy sold that is being billed	<u>11,327,370</u>	<u>11,035,700</u>
	47,494,276	38,651,251
Allowance for doubtful accounts	<u>(5,068,964)</u>	<u>(4,993,109)</u>
	42,425,312	33,658,142
Other debtors	8,025,716	9,834,135
Creditable value added tax	<u>2,594,251</u>	<u> </u>
	<u>\$ 53,045,279</u>	<u>\$ 43,492,277</u>

As of December 31, 2009, the balance of public consumers includes \$ 4,221,537 for past-due debts of the North distribution, related to 8 thousand 667 consumers with an agricultural rate. In turn, this amount includes \$ 2,513,353 that correspond to the delay incurred by 2 thousand 516 consumers of the area known as Comarca Lagunera (Coahuila and Durango), of which 1 thousand 549 consumers have filed appeals for legal protection, which makes a total of \$ 2,062,491 and \$ 1,708,184 by 6 thousand 151 consumers in the State of Chihuahua. Because of these overdue debts, the financial statements do not include the recording of the allowance for doubtful accounts, since in the State of Chihuahua 5 thousand 627 agreements were entered into during 2009, which consist of differences in the rates for owed amounts and of the tripartite reduction of the debt by three parties (SHCP and the Government of the State, CFE and agricultural producers). In connection with the Comarca Lagunera, the CFE is carrying out the necessary arrangements for their collection.

6. LUZ Y FUERZA DEL CENTRO (LFC)

The presidential decree extinguishing the Public Decentralized Entity, Luz y Fuerza del Centro (LFC), which until that date was in charge of the distribution and sale of all the electric energy consumed in the Mexico City Metropolitan Area and some neighboring states and, to a lesser degree, for some energy generation and transmission activities.

Through this decree it is established that the liquidation of Luz y Fuerza del Centro will be in charge of the Service of Administration and Disposal of Assets (SAE), which upon the express request of the Ministry of Energy, through its Deputy Ministry of Electricity, under the terms of the provisions in Article 2 of the above-mentioned decree has made available to the CFE the necessary assets to ensure the adequate provision of the electric energy public service in the aforesaid geographic area. Said assets continue to be subject to the provision of the electric energy public service, according to the provisions in the Electricity Public Service Law.

The current account that was existing for the electric energy purchase-sale transactions until December 31, 2008 amounted to \$ 5,655,443 and as of October 10, 2009 the balance receivable as of said date was \$ 4,472,019, which was paid by the Service of Administration and Disposal of Assets (SAE) in its capacity as liquidator of LFC, and the amount of the transactions that affected the results of CFE until that date were those shown below:

	From January 1 to October 10 <u>2 0 0 9</u>	From January to December 31 <u>2 0 0 8</u>
Revenues from the sale of energy to LFC	\$ <u>32,857,514</u>	\$ <u>60,748,989</u>
Operating costs and expenses:		
Purchases of energy to LFC	\$ <u>1,561,864</u>	\$ <u>3,033,377</u>

In order to fulfill the decree dated October 11, 2009, the SAE and the CFE entered into an agreement through which it is agreed to take an inventory of the assets, accessory and associated rights necessary for the adequate provision of the public electric energy service in the geographic area mentioned above. In this agreement it is also agreed that from the coming into effect of the above-mentioned decree, CFE will take charge of invoicing for the electric energy service to the aforesaid zone, which covers more than 6 million customers, assuming the relevant distribution and marketing costs, in addition to the cost of the generation of electric energy that was billed with the figures shown below:

Billed products	\$ 7,181,019
Distribution and marketing costs	1,147,424

From October 2009, the CFE and the SAE have started a physical inventory-taking process of the facilities that CFE defined as a priority for the provision of the public electric energy service, which include offices, material and equipment warehouses, vehicles and office furniture and equipment, as well as works in the process of construction. For that purpose, the SAE hired the services of personnel specialized in the practice of physical inventories, as well as reputable appraisers.

During year 2010 it is planned to start taking a physical inventory of the electric facilities: power plants, transmission lines, substations, distribution lines and networks, connections and meters, energy control centers, emergency plants, etc.

These works should be useful for the SAE to determine the initial liquidation balance.

7. MATERIALS FOR OPERATIONS

As of December 31, 2009 and 2008, the materials for operations are composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Spare parts and equipment	\$ 12,262,511	\$ 12,062,809
Fuels and lubricants	10,526,111	11,624,047
Nuclear fuel	<u>1,712,150</u>	<u>1,582,129</u>
	24,500,772	25,268,985
Estimate for obsolescence	<u>(455,516)</u>	<u>(420,720)</u>
	<u>\$ 24,045,256</u>	<u>\$ 24,848,265</u>

8. PLANTS, INSTALLATIONS AND EQUIPMENT

The balances of plants, installations and equipment as of December 31, 2009 and 2008, are composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Plants, installations and equipment in operation, net	\$ 619,432,074	\$ 616,495,265
Constructions in progress	18,369,466	17,203,349
Construction materials	<u>6,980,616</u>	<u>5,611,667</u>
	644,782,156	639,310,281
Stock exchange certificates to be disbursed	3,228,638	
Fixed assets not in use	<u>1,434,062</u>	<u>1,434,062</u>
	<u>\$ 649,444,856</u>	<u>\$ 640,744,343</u>

Plants, installations and equipment in operation - The balances of plants, installations and equipment as of December 31, 2009 and 2008, which include leased equipment, are composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Plants:		
Steam generating	\$ 253,769,770	\$ 255,650,108
Hydroelectric	164,507,859	164,600,555
Nuclear power	64,186,036	64,394,137
Turbogas and combined cycle	51,653,674	48,882,380
Geothermal	21,590,872	19,397,250
Internal combustion	5,638,760	5,617,204
Nonconventional installations	3,956,359	3,944,034
Transmission lines and transformation substations	328,016,669	318,698,655
Distribution networks	135,671,954	128,706,735
Land involved in the regularization process	731,447	491,381
Administrative buildings and others	<u>94,732,846</u>	<u>89,583,739</u>
	1,124,456,246	1,099,966,178
Less:		
Accumulated depreciation	<u>(505,024,172)</u>	<u>(483,470,913)</u>
	<u>\$ 619,432,074</u>	<u>\$ 616,495,265</u>

In the last few years, due to the reduction in annual budgets, the CFE has not fully complied with the maintenance required. Consequently, this situation might affect the probable useful life of certain plants. Notwithstanding the above, the expenses incurred in this regard during 2009 and 2008 are estimated to be sufficient to enable the plants, installations and equipment to continue operating adequately.

Construction in progress - The balances of construction in progress as of December 31, 2009 and 2008 are comprised as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Plant:		
Geothermal	\$ 798,480	\$ 1,485,557
Steam generating	408,818	106,572
Hydroelectric	2,667,510	2,185,982
Internal combustion	159,565	88,420
Turbogas and combined cycle	578,103	528,472
Nuclear power	239,483	119,935
Lines, networks and substations	10,847,355	10,342,465
Offices and general facilities	1,081,007	1,204,089
Construction advances	<u>1,589,145</u>	<u>1,141,857</u>
Total	<u>\$ 18,369,466</u>	<u>\$ 17,203,349</u>

During the years ended December 31, 2009 and 2008, the items capitalized in construction in progress, in accordance with the policy described in Note 3-d amounted to \$ 3,911,416 and \$ 2,307,336, respectively (\$ 2,306,359 and \$ 1,065,191 for administrative expenses, \$ 162,717 and \$ 129,270 for depreciation and \$ 1,442,340 and \$ 1,112,875 for the increase in the reserve for retirement and seniority premiums, as of December 31, 2009 and 2008, respectively).

Construction materials - The balances of construction materials as of December 31, 2009 and 2008 are composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Replacement parts and equipment	\$ 6,482,777	\$ 5,608,703
Materials in the possession of third parties	497,690	2,815
Equipment in transit	<u>149</u>	<u>149</u>
	<u>\$ 6,980,616</u>	<u>\$ 5,611,667</u>

Fixed assets not in use – The balance of the fixed assets not in use as of December 31, 2009 and 2008 is composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Miguel Alemán Hydroelectric System	<u>\$ 1,434,062</u>	<u>\$ 1,434,062</u>

9. DERIVATIVE FINANCIAL INSTRUMENTS

a. The balances as of December 31, 2009 and 2008 of derivative financial instruments and interest are as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
For hedging purposes:		
Assets	<u>\$ 13,031,412</u>	<u>\$ 2,556,306</u>
Liabilities	<u>\$ 12,253,631</u>	<u>\$ 2,077,093</u>
For trading purposes:		
Assets	<u>\$ 4,660,608</u>	<u>\$ 4,850,498</u>
Liabilities	<u>\$ 4,535,449</u>	<u>\$ 5,728,974</u>
Total derivative financial instruments:		
Assets	<u>\$ 17,692,020</u>	<u>\$ 7,406,804</u>
Liabilities	<u>\$ 16,789,080</u>	<u>\$ 7,806,067</u>

- b. Financial instruments for trading purposes - On September 17, 2002, CFE placed in the Japanese market a bond for 32 billion Japanese yen at an annual interest rate of 3.83%, maturing in September 2032. Simultaneously, CFE carried out a hedge transaction for which it received the amount of US\$ 269,474,000, equivalent to the 32 billion Japanese yen at the spot exchange rate in effect on the transaction date of 118.7499 Japanese yen per US dollar. The transaction consists of a series of foreign currency "Forwards" which enable the Japanese yen/US dollar exchange rate to be set, during the established transaction term, at 54.0157 Japanese yen per US dollar. On the other hand, as a result of the transaction, CFE pays an interest rate equivalent to 8.42% annually in US dollars. The valuation effect of the foreign currency "Forwards" is recorded in the comprehensive result of financing, and a loss (gain) on such cost offsets a loss (gain) in the underlying liability.

The final obligation of the CFE is to pay the creditor the Japanese yen based on the maturities, and it has the right to receive from the institution with which the hedge was contracted, Japanese yen in exchange for certain US dollars established in the financial instrument contract. The result of the transaction with the institution with which the financial instrument was contracted is as follows:

	<u>Japanese yen</u>	<u>US dollars</u>	<u>Exchange rate</u>	<u>Mexican pesos (thousands)</u>
Goods to be received (assets)	32,000,000,000		\$ 0.1404	\$ 4,492,800
Goods to be delivered (liabilities)		269,474,000	13.0659	<u>3,520,920</u>
Goods to be received, net				<u>\$ 971,880</u>

From March 17, 2003 until September 17, 2032, the CFE is obligated to make semiannual payments for the amount of 11,344,855.40 US dollars equivalent to 612,800,000 Japanese yens. Consequently, the total sum which the CFE is obligated to pay over the next 23 years is 521,863,348 US dollars and the total amount that it will receive will be 28,188,800,000 Japanese yens.

Furthermore, at the end of the hedge contract, the parties entered into a purchase contract for a European call option, in which the CFE acquires the right to purchase Japanese yens at maturity, at market price, if the yen/dollar exchange rate is quoted at below 118.7498608401 yen per dollar and the CFE may also sell a European call option, in which the CFE sells the hedge against an appreciation of the yen/dollar exchange rate above 27.8000033014 yen per dollar.

In the event that the CFE should decide to early cancel the hedge (foreign currency "forwards"), an estimated extraordinary gain at December 31, 2009 of approximately 9,579,124 US dollars would be generated. This gain was estimated by J. Aron & Company (calculation agent), taking as its base the fair value of the hedge at the date of the estimate.

c. The derivative financial instruments for hedging purposes as of December 31, 2009 are detailed below:

Counterparty	Primary position	Object	Notional amount	Underlying	Market value	Hedging start date	Hedging ending date	Interest rate / collection currency	Interest rate / payment currency	Hedging Efficiency
Credit Suisse	\$ 1,301,289	Change from floating rate to fixed rate	\$ 1,236,224	Interest rate Cetes 182 + 0.85%	\$ (21,950)	April 5, 2004	September 23, 2013	Cetes 182 + 0.85%	8.9950%	95%
Deutsche Bank	\$ 1,606,668	Change from floating rate to fixed rate	\$ 1,526,335	Interest rate Cetes 182 + 0.85%	\$ (27,247)	April 5, 2004	September 23, 2013	Cetes 182 + 0.85%	9.0700%	95%
Deutsche Bank	\$ 650,644	Change from floating rate to fixed rate	\$ 618,112	Interest rate Cetes 182 + 0.85%	\$ (10,652)	April 5, 2004	September 23, 2013	Cetes 182 + 0.85%	9.0000%	95%
ING Bank	\$ 2,281,491	Change from floating rate to fixed rate	\$ 2,167,417	Interest rate Cetes 182 + 0.85%	\$ (40,014)	April 5, 2004	September 23, 2013	Cetes 182 + 0.85%	9.0800%	95%
Goldman Sachs	\$ 650,644	Change from floating rate to fixed rate	\$ 618,112	Interest rate Cetes 182 + 0.85%	\$ (10,144)	April 5, 2004	September 23, 2013	Cetes 182 + 0.85%	9.0000%	95%
Goldman Sachs	\$ 174,263	Change from floating rate to fixed rate	\$ 165,550	Interest rate Cetes 182 + 0.85%	\$ (2,498)	April 5, 2004	September 23, 2013	Cetes 182 + 0.85%	8.8500%	95%
ING Bank	\$ 1,000,000	Change from floating rate to fixed rate	\$ 850,000	Interest rate Cetes 182 + 0.65%	\$ (21,625)	November 21, 2005	May 21, 2014	Cetes 182 + 0.65%	9.1900%	85%
ING Bank	\$ 593,513	Change from floating rate to fixed rate	\$ 504,486	Interest rate Cetes 182 + 0.65%	\$ (14,852)	January 2, 2006	July 2, 2014	Cetes 182 + 0.65%	8.8500%	85%
ING Bank	\$ 569,363	Change from floating rate to fixed rate	\$ 540,895	Interest rate Cetes 91 + 0.79%	\$ (11,482)	December 16, 2005	March 6, 2015	Cetes 91 + 0.79%	8.8900%	95%
Bancomer	\$ 510,638	Change from floating rate to fixed rate	\$ 510,638	Interest rate Cetes 91 + 0.79%	\$ (10,639)	December 16, 2005	March 6, 2015	Cetes 91 + 0.79%	8.8900%	100%
ING Bank	\$ 894,954	Change from floating rate to fixed rate	\$ 850,206	Interest rate Cetes 91 + 0.79%	\$ (16,718)	December 16, 2005	March 6, 2015	Cetes 91 + 0.79%	8.7800%	95%
Bancomer	\$ 839,688	Change from floating rate to fixed rate	\$ 797,703	Interest rate Cetes 91 + 0.79%	\$ (15,370)	December 16, 2005	March 6, 2015	Cetes 91 + 0.79%	8.7800%	95%
Santander Serfin	\$ 1,072,519	Change from floating rate to fixed rate	\$ 1,018,623	Interest rate Cetes 91 + 0.79%	\$ (21,132)	February 17, 2006	March 6, 2015	Cetes 91 + 0.79%	8.8900%	95%
Ing Bank	\$ 1,005,343	Change from floating rate to fixed rate	\$ 1,005,343	Interest rate Cetes 91 + 0.79%	\$ (20,914)	December 16, 2005	March 6, 2015	Cetes 91 + 0.79%	8.8600%	100%
HSBC	\$ 1,251,699	Change from floating rate to fixed rate	\$ 1,215,305	Interest rate Cetes 91 + 0.79%	\$ (23,539)	February 24, 2006	March 6, 2015	Cetes 91 + 0.79%	8.7600%	97%
HSBC	\$ 1,038,911	Change from floating rate to fixed rate	\$ 1,038,911	Interest rate Cetes 91 + 0.79%	\$ (19,843)	March 1, 2006	March 6, 2015	Cetes 91 + 0.79%	8.7395%	100%
Banamex	\$ 1,702,516	Change from floating rate to fixed rate	\$ 1,617,390	Interest rate Cetes 182 + 0.25%	\$ (37,660)	December 7, 2007	May 26, 2017	Cetes 182 + 0.25%	8.1950%	95%
Banamex	\$ 368,987	Change from floating rate to fixed rate	\$ 350,538	Interest rate Cetes 182 + 0.25%	\$ (11,372)	February 15, 2008	August 4, 2017	Cetes 182 + 0.25%	8.2200%	95%
Bancomer	\$ 1,314,758	Change from floating rate to fixed rate	\$ 1,249,020	Interest rate Cetes 91 + 0.50%	\$ (27,887)	December 6, 2007	February 23, 2017	Cetes 91 + 0.50%	8.3650%	95%
Banamex	\$ 787,092	Change from floating rate to fixed rate	\$ 787,092	Interest rate Cetes 91 + 0.45%	\$ (10,315)	April 24, 2008	January 11, 2018	Cetes 91 + 0.45%	7.9000%	100%
Credit Suisse	USD 16,788	Change from dollars to pesos	USD 12,005	Exchange rate USD/Mexican peso	\$ 9,319	January 24, 2005	July 24, 2021	US dollars	Pesos	72%
Credit Suisse	USD 10,750	Change from dollars to pesos	USD 8,311	Exchange rate USD/Mexican peso	\$ 5,891	February 2, 2005	February 2, 2023	US dollars	Pesos	77%
Deutsche Bank	USD 208,188	Change from dollars to pesos	USD 171,323	Exchange rate USD/Mexican peso	\$ 139,711	May 3, 2005	June 21, 2021	US dollars	Pesos	82%
Goldman Sachs	USD 49,296	Change from dollars to pesos	USD 40,977	Exchange rate USD/Mexican peso	\$ 29,602	March 26, 2005	March 26, 2022	US dollars	Pesos	83%
Goldman Sachs	USD 200,000	Change from dollars with Libor rate to pesos with fixed rate	USD 186,667	Exchange rate USD Libor rate/ fixed rate Mexican peso	\$ 210,001	December 15, 2008	December 15, 2036	US dollars at a Libor rate	Pesos at fixed rate	93%
Deutsche Bank	USD 200,000	Change from dollars with Libor rate to pesos with fixed rate	USD 186,667	Exchange rate USD Libor rate/ fixed rate Mexican peso	\$ 278,266	December 15, 2008	December 15, 2036	US dollars at a Libor rate	Pesos at fixed rate	93%
Goldman Sachs	USD 105,450	Change from dollars with Libor rate to pesos with fixed rate	USD 96,662	Exchange rate USD Libor rate/ fixed rate Mexican peso	\$ 49,300	June 15, 2009	December 15, 2036	US dollars at a Libor rate	Pesos at fixed rate	92%
Deutsche Bank	USD 105,450	Change from dollars with Libor rate to pesos with fixed rate	USD 96,662	T Exchange rate USD Libor rate/ fixed rate Mexican peso	\$ 87,236	June 15, 2009	December 15, 2036	US dollars at a Libor rate	Pesos at fixed rate	92%
Deutsche Bank	USD 255,000	Change from dollars with Libor rate to pesos with fixed rate	USD 233,750	Exchange rate USD Libor rate/ fixed rate Mexican peso	\$ 275,087	June 15, 2009	December 15, 2036	US dollars at a Libor rate	Pesos at fixed rate	92%

Comments on the market value (mark to market)

The net amount of the value of the clean market of the derivative financial instruments for hedging purposes (mark to market) as of December 31, 2009 stands at \$ 716,548 (thousands of pesos) which are included in equity and it is composed of \$ 325,311 against CFE, included in the value of liabilities of the item of derivative financial instruments and \$ 1,041,859 in favor of CFE, included in the value of assets of the item of derivative financial instruments.

As a result of the terms in which the International Swaps and Derivatives Association (ISDA) agreements were signed, the counterparties or bank institutions are the valuation agents and they are those who calculate and send the mark to market every month. CFE monitors the mark to market and if there is any doubt or it observes an abnormality in the behavior of the mark to market, it requests a new valuation to the counterparty.

Due to the foregoing, the market value sent by the calculation agent or counterparty is only an indicative value, as the models used by the banks may differ from each other.

Discussion of the management on the policies for the use of derivative financial instruments.

a. The objectives to carry out operations with derivatives

The CFE may carry out any type of explicit financial hedging, either to the interest rates and/or to the exchange rates, or those strategies that may be necessary to mitigate the financial risk faced by the entity.

b. Instruments used

The CFE may purchase or sell one or more of the following types of instruments, individually or collectively, provided fulfillment remains within the approved risk management limits and guidelines.

1. Futures, forwards and swaps
2. Acquisition of purchase options
3. Acquisition of sale options
4. Acquisition of collars or tunnels
5. Acquisition of equity futures

c. Implemented hedging or negotiation strategies

The CFE cannot sell purchase options, sale options or any other open instrument that may expose it to unlimited risk and that is not fully offset by a corresponding opposite position.

d. Trading markets

National and foreign.

e. Eligible counterparties

Any bank or financial institution with which CFE has signed an ISDA.

f. Policies for the appointment of calculation or valuation agents

In all ISDA agreements it is defined that the counterparty is the calculation agent.

g. Main conditions or terms of the agreements

ISDA (International Swap Dealers Association) agreements are standardized agreements and the conditions are the same in all of them. There are particularities only in the confirmations.

h. Policies of margins

In the event the market value of an operation is higher than the maintenance level agreed upon in the ISDA agreements and their supplements, the counterparty issues by fax or email the guarantee deposit to the counterparty. As long as there is a deposit for a margin account, the market value is reviewed by the "calculation agent", defined in the ISDA agreement on a daily basis, so that the entity is able to request the return of the collateral when the market value goes back to levels below the agreed maintenance level. These guarantee deposits are considered a restricted asset in transactions with derivative financial instruments for CFE and receive the relevant accounting treatment.

i. Collaterals and credit lines

The credit lines defined for collateral deposits are established in each of the ISDA agreements signed with each counterparty.

j. Authorization processes and levels required for each type of operation (simple hedging, partial hedging, and speculation) stating if the operations with derivatives obtained a prior approval from the committee(s) that conduct the activities in matters of corporate and auditing practices.

The limits to the extension of transactions and derivative financial instruments are established on the basis of the general conditions of the primary position and the underlying to be covered.

CFE may contract hedging transactions with financial derivatives, either at the interest rates and/or at the exchange rates, when their conditions mirror the primary position and underlying to be hedged.

CFE has the Interinstitutional Delegate Committee of Financial Risks associated to the Financial Position and to the Price of Fossil Fuels (CDIGR). When said Committee is at a full meeting and together with the representatives of SHCP and Banco de Mexico (BANXICO), who are parties to the CDIGR, it may authorize CFE:

1. The contracting of financial derivatives with conditions different from those of the primary position and/or underlying to be hedged.
2. The liquidation of positions.
3. Any other operation with derivative financial instruments that may be convenient for CFE.

The CDIGR shall be empowered to change, reduce or enlarge the Operating Guidelines of the Financial Risk Management of the CFE, in which case it must inform this to the Honorable Board of Governors to obtain their authorization.

- k. Internal control procedures to manage market risk and liquidity exposure in the positions of financial instruments.

The Interinstitutional Delegate Committee for the Management of Financial Risks Associated to the Financial the Financial Position and to the Price of CDIGR reviews the points mentioned above and the Operating Guidelines of the Risk Management Guidelines are approved.

Finally, there is a budget authorized by the SHCP to meet the commitments already contracted and to be contracted, related with derivative financial instruments.

Important conclusions as of December 31, 2009.

- a. The market value of the transaction in yen stands at 9.5 million dollars in favor of CFE (see section of financial instrument for trading purposes).
- b. During year 2009, 5 Cross Currency Swaps for currencies and interest rates were contracted, where US dollars are exchanged with a Libor rate for Mexican pesos with a fixed rate. As of December 31, 2009, the market value of these transactions amounted to 900 million pesos in favor of the entity.

10. DOCUMENTED DEBT

The balances of the documented debt as of December 31, 2009 and 2008 are composed as follows:

External debt	Type of credit	Weighted interest rate	Maturities	2 0 0 9		2 0 0 8	
				Mexican currency	Foreign currency (thousands)	Mexican currency	Foreign currency (thousands)
In US dollars: at the exchange rate per dollar of \$ 13.0587 as of December, 2009 and of \$ 13.5383 for 2008	Banking	Fixed 1.260% to 8.6905%	Sundry until 2011	\$ 267,527	20,487	\$ 555,560	41,036
	Bilateral	Fixed 1.25% to 2.00%	Sundry until 2032	10,823,858	828,862	12,777,808	943,827
	Bonds	Fixed 1.205% to 8.730%	Sundry until 2036	2,996,972	229,500	3,222,115	238,000
	Revolving	Fixed 1.260% to 8.6905%	Sundry until 2014	913,058	69,920	917,007	67,734
	Syndicate	Fixed 1.260% to 8.6905%	Sundry until 2011	22,199,790	1,700,000	23,015,110	1,700,000
	Trust	Fixed 1.260% to 8.6905%	Sundry until 2011	68,407	5,238	102,821	7,595
Total US dollars				<u>37,269,612</u>	<u>2,854,007</u>	<u>40,590,421</u>	<u>2,998,192</u>
In euros: at the exchange rate for euros of \$ 18.7353 as of December, 2009 and of \$ 19.1432 for 2008	Bank	Fixed of 4.582%	Sundry until 2009			4,927	257
	Bilateral	Fixed of 2.00%	Sundry until 2036	790,510	42,194	471,858	24,648
	Revolving	Fixed of 4.582%	Sundry until 2015	126,999	6,779	154,709	8,082
Total euros				<u>917,509</u>	<u>48,973</u>	<u>631,494</u>	<u>32,987</u>
In Swiss francs: at the exchange rate for Swiss franc of \$ 12.6378 as of December 2009 and of \$ 12.8630 for 2008	Bilateral	Fixed of 1.9218%	Sundry until 2014	1,768,673	139,951	2,332,132	181,305
Total Swiss francs				<u>1,768,673</u>	<u>139,951</u>	<u>2,332,132</u>	<u>181,305</u>
In Japanese yens: at the exchange rate for Japanese yen of \$ 0.1404 as of December 2009 and of \$ 0.1501 for 2008	Bilateral	Fixed of 5.50%	Sundry until 2012	861,366	6,135,083	808,064	5,383,496
Bond		3.83%	Sundry until 2032	4,492,800	32,000,000	4,803,200	32,000,000
Assets received for financial instruments, net (Note 9-b)				(973,820)		(1,154,980)	
				<u>3,518,980</u>	<u>32,000,000</u>	<u>3,648,220</u>	<u>32,000,000</u>
Total Japanese yen				<u>4,380,346</u>		<u>4,456,284</u>	
Total external debt				<u>\$ 44,336,140</u>		<u>\$ 48,010,331</u>	

External debt	Type of credit	Weighted interest rate	Maturities	2 0 0 9		2 0 0 8	
				Mexican currency	Foreign currency (thousands)	Mexican currency	Foreign currency (thousands)
In US dollars: at the exchange rate per dollar of \$ 13.0587 as of December 31, 2009 and of \$ 13.5383 for 2008	Multilateral	Annual cost of loans to government BID 10%	Sundry until 2013	\$ 625,085	47,867	\$ 1,037,432	76,629
Total US dollars				625,085	47,867	1,037,432	76,629
Mexican currency	Revolving		Sundry until 2011	54,607		182,112	
	Bilateral		Sundry until 2012	14,917,975			
Total internal debt				\$ 15,597,667		\$ 1,219,544	
<u>Summary</u>							
Total external debt				\$ 44,336,140		\$ 48,010,331	
Total internal debt				15,597,667		1,219,544	
Total documented debt				\$ 59,933,807		\$ 49,229,875	
Short term debt				\$ 14,717,498		\$ 4,597,148	
Long term debt				45,216,309		44,632,727	
Total short and long term				\$ 59,933,807		\$ 49,229,875	

The short-term and long-term liability for documented debt matures as follows:

<u>Year</u>	<u>Amount</u>
Short term:	
2010	\$ 14,717,498
Long term:	
2011	29,456,020
2012	5,840,059
2013	1,363,546
2014	935,796
2015	594,780
Subsequent years	<u>7,026,108</u>
Total	<u>\$ 59,933,807</u>

11. LEASING OF PLANTS, INSTALLATIONS, EQUIPMENT AND PIDIREGAS

As of December 31, 2009 and 2008, the debt corresponding to the acquisition of plants, installations and equipment through leases and PIDIREGAS was recorded in accordance with Bulletin D-5 "Leases", of the NIF (Note 3-e), are shown in a summarized manner below:

LEASES

<u>Value of the credit</u>	<u>Term of the agreement</u>	Balances as of December 31, 2009 (Thousands)				Balances as of December 31, 2008 (Thousands)			
		Mexican currency		Foreign currency		Mexican currency		Foreign currency	
		<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>
<u>External debt</u>									
368.70 million dollars	2013	\$ 13,978	\$ 181,718	1,070	13,915	\$ 14,492	\$ 202,883	1,070	14,986
238.40 million dollars	2026	<u>21,841</u>	<u>297,259</u>	1,673	22,763	<u>22,644</u>	<u>330,820</u>	1,673	24,436
Total debt in dollars		35,819	478,977			37,136	533,703	2,743	39,422
104.30 million euros	2021	<u>37,240</u>	<u>391,013</u>	1,988	22,858	<u>38,050</u>	<u>437,576</u>	1,988	22,858
Total external debt leases		<u>73,059</u>	<u>869,990</u>			<u>75,186</u>	<u>971,279</u>		

b. PIDIREGAS

Value of the credit	Term of the agreement	Balances as of December 31, 2009 (Thousands)				Balances as of December 31, 2008 (Thousands)			
		Mexican currency		Foreign currency		Mexican currency		Foreign currency	
		Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
<u>External debt</u>									
4,153 million dollars	2009					\$ 1,491,470		110,167	
1,803 million dollars	2010	\$ 366,079	\$ 620,559	28,033	47,521	252,788	\$ 1,027,299	18,672	75,881
4,170 million dollars	2011	437,203	447,495	33,480	34,268	444,281	917,190	32,817	67,748
5,351 million dollars	2012	527,735	909,502	40,413	69,647	547,116	1,490,023	40,412	110,060
2,298 million dollars	2013	223,171	518,734	17,090	39,723	231,366	769,153	17,090	56,813
15,068 million dollars	2014	1,228,424	4,451,993	94,069	340,922	1,352,455	5,889,040	99,898	434,991
9,121 million dollars	2015	363,858	2,246,540	27,863	172,034	4,666,711	2,149,379	344,704	158,763
8,959 million dollars	2016	609,004	3,770,443	46,636	288,730	613,201	4,540,288	45,294	335,366
758 million dollars	2017	67,489	374,229	5,168	28,657	69,967	457,940	5,168	33,826
9,493 million dollars	2019	131,195	2,010,329	10,047	153,946	280,389	2,220,175	20,711	163,992
8,223 million dollars	2037	<u>265,918</u>	<u>6,913,885</u>	20,363	529,447	<u>275,685</u>	<u>7,443,493</u>	20,363	549,810
Total external debt		<u>4,220,076</u>	<u>22,263,709</u>			<u>10,225,429</u>	<u>26,903,980</u>		
<u>Internal debt</u>									
3,650 million pesos	2013	365,024	1,094,921			365,023	1,459,943		
5,533 million pesos	2014	553,344	1,878,337			553,344	2,431,682		
7,285 million pesos	2015	778,101	3,686,316			736,767	4,051,078		
12,037 million pesos	2016	1,238,234	6,769,495			1,238,236	8,007,732		
5,429 million pesos	2017	561,267	3,687,788			550,069	4,142,033		
7,266 million pesos	2018	792,458	5,189,089			679,937	4,893,457		
2,113 million pesos	2019	569,299	4,898,682						
1,178 million pesos	2022	78,547	903,290			78,547	981,837		
49 million pesos	2024	24,454	279,831						
2,491 million pesos	2037	<u>83,664</u>	<u>2,175,271</u>			<u>83,664</u>	<u>2,258,938</u>		
Total internal debt		<u>5,044,392</u>	<u>30,563,020</u>			<u>4,285,587</u>	<u>28,226,700</u>		
Total PIDIREGAS		<u>9,264,468</u>	<u>52,826,729</u>			<u>14,511,016</u>	<u>55,130,680</u>		
Total leases and PIDIREGAS		<u>\$ 9,337,527</u>	<u>\$ 53,696,719</u>			<u>\$ 14,586,202</u>	<u>\$ 56,101,959</u>		

In accordance with the General Public Debt Law, the financing obtained by the Comisión Federal de Electricidad (CFE) forms part of the Public Debt. The National Congress authorizes the amounts of the indebtedness and the Treasury Department reviews the amount of the items which the CFE has to apply each year to fulfill commitments derived from the contracting of financing for their inclusion in the Federal Spending Budget.

As of December 31, 2009 and 2008, the debts contracted for the acquisition of plants, installations and equipment through capital leases are included in detail as follows:

Type of asset	Value of equipment	Interest rates used	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
			Interest	Principal			Mexican pesos		Foreign currency		Mexican pesos		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
ASSETS IN COMMERCIAL OPERATION	104.3 million euros	2.0%	20.0 million euros	104.3 million euros	<u>Principal</u> \$ 934.0 millions (81.43 million euros)	Until the year 2021	\$ 37.240	\$ 391.013	1.988	20.870	\$ 38.050	\$ 437.576	1.988	22.858
2 Integral thermoelectric units with 350 MW capacity each for the C. T. TUXPAN Units 3 and 4					<u>Interest and commissions</u> \$ 176.6 millions (15.06 million euros)									
			Fiduciary fees \$ 202.7 millions		Fiduciary fees \$ 117.188 millions									
2 Integral thermoelectric units with 160 MW capacity each for the C. T. TOPOLOBAMPO II Units 1 and 2	368.7 million US dollars	2.75%	226.1 million US dollars	368.7 million US dollars	<u>Principal</u> \$ 3,765.7 millions (353.760 million US dollars)	Until the year 2013	13.978	181.718	1.070	13.915	14.492	202.883	1.070	14.986
					<u>Interest</u> \$ 2,400.2 millions (224.553 million US dollars)									
			Fiduciary fees \$ 2,095.0 millions		Fiduciary fees \$ 990.213 millions									
2 Integral hydroelectric units with 100 MW capacity each for the C. H. TEMASCAL II Units 5 and 6	238.4 million US dollars	2.5%	114.3 million US dollars	238.4 million US dollars	<u>Principal</u> \$ 2,785.0 millions (214.020 million US dollars)	Until the year 2026	21.841	297.259	1.673	22.763	22.644	330.820	1.673	24.436
					<u>Interest</u> \$ 1,114.4 millions (107.202 million US dollars)									
			Fiduciary fees \$ 150.6 millions		Fiduciary fees \$ 101.177 millions									
TOTAL EXTERNAL DEBT							73.059	869.990			75.186	971.279		
TOTAL LEASES								\$ 943.049				\$ 1,046.465		

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
3 multi-shaft combined cycle type modules, with a nominal generation capacity of 168.6 MW each, for the C.C.C. Samalayuca II. M - 1, 2 and 3.	701.22 million US dollars	578.47 million US dollars in interest	701.22 million US dollars	<u>Principal</u> \$ 7,015.53 millions (537.23 million US dollars) <u>Interest</u> \$ 6,028.15 millions (461.62 million US dollars) <u>Other expenses</u> \$ 948.19 millions (72.61 million US dollars)	Up to the year 2019	9,157.022	131.195	2,010.329	10.047	153.946	280.389	2,220.175	20.711	163.992
LT 211 CABLE SUBMARINO	100.02 million US dollars	50.28 million US dollars in interest 3.01 million US dollars in other expenses	100.02 million US dollars	<u>Principal</u> \$ 1,306.13 millions (100.02 million US dollars) <u>Interest</u> \$ 656.59 millions (50.28 million US dollars) <u>Other expenses</u> \$ 39.18 millions (3.00 million US dollars)	Up to the year 2009	1,306.131	0	0	0	0	106.974	0	7.902	0
LT 214 AND 215 SURESTE PENINSULAR	133.18 million US dollars	123.65 million US dollars in interest 16.21 million US dollars in other expenses	133.18 million US dollars	<u>Principal</u> \$ 745.78 millions (57.11 million US dollars) <u>Interest</u> \$ 1,376.00 millions (105.37 million US dollars) <u>Other expenses</u> \$ 162.32 millions (12.43 million US dollars)	Up to the year 2010	1,739.158	366.079	620.559	28.033	47.521	252.788	1,027.299	18.672	75.881
LT 216 AND 217 NOROESTE	106.41 million US dollars	80.86 million US dollars in interest 3.87 million US dollars in other expenses	106.41 million US dollars	<u>Principal</u> \$ 1,389.58 millions (106.41 million US dollars) <u>Interest</u> \$ 1,055.93 millions (80.86 million US dollars) <u>Other expenses</u> \$ 49.88 millions (3.82 million US dollars)	Up to the year 2009	1,389.576	0	0	0	0	957.752	0	70.744	0
SE 212 AND 213 SF6 POTENCIA DISTRIBUCION	175.18 million US dollars	162.96 million US dollars in interest 8.09 million US dollars in other expenses	175.18 million US dollars	<u>Principal</u> \$ 1,012.57 millions (77.54 million US dollars) <u>Interest</u> \$ 1,673.47 millions (128.15 million US dollars) <u>Other expenses</u> \$ 77.44 millions (5.93 million US dollars)	Up to the year 2014	2,287.623	15.810	1,259.164	1.211	96.423	94.889	1,321.800	7.009	97.634

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
L.T. 302 SURESTE	41.16 million US dollars	18.73 million US dollars in interest	41.16 million US dollars	<u>Principal</u> \$ 425.45 millions (32.58 million US dollars) <u>Interest</u> \$ 233.62 millions (17.89 million US dollars) <u>Other expenses</u> \$ 3.79 millions (0.29 million US dollars)	Up to the year 2012	537.496	56.028	56.028	4.290	4.290	58.086	116.172	4.290	8.581
L.T. 303 IXTAPA - PIE DE LA CUESTA	27.68 million US dollars	11.60 million US dollars in interest	27.68 million US dollars	<u>Principal</u> \$ 289.12 millions (22.14 million US dollars) <u>Interest</u> \$ 145.47 millions (11.14 million US dollars) <u>Other expenses</u> \$ 0.78 millions (0.06 million US dollars)	Up to the year 2011	361.465	36.146	36.146	2.768	2.768	37.473	74.947	2.768	5.536
L.T. 304 NOROESTE	28.22 million US dollars	14.05 million US dollars in interest	28.22 million US dollars	<u>Principal</u> \$ 294.87 millions (22.58 million US dollars) <u>Interest</u> \$ 175.25 millions (13.42 million US dollars) <u>Other expenses</u> \$ 1.83 millions (0.14 million US dollars)	Up to the year 2011	368.517	36.852	36.852	2.822	2.822	38.206	76.411	2.822	5.644
L.T. 305 CENTRO - ORIENTE	36.48 million US dollars	17.65 million US dollars in interest	36.48 million US dollars	<u>Principal</u> \$ 381.05 millions (29.18 million US dollars) <u>Interest</u> \$ 219.91 millions (16.84 million US dollars) <u>Other expenses</u> \$ 0.26 millions (0.02 million US dollars)	Up to the year 2011	476.381	47.636	47.636	3.648	3.648	49.386	98.772	3.648	7.296
L.T. 306 SURESTE	44.99 million US dollars	18.93 million US dollars in interest	44.99 million US dollars	<u>Principal</u> \$ 469.98 millions (35.99 million US dollars) <u>Interest</u> \$ 237.41 millions (18.18 million US dollars) <u>Other expenses</u> \$ 1.44 millions (0.11 million US dollars)	Up to the year 2011	587.511	58.750	58.750	4.499	4.499	60.907	121.815	4.499	8.998

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
L.T. 307 NORESTE	24.34 million US dollars	12.47 million US dollars in interest	24.34 million US dollars	<u>Principal</u> \$ 254.25 millions (19.47 million US dollars) <u>Interest</u> \$ 155.66 millions (11.92 million US dollars) <u>Other expenses</u> \$ 2.48 millions (0.19 million US dollars)	Up to the year 2011	317.849	31.784	31.784	2.434	2.434	32.951	65.902	2.434	4.868
L.T. 308 NOROESTE	44.13 million US dollars	21.14 million US dollars in interest	44.13 million US dollars	<u>Principal</u> \$ 460.97 millions (35.30 million US dollars) <u>Interest</u> \$ 263.26 millions (20.16 million US dollars) <u>Other expenses</u> \$ 6.79 millions (0.52 million US dollars)	Up to the year 2012	576.280	57.629	57.629	4.413	4.413	59.745	119.491	4.413	8.826
C. G. LOS AZUFRES II AND CAMPO GEOTÉRMICO	53.90 million US dollars	15.70 million US dollars in interest	53.90 million US dollars	<u>Principal</u> \$ 422.58 millions (32.36 million US dollars) <u>Interest</u> \$ 170.94 millions (13.09 million US dollars)	Up to the year 2014	703.863	70.522	210.762	5.400	16.140	73.113	291.615	5.400	21.540
C. H. MANUEL MORENO TORRES	76.50 million US dollars	26.39 million dollars in interest	76.50 million US dollars	<u>Principal</u> \$ 453.66 millions (34.74 million US dollars) <u>Interest</u> \$ 237.28 millions (18.17 million US dollars) <u>Other expenses</u> \$ 20.37 millions (1.56 million US dollars)	Up to the year 2016	998.990	91.559	453.717	7.011	34.744	94.921	565.302	7.011	41.756
L.T. 406 RED ASOCIADA A TUXPAN II, III Y IV	121.94 million US dollars	43.94 million US dollars in interest	121.94 million US dollars	<u>Principal</u> \$ 1,097.19 millions (84.02 million US dollars) <u>Interest</u> \$ 519.21 millions (39.76 million US dollars) <u>Other expenses</u> \$ 1.70 millions (0.13 million US dollars)	Up to the year 2014	1.592.378	161.591	333.564	12.374	25.543	167.526	513.341	12.374	37.918

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
L.T. 407 RED ASOCIADA A ALTAMIRA II, III Y IV	297.60 million US dollars	117.79 million US dollars in interest	297.60 million US dollars	<u>Principal</u> \$ 2,823.42 millions (216.21 million US dollars) <u>Interest</u> \$ 1,416.09 millions (108.44 million US dollars) <u>Other expenses</u> \$ 4.70 millions (0.36 million US dollars)	Up to the year 2014	3,886,269	398,742	664,204	30,535	50,863	413,387	1,101,985	30,535	81,398
L.T. 408 NACAZARI - NOGALES AREAS NOROESTE	44.63 million US dollars	15.39 million US dollars in interest	44.63 million US dollars	<u>Principal</u> \$ 409.52 millions (31.36 million US dollars) <u>Interest</u> \$ 182.04 millions (13.94 million US dollars)	Up to the year 2013	582,810	59,789	109,989	4,578	8,423	61,984	176,013	4,578	13,001
L.T. 411 SISTEMA NACIONAL	85.68 million US dollars	28.04 million US dollars in interest	85.68 million US dollars	<u>Principal</u> \$ 760.15 millions (58.21 million US dollars) <u>Interest</u> \$ 325.29 millions (24.91 million US dollars) <u>Other expenses</u> \$ 0.26 millions (0.02 million US dollars)	Up to the year 2014	1,118,869	116,896	241,831	8,952	18,519	121,189	371,901	8,952	27,470
L.T. 409 MANUEL MORENO TORRES	101.86 million US dollars	26.56 million US dollars in interest	101.86 million US dollars	<u>Principal</u> \$ 731.55 millions (56.02 million US dollars) <u>Interest</u> \$ 273.19 millions (20.92 million US dollars)	Up to the year 2014	1,330,159	133,019	465,568	10,186	35,652	137,905	620,572	10,186	45,838
SE 401 OCCIDENTAL - CENTRAL	64.30 million US dollars	22.23 million US dollars in interest	64.30 million US dollars	<u>Principal</u> \$ 589.34 millions (45.13 million US dollars) <u>Interest</u> \$ 261.04 millions (19.99 million US dollars) <u>Other expenses</u> \$ 0.26 millions (0.02 million US dollars)	Up to the year 2012	839,674	87,569	162,710	6,706	12,460	90,785	259,471	6,706	19,166

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
SE 402 ORIENTAL PENINSULAR	73.13 million US dollars	18.45 million US dollars in interest	73.13 million US dollars	<u>Principal</u> \$ 620.68 millions (47.53 million US dollars) <u>Interest</u> \$ 208.81 millions (15.99 million US dollars) <u>Other expenses</u> \$ 0.13 millions (0.01 million US dollars)	Up to the year 2013	954.983	95.494	238.735	7.313	18.282	99.001	346.503	7.313	25.594
L.T. 403 NORESTE	72.49 million US dollars	26.79 million US dollars in interest	72.49 million US dollars	<u>Principal</u> \$ 728.15 millions (55.76 million US dollars) <u>Interest</u> \$ 329.60 millions (25.24 million US dollars)	Up to the year 2012	946.625	97.747	120.799	7.485	9.250	101.337	226.573	7.485	16.736
L.T. 404 NOROESTE - NORTE	40.50 million US dollars	15.06 million US dollars in interest	40.50 million US dollars	<u>Principal</u> \$ 414.35 millions (31.73 million US dollars) <u>Interest</u> \$ 187.65 millions (14.37 million US dollars)	Up to the year 2011	528.877	57.264	57.264	4.385	4.385	59.367	118.733	4.385	8.770
SE 405 COMPENSACION ALTA TENSION	8.59 million US dollars	2.19 million US dollars in interest	8.59 million US dollars	<u>Principal</u> \$ 72.61 millions (5.56 million US dollars) <u>Interest</u> \$ 24.68 millions (1.89 million US dollars)	Up to the year 2013	112.174	11.215	28.329	859	2.169	11.627	40.996	859	3.028
L.T. 410 SISTEMA NACIONAL	173.17 million US dollars	63.85 million US dollars in interest	173.17 million US dollars	<u>Principal</u> \$ 1,520.29 millions (116.42 million US dollars) <u>Interest</u> \$ 736.77 millions 56.42 million US dollars <u>Other expenses</u> \$ 1.04 millions (0.08 million US dollars)	Up to the year 2012	2,261.375	228.762	512.337	17.518	39.233	237.163	768.316	17.518	56.751
C. C. EL SAUZ CONVERSION DE TG A CC	56.86 million US dollars	15.65 million US dollars in interest	56.86 million US dollars	<u>Principal</u> \$ 371.26 millions (28.43 million US dollars) <u>Interest</u> \$ 151.22 millions (11.58 million US dollars)	Up to the year 2015	742.518	61.873	309.367	4.738	23.691	64.146	384.875	4.738	28.429

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
L.T. 414 NORTE - OCCIDENTAL	65.67 million US dollars	19.49 million US dollars in interest	65.67 million US dollars	<u>Principal</u> \$ 487.87 millions (37.36 million US dollars) <u>Interest</u> \$ 206.98 millions (15.85 million US dollars)	Up to the year 2014	857.565	85.760	283.911	6.567	21.741	88.909	383.248	6.567	28.308
L.T. 502 ORIENTAL - NORTE	3.80 million US dollars	1.16 million US dollars in interest	3.80 million US dollars	<u>Principal</u> \$ 22.33 millions (1.71 million US dollars) <u>Interest</u> \$ 10.58 millions (0.81 million US dollars)	Up to the year 2015	49.623	4.961	22.323	380	1.709	5.143	28.286	380	2.089
LT 506 SALTILLO - CAÑADA	57.78 million US dollars	15.25 million US dollars in interest	57.78 million US dollars	<u>Principal</u> \$ 415.01 millions (31.78 million US dollars) <u>Interest</u> \$ 157.36 millions (12.05 million US dollars)	Up to the year 2014	754.532	75.451	264.079	5.778	20.222	78.222	352.000	5.778	26.000
SE 412 COMPENSACION NORTE	22.00 million US dollars	5.42 million US dollars in interest	22.00 million US dollars	<u>Principal</u> \$ 186.74 millions (14.30 million US dollars) <u>Interest</u> \$ 61.38 millions (4.70 million US dollars)	Up to the year 2013	287.291	28.725	71.813	2.200	5.499	29.780	104.231	2.200	7.699
SE 413 NOROESTE - OCCIDENTAL	23.10 million US dollars	6.06 million US dollars in interest	23.10 million US dollars	<u>Principal</u> \$ 165.85 millions (12.70 million US dollars) <u>Interest</u> \$ 62.42 millions (4.78 million US dollars)	Up to the year 2014	301.656	30.159	105.558	2.310	8.083	31.267	140.702	2.310	10.393
SE 503 ORIENTAL	21.40 million US dollars	5.42 million US dollars in interest	21.40 million US dollars	<u>Principal</u> \$ 181.65 millions (13.91 million US dollars) <u>Interest</u> \$ 61.38 millions (4.70 million US dollars)	Up to the year 2013	279.456	27.948	69.869	2.140	5.350	28.974	101.410	2.140	7.491
SE 504 NORTE - OCCIDENTAL	31.71 million US dollars	8.33 million US dollars in interest	31.71 million US dollars	<u>Principal</u> \$ 249.42 millions (19.10 million US dollars) <u>Interest</u> \$ 91.02 millions (6.97 million US dollars)	Up to the year 2014	414.091	41.410	123.229	3.171	9.437	42.931	170.686	3.171	12.608

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
C. C. I. BAJA CALIFORNIA SUR I	56.00 million US dollars	16.23 million dollars in interest	56.00 million US dollars	<u>Principal</u> \$ 289.64 millions (22.18 million US dollars) <u>Interest</u> \$ 130.20 millions (9.97 million US dollars)	Up to the year 2017	731.287	67.489	374.229	5.168	28.657	69.967	457.940	5.168	33.826
L.T. 610 TRANSMISION NOROESTE NORTE F 1	24.63 million US dollars	7.50 million US dollars in interest	24.63 million US dollars	<u>Principal</u> \$ 144.73 millions (11.08 million US dollars) <u>Interest</u> \$ 68.69 millions (5.26 million US dollars) <u>Other expenses</u> \$ 13.06 millions (1.00 million US dollars)	Up to the year 2015	321.636	32.166	144.748	2.463	11.084	33.348	183.412	2.463	13.548
L.T. 612 SUBTRANSMISION NORTE NORESTE F 1	5.01 million US dollars	1.53 million US dollars in interest	5.01 million US dollars	<u>Principal</u> \$ 29.51 millions (2.26 million US dollars) <u>Interest</u> \$ 13.97 millions (1.07 million US dollars)	Up to the year 2015	65.424	6.546	29.455	501	2.256	6.786	37.323	501	2.757
SE 613 SUBTRANSMISION OCCIDENTAL	7.39 million US dollars	2.25 million US dollars in interest	7.39 million US dollars	<u>Principal</u> \$ 43.35 millions (3.32 million US dollars) <u>Interest</u> \$ 20.63 millions (1.58 million US dollars)	Up to the year 2015	96.504	9.644	43.398	739	3.323	9.998	54.990	738	4.062
L.T. 614 SUBTRANSMISION ORIENTAL	12.17 million US dollars	3.67 million US dollars in interest	12.17 million US dollars	<u>Principal</u> \$ 71.56 millions (5.48 million US dollars) <u>Interest</u> \$ 33.43 millions (2.56 million US dollars)	Up to the year 2015	158.924	15.897	71.537	1.217	5.478	16.481	90.645	1.217	6.695
L.T. 712 RAT A LA CCI BAJA CALIFORNIA SUR I	21.18 million US dollars	5.52 million US dollars in interest	21.18 million US dollars	<u>Principal</u> \$ 152.13 millions (11.65 million US dollars) <u>Interest</u> \$ 56.81 millions (4.35 million US dollars)	Up to the year 2014	276.583	27.657	96.799	2.118	7.413	28.673	129.026	2.118	9.530
SE 607 SISTEMA BAJIO - ORIENTAL	4.90 million US dollars	1.27 million US dollars in interest	4.90 million US dollars	<u>Principal</u> \$ 35.13 millions (2.69 million US dollars) <u>Interest</u> \$ 13.06 millions (1.00 million US dollars)	Up to the year 2014	63.988	6.393	22.376	490	1.713	6.628	29.826	490	2.203

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
L. T. 411 SISTEMA NACIONAL	514.60 million Mexican pesos	227.42 million Mexican pesos	514.60 million Mexican pesos	<u>Principal</u> \$ 308.76 millions <u>Interest</u> \$ 188.51 millions	Up to the year 2013	514.600	51.460	154.380			51.460	205.840		
L. T. 409 MANUEL MORENO TORRES	1,958.71 million Mexican pesos	878.41 million Mexican pesos	1,958.71 million Mexican pesos	<u>Principal</u> \$ 1,125.51 millions <u>Interest</u> \$ 704.88 millions	Up to the year 2014	1,958.710	195.871	637.328			195.871	833.199		
SE 402 ORIENTAL - PENINSULAR	47.33 million Mexican pesos	20.49 million Mexican pesos	47.33 million Mexican pesos	<u>Principal</u> \$ 21.30 millions <u>Interest</u> \$ 13.37 millions	Up to the year 2015	47.329	4.733	21.298			4.733	26.031		
C. C. EL SAUZ CONVERSION DE TG a CC	637.69 million Mexican pesos	273.76 million Mexican pesos	637.69 million Mexican pesos	<u>Principal</u> \$ 382.61 millions <u>Interest</u> \$ 222.54 millions	Up to the year 2013	637.689	63.769	191.307			63.769	255.076		
L. T. 502 ORIENTAL - NORTE	125.88 million Mexican pesos	60.05 million Mexican pesos	125.88 million Mexican pesos	<u>Principal</u> \$ 62.94 millions <u>Interest</u> \$ 43.70 millions	Up to the year 2014	125.880	12.588	50.352			12.588	62.940		
L. T. 506 SALTILLO - CAÑADA	2,117.98 million Mexican pesos	914.83 million Mexican pesos	2,117.98 million Mexican pesos	<u>Principal</u> \$ 1,270.79 millions <u>Interest</u> \$ 754.67 millions	Up to the year 2013	2,117.980	211.798	635.394			211.798	847.192		
L. T. 715 RAT A LA CENTRAL TAMAZUNCHALE	1,166.18 million Mexican pesos	502.16 million Mexican pesos	1,166.18 million Mexican pesos	<u>Principal</u> \$ 361.65 millions <u>Interest</u> \$ 241.79 millions	Up to the year 2016	1,166.182	120.551	683.977			120.551	804.528		
L. T. 509 RED ASOCIADA RIO BRAVO III	497.45 million Mexican pesos	227.08 million Mexican pesos	497.45 million Mexican pesos	<u>Principal</u> \$ 284.79 millions <u>Interest</u> \$ 121.29 millions	Up to the year 2014	497.449	49.745	162.918			49.745	212.663		
SE 413 NOROESTE - OCCIDENTAL	391.41 million Mexican pesos	183.37 million Mexican pesos	391.41 million Mexican pesos	<u>Principal</u> \$ 197.25 millions <u>Interest</u> \$ 134.21 millions	Up to the year 2014	391.408	39.141	155.018			39.141	194.159		
SE 504 NORTE - OCCIDENTAL	147.16 million Mexican pesos	65.25 million Mexican pesos	147.16 million Mexican pesos	<u>Principal</u> \$ 88.30 millions <u>Interest</u> \$ 54.12 millions	Up to the year 2013	147.164	14.716	44.149			14.716	58.866		
L.T. 609 TRANSMISION NOROESTE OCCIDENTAL	1,378.65 million Mexican pesos	610.87 million Mexican pesos	1,378.65 million Mexican pesos	<u>Principal</u> \$ 620.39 millions <u>Interest</u> \$ 403.34 millions	Up to the year 2015	1,378.651	137.865	620.393			137.865	758.258		

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
L. T. 610 TRANSMISION NOROESTE-NORTE	1,423.71 million Mexican pesos	667.94 million Mexican pesos	1,423.71 million Mexican pesos	<u>Principal</u> \$ 619.14 millions <u>Interest</u> \$ 429.90 millions	Up to the year 2018	1,423.710	142.371	662.200			142.371	804.571		
L. T. 612 SUBTRANSMISION NORTE-NORESTE	261.41 million Mexican pesos	112.31 million Mexican pesos	261.41 million Mexican pesos	<u>Principal</u> \$ 95.96 millions <u>Interest</u> \$ 61.30 millions	Up to the year 2016	261.406	26.735	138.714			26.735	165.448		
L. T. 613 SUBTRANSMISION OCCIDENTAL	227.82 million Mexican pesos	110.25 million Mexican pesos	227.82 million Mexican pesos	<u>Principal</u> \$ 113.44 millions <u>Interest</u> \$ 80.19 millions	Up to the year 2015	227.822	22.814	91.572			22.814	114.386		
L. T. 614 SUBTRANSMISION ORIENTAL	48.72 million Mexican pesos	21.81 million Mexican pesos	48.72 million Mexican pesos	<u>Principal</u> \$ 22.35 millions <u>Interest</u> \$ 14.63 millions	Up to the year 2016	48.715	4.890	21.479			4.890	26.369		
L. T. 615 SUBTRANSMISION PENINSULAR	286.27 million Mexican pesos	129.27 million Mexican pesos	286.27 million Mexican pesos	<u>Principal</u> \$ 126.33 millions <u>Interest</u> \$ 84.87 millions	Up to the year 2016	286.271	29.162	130.775			29.162	159.937		
LT 1012 RTA A LA CCC BAJA CALIFORNIA	139.17 million Mexican pesos	57.72 million Mexican pesos	139.17 million Mexican pesos	<u>Principal</u> \$ 14.65 millions <u>Interest</u> \$ 10.19 millions	Up to the year 2018	139.168	14.649	109.870			14.649	124.519		
SE 607 SISTEMA BAJIO ORIENTAL	806.96 million Mexican pesos	340.52 million Mexican pesos	806.96 million Mexican pesos	<u>Principal</u> \$ 479.57 millions <u>Interest</u> \$ 277.22 millions	Up to the year 2014	806.959	80.696	246.694			80.696	327.390		
L.T. 611 SUBTRANSMISION BAJA CALIFORNIA NOROESTE	330.91 million Mexican pesos	136.39 million Mexican pesos	330.91 million Mexican pesos	<u>Principal</u> \$ 106.97 millions <u>Interest</u> \$ 66.20 millions	Up to the year 2016	330.910	35.023	188.921			35.023	223.945		
SUMINISTRO DE VAPOR A LAS CENTRALES DE CERRO PRIETO	1,091.40 million Mexican pesos	474.89 million Mexican pesos	1,091.40 million Mexican pesos	<u>Principal</u> \$ 453.15 millions <u>Interest</u> \$ 291.52 millions	Up to the year 2016	1,091.405	110.443	527.816			110.443	638.258		
CC HERMOSILLO CONVERSION DE TG A CC	813.96 million Mexican pesos	330.87 million Mexican pesos	813.96 million Mexican pesos	<u>Principal</u> \$ 342.72 millions <u>Interest</u> \$ 201.90 millions	Up to the year 2015	813.960	85.680	385.560			85.680	471.240		
CH EL CAJON	2,491.18 million Mexican pesos	3,206.12 million Mexican pesos	2,491.18 million Mexican pesos	<u>Principal</u> \$ 232.24 millions <u>Interest</u> \$ 511.37 millions	Up to the year 2037	2,491.179	83.664	2,175.274			83.664	2,258.938		

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
L. T. 723 LINEAS CENTRO	70.93 million Mexican pesos	28.89 million Mexican pesos	70.93 million Mexican pesos	<u>Principal</u> \$ 28.02 millions <u>Interest</u> \$ 16.66 millions	Up to the year 2016	70.935	7.330	35.582			7.330	42.912		
L. T. 714 RTA A LA C. H. EL CAJON	747.40 million Mexican pesos	304.17 million Mexican pesos	747.40 million Mexican pesos	<u>Principal</u> \$ 248.25 millions <u>Interest</u> \$ 146.45 millions	Up to the year 2016	747.404	76.792	422.358			76.792	499.150		
L.T. 710 RTA A LA CC ALTAMIRA V	660.79 million Mexican pesos	285.67 million Mexican pesos	660.79 million Mexican pesos	<u>Principal</u> \$ 199.90 millions <u>Interest</u> \$ 135.68 millions	Up to the year 2016	660.794	68.422	392.473			68.422	460.895		
L. T. 711 RTA A CC LA LAGUNA II	233.12 million Mexican pesos	113.22 million Mexican pesos	233.12 million Mexican pesos	<u>Principal</u> \$ 116.56 millions <u>Interest</u> \$ 82.62 millions	Up to the year 2014	233.119	23.312	93.247			23.312	116.559		
L. T. 707 ENLACE NORTE - SUR	378.59 million Mexican pesos	189.82 million Mexican pesos	378.59 million Mexican pesos	<u>Principal</u> \$ 208.23 millions <u>Interest</u> \$ 148.20 millions	Up to the year 2014	378.591	37.859	132.507			37.859	170.366		
L.T. 717 RIVIERA MAYA	422.14 million Mexican pesos	200.48 million Mexican pesos	422.14 million Mexican pesos	<u>Principal</u> \$ 211.07 millions <u>Interest</u> \$ 145.08 millions	Up to the year 2014	422.139	42.214	168.856			42.214	211.070		
PRESA REGULADORA AMATA	144.42 million Mexican pesos	61.65 million Mexican pesos	144.42 million Mexican pesos	<u>Principal</u> \$ 64.99 millions <u>Interest</u> \$ 39.91 millions	Up to the year 2015	144.418	14.442	64.988			14.442	79.430		
RM ADOLFO LOPEZ MATEOS	329.18 million Mexican pesos	141.43 million Mexican pesos	329.18 million Mexican pesos	<u>Principal</u> \$ 143.48 millions <u>Interest</u> \$ 90.60 millions	Up to the year 2015	329.182	33.764	151.940			33.764	185.704		
RM CARBON II	42.04 million Mexican pesos	20.33 million Mexican pesos	42.04 million Mexican pesos	<u>Principal</u> \$ 21.02 millions <u>Interest</u> \$ 14.81 millions	Up to the year 2014	42.043	4.204	16.817			4.204	21.021		
RM CT CARLOS RODRIGUEZ RIVERO	205.00 million Mexican pesos	88.97 million Mexican pesos	205.00 million Mexican pesos	<u>Principal</u> \$ 67.91 millions <u>Interest</u> \$ 44.49 millions	Up to the year 2016	204.997	21.091	116.001			21.091	137.092		
RM EMILIO PORTES GIL	2.80 million Mexican pesos	1.40 million Mexican pesos	2.80 million Mexican pesos	<u>Principal</u> \$ 1.54 millions <u>Interest</u> \$ 1.10 millions	Up to the year 2014	2.797	280	979			280	1.259		

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
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RM CT CARBON II UNIDADES 2 Y 4	96.14 million Mexican pesos	38.10 million Mexican pesos	96.14 million Mexican pesos	<u>Principal</u> \$ 40.48 millions <u>Interest</u> \$ 22.87 millions	Up to the year 2015	96.137	41.334	372.005			10.120	55.659		
RM CT EMILIO PORTES GIL UNIDAD 4	389.24 million Mexican pesos	143.28 million Mexican pesos	389.24 million Mexican pesos	<u>Principal</u> \$ 106.67 millions <u>Interest</u> \$ 52.80 millions	Up to the year 2017	389.238	42.668	239.901			42.668	282.569		
RM CT FRANCISCO PEREZ RIOS U 5	345.18 million Mexican pesos	143.56 million Mexican pesos	345.18 million Mexican pesos	<u>Principal</u> \$ 120.81 millions <u>Interest</u> \$ 75.68 millions	Up to the year 2016	345.182	34.518	189.850			34.518	224.369		
RM CT PDTE ADOLFO LOPEZ MATEOS UNIDADES 3, 4, 5 y 6	481.60 million Mexican pesos	199.52 million Mexican pesos	481.60 million Mexican pesos	<u>Principal</u> \$ 122.41 millions <u>Interest</u> \$ 76.83 millions	Up to the year 2017	481.597	48.798	310.391			48.798	359.189		
RM CT PDTE PLUTARCO ELIAS CALLES UNIDADES 1 Y 2	224.01 million Mexican pesos	89.71 million Mexican pesos	224.01 million Mexican pesos	<u>Principal</u> \$ 59.06 millions <u>Interest</u> \$ 35.74 millions	Up to the year 2016	224.010	23.623	141.330			23.623	164.953		
SE 811 NOROESTE	120.48 million Mexican pesos	50.06 million Mexican pesos	120.48 million Mexican pesos	<u>Principal</u> \$ 42.17 millions <u>Interest</u> \$ 26.36 millions	Up to the year 2016	120.480	12.048	66.264			12.048	78.312		
SE 812 GOLFO NORTE	57.31 million Mexican pesos	23.98 million Mexican pesos	57.31 million Mexican pesos	<u>Principal</u> \$ 18.11 millions <u>Interest</u> \$ 11.85 millions	Up to the year 2016	57.305	6.030	33.165			6.030	39.196		
SE 813 DIVISION BAJIO	582.59 million Mexican pesos	243.09 million Mexican pesos	582.59 million Mexican pesos	<u>Principal</u> \$ 111.81 millions <u>Interest</u> \$ 73.31 millions	Up to the year 2018	582.587	58.975	411.798			58.975	470.773		
SLT 801 ALTIPLANO	924.70 million Mexican pesos	372.52 million Mexican pesos	924.70 million Mexican pesos	<u>Principal</u> \$ 287.01 millions <u>Interest</u> \$ 165.04 millions	Up to the year 2016	924.704	94.957	542.736			94.957	637.693		
SLT 802 TAMAULIPAS	776.33 million Mexican pesos	327.89 million Mexican pesos	776.33 million Mexican pesos	<u>Principal</u> \$ 194.08 millions <u>Interest</u> \$ 128.96 millions	Up to the year 2017	776.331	77.633	504.615			77.633	582.248		
SLT 803 NOINE	721.47 million Mexican pesos	292.34 million Mexican pesos	721.47 million Mexican pesos	<u>Principal</u> \$ 178.94 millions <u>Interest</u> \$ 108.21 millions	Up to the year 2016	721.468	74.597	467.928			74.597	542.525		

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
SLT 806 BAJIO	701.78 million Mexican pesos	298.56 million Mexican pesos	701.78 million Mexican pesos	<u>Principal</u> \$ 245.62 millions <u>Interest</u> \$ 155.39 millions	Up to the year 2016	701.776	70.178	385.977			70.178	456.154		
CE LA VENTA II	1,178.20 million Mexican pesos	815.49 million Mexican pesos	1,178.20 million Mexican pesos	<u>Principal</u> \$ 196.37 millions <u>Interest</u> \$ 240.19 millions	Up to the year 2022	1.178.204	78.547	903.290			78.547	981.837		
L. T. 904 RTA A LA CE LA VENTA II	74.80 million Mexican pesos	32.24 million Mexican pesos	74.80 million Mexican pesos	<u>Principal</u> \$ 22.44 millions <u>Interest</u> \$ 15.75 millions	Up to the year 2016	74.804	7.480	44.883			7.480	52.363		
SE 911 NORESTE	98.36 million Mexican pesos	41.53 million Mexican pesos	98.36 million Mexican pesos	<u>Principal</u> \$ 24.59 millions <u>Interest</u> \$ 15.39 millions	Up to the year 2017	98.359	9.836	63.934			9.836	73.770		
SE 915 OCCIDENTAL	122.00 million Mexican pesos	52.04 million Mexican pesos	122.00 million Mexican pesos	<u>Principal</u> \$ 18.30 millions <u>Interest</u> \$ 12.45 millions	Up to the year 2018	121.999	12.200	91.499			12.200	103.699		
SLT 901 PACIFICO	431.09 million Mexican pesos	178.85 million Mexican pesos	431.09 million Mexican pesos	<u>Principal</u> \$ 55.56 millions <u>Interest</u> \$ 38.95 millions	Up to the year 2018	431.093	44.647	330.886			44.647	375.533		
SLT 902 ISTMO	893.03 million Mexican pesos	365.38 million Mexican pesos	893.03 million Mexican pesos	<u>Principal</u> \$ 206.01 millions <u>Interest</u> \$ 133.87 millions	Up to the year 2017	893.033	89.434	597.584			89.434	687.019		
SLT 903 CABO - NORTE	619.45 million Mexican pesos	253.71 million Mexican pesos	619.45 million Mexican pesos	<u>Principal</u> \$ 192.66 millions <u>Interest</u> \$ 116.78 millions	Up to the year 2016	619.448	64.749	362.038			64.749	426.787		
SOUTH PROJECT FIBER OPTICS NETWORK	305.28 million Mexican pesos	88.65 million Mexican pesos	305.28 million Mexican pesos	<u>Principal</u> \$ 78.50 millions <u>Interest</u> \$ 43.61 millions	Up to the year 2017	292.141	32.715	194.063			31.401	213.638		
CENTRAL PROJECT FIBER OPTICS NETWORK	491.87 million Mexican pesos	224.69 million Mexican pesos	491.87 million Mexican pesos	<u>Principal</u> \$ 129.44 millions <u>Interest</u> \$ 103.60 millions	Up to the year 2016	491.868	51.776	310.654			51.776	362.429		
NORTH PROJECT FIBER OPTICS NETWORK	492.88 million Mexican pesos	208.77 million Mexican pesos	492.88 million Mexican pesos	<u>Principal</u> \$ 123.22 millions <u>Interest</u> \$ 77.75 millions	Up to the year 2017	492.882	49.288	320.373			49.288	369.661		

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
SE 1005 NOROESTE	534.51 million Mexican pesos	131.54 million Mexican pesos	534.51 million Mexican pesos	<u>Principal</u> \$ 34.34 millions <u>Interest</u> \$ 22.35 millions	Up to the year 2018	93.479	58.844	441.328			9.840	83.639		
RM CT PUERTO LIBERTAD U 4	142.73 million Mexican pesos	61.39 million Mexican pesos	142.73 million Mexican pesos	<u>Principal</u> \$ 42.82 millions <u>Interest</u> \$ 28.05 millions	Up to the year 2016	142.728	14.273	85.637			14.273	99.909		
RM CT VALLE DE MEXICO UNIDADES 5,6 Y 7	49.79 million Mexican pesos	18.36 million Mexican pesos	49.79 million Mexican pesos	<u>Principal</u> \$ 13.83 millions <u>Interest</u> \$ 6.94 millions	Up to the year 2016	49.791	5.532	30.428			5.532	35.961		
RM CCC SAMALAYUCA II	11.72 million Mexican pesos	4.62 million Mexican pesos	11.72 million Mexican pesos	<u>Principal</u> \$ 3.26 millions <u>Interest</u> \$ 1.96 millions	Up to the year 2016	11.718	1.302	7.161			1.302	8.463		
RM CCC EL SAUZ	46.16 million Mexican pesos	18.63 million Mexican pesos	46.16 million Mexican pesos	<u>Principal</u> \$ 10.39 millions <u>Interest</u> \$ 6.45 millions	Up to the year 2017	46.162	4.616	31.158			4.616	35.774		
RM CCC HUINALA II	19.66 million Mexican pesos	8.14 million Mexican pesos	19.66 million Mexican pesos	<u>Principal</u> \$ 2.95 millions <u>Interest</u> \$ 1.76 millions	Up to the year 2018	19.655	1.966	14.741			1.966	16.707		
SE 1004 COMPENSACION DINAMICA AREA CENTRAL	171.76 million Mexican pesos	65.39 million Mexican pesos	171.76 million Mexican pesos	<u>Principal</u> \$ 54.24 millions <u>Interest</u> \$ 28.06 millions	Up to the year 2016	171.756	18.080	99.438			18.080	117.518		
L.T. 1011 RED ASOCIADA A LA CC SAN LORENZO	63.38 million Mexican pesos	28.28 million Mexican pesos	63.38 million Mexican pesos	<u>Principal</u> \$ 9.51 millions <u>Interest</u> \$ 7.72 millions	Up to the year 2018	63.382	6.338	47.531			6.338	53.870		
SLT 1002 COMPENSACION Y TRANSMISION NORESTE-SURESTE	418.85 million Mexican pesos	172.44 million Mexican pesos	418.85 million Mexican pesos	<u>Principal</u> \$ 75.69 millions <u>Interest</u> \$ 48.21 millions	Up to the year 2018	418.854	42.576	300.589			42.576	343.165		
SLT 1001 RED DE TRANSMISION BAJA-NOGALES	350.98 million Mexican pesos	144.92 million Mexican pesos	350.98 million Mexican pesos	<u>Principal</u> \$ 87.74 millions <u>Interest</u> \$ 56.44 millions	Up to the year 2017	350.978	35.098	228.136			35.098	263.234		
RM CT PUERTO LIBERTAD UNIDADES 2 Y 3	332.70 million Mexican pesos	140.43 million Mexican pesos	332.70 million Mexican pesos	<u>Principal</u> \$ 42.72 millions <u>Interest</u> \$ 29.73 millions	Up to the year 2018	332.703	34.116	255.867			34.116	289.982		

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
RM CT PUNTA PRIETA UNIDAD 2	61.56 million Mexican pesos	26.64 million Mexican pesos	61.56 million Mexican pesos	<u>Principal</u> \$ 9.23 millions <u>Interest</u> \$ 6.67 millions	Up to the year 2018	61.557	6.156	46.167			6.156	52.323		
SE 1129 COMPENSACION REDES	42.69 million Mexican pesos	16.98 million Mexican pesos	42.69 million Mexican pesos	<u>Principal</u> \$ 4.90 millions <u>Interest</u> \$ 2.74 millions	Up to the year 2018	42.693	0	0			4.494	38.199		
SLT 1118 TRANSMISION Y TRANSFORMACION DEL NORTE	237.47 million Mexican pesos	96.50 million Mexican pesos	237.47 million Mexican pesos	<u>Principal</u> \$ 29.54 millions <u>Interest</u> \$ 19.17 millions	Up to the year 2018	237.474	36.570	344.949			24.995	207.924		
LT 068 RED DE TRANSMISION ASOCIADA A EL PACIFICO	527.15 million Mexican pesos	227.84 million Mexican pesos	527.15 million Mexican pesos	<u>Principal</u> \$ 7.09 millions <u>Interest</u> \$ 3.12 millions	2019	527.149	52.715	467.346			0	0		
RM 112 CT CARBON II UNIDADES 2 Y 4	96.14 million Mexican pesos	31.18 million Mexican pesos	96.14 million Mexican pesos	<u>Principal</u> \$ 40.48 millions <u>Interest</u> \$ 22.87 millions	2015	96.137	10.120	45.539						
SE 912 DIVISION ORIENTE	160.79 million Mexican pesos	55.50 million Mexican pesos	160.79 million Mexican pesos	<u>Principal</u> \$ 8.46 millions <u>Interest</u> \$ 3.54 millions	2019	160.787	16.910	135.422						
SE 1116 TRANSFORMACION DEL NORESTE	242.67 million Mexican pesos	81.63 million Mexican pesos	242.67 million Mexican pesos	<u>Principal</u> \$ 12.83 millions <u>Interest</u> \$ 6.00 millions	2019	242.668	25.664	204.172						
SUV 205 SUMINISTRO DE 970 T/H A LAS CENTRALES DE CERRO PRIE	595.01 million Mexican pesos	235.62 million Mexican pesos	595.01 million Mexican pesos	<u>Principal</u> \$ 20.45 millions <u>Interest</u> \$ 8.94 millions	2019	595.007	61.056	513.498						
SE 1206 CONVERSION A 400 KV DE LA LT MAZATLAN II - LA HIGUERA	564.38 million Mexican pesos	257.28 million Mexican pesos	564.38 million Mexican pesos	<u>Principal</u> \$ 28.22 millions <u>Interest</u> \$ 17.40 millions	2018	564.381	56.438	479.724						
CCC 147 BAJA CALIFORNIA	285.09 million Mexican pesos	69.14 million Mexican pesos	285.09 million Mexican pesos	<u>Principal</u> \$ 14.25 millions <u>Interest</u> \$ 3.42 millions	2019	285.093	238.774	2.029.576						
RM 156 INFIERNILLO	12.59 million Mexican pesos	2.97 million Mexican pesos	12.59 million Mexican pesos	<u>Principal</u> \$ 0.00 millions <u>Interest</u> \$ 0.00 millions	2019	12.589	13.137	106.682						

Type of asset	Value of credit	Amount of payments agreed equivalent to rentals		Payments up to December 31, 2009	Duration of contract	Total amount of project (equivalent in thousands of pesos)	Balances as of December 31, 2009 (thousands)				Balances as of December 31, 2008 (thousands)			
		Interest, taxes, others and fiduciary fees	Principal				Mexican currency		Foreign currency		Mexican currency		Foreign currency	
							Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
RM 157 CT FRANCISCO PEREZ RIOS UNIDADES 1 Y 2	140.72 million Mexican pesos	31.90 million Mexican pesos	140.72 million Mexican pesos	<u>Principal</u> \$ 0.00 millions	2019	140.724	79.516	715.642						
				<u>Interest</u> \$ 0.00 millions										
SE 1125 DISTRIBUCION	51.69 million Mexican pesos	12.21 million Mexican pesos	51.69 million Mexican pesos	<u>Principal</u> \$ 0.00 millions	2019	51.689	39.622	349.201						
				<u>Interest</u> \$ 0.00 millions										
199 CIRCUITOS DE ZONA PARRAL (1a FASE)	14.67 million Mexican pesos	5.71 million Mexican pesos	14.67 million Mexican pesos	<u>Principal</u> \$ 0.00 millions	2024	14.666	9.527	98.884						
				<u>Interest</u> \$ 0.00 millions										
SLT 1112 TRANSMISION Y TRANSFORMACION DEL NOROESTE	97.07 million Mexican pesos	22.58 million Mexican pesos	97.07 million Mexican pesos	<u>Principal</u> \$ 0.00 millions	2019	97.072	41.905	377.143						
				<u>Interest</u> \$ 0.00 millions										
SE 1213 COMPENSACION DE REDES	6.02 million Mexican pesos	2.36 million Mexican pesos	6.02 million Mexican pesos	<u>Principal</u> \$ 0.00 millions	2024	6.025	6.831	67.599						
				<u>Interest</u> \$ 0.00 millions										
SE 1205 COMPENSACION ORIENTAL - PENINSULAR	28.13 million Mexican pesos	10.81 million Mexican pesos	28.13 million Mexican pesos	<u>Principal</u> \$ 0.00 millions	2024	28.132	8.095	113.345						
				<u>Interest</u> \$ 0.00 millions										
TOTAL EXTERNAL DEBT						<u>47.031.085</u>	<u>5.044.392</u>	<u>30.563.019</u>			<u>4.285.587</u>	<u>28.226.700</u>		
TOTAL EXTERNAL AND INTERNAL DEBT OF PIDIREGAS						<u>\$ 113.921.661</u>	<u>9.264.468</u>	<u>52.826.729</u>			<u>14.511.016</u>	<u>55.130.680</u>		
TOTAL LIABILITY FOR CAPITAL LEASES AND PIDIREGAS							<u>\$ 9.337.527</u>	<u>\$ 53.696.719</u>				<u>\$ 69.641.696</u>		

- a. The long term liabilities for capital lease agreements mature as follows:

	<u>Year that will end on December 31,</u>	
Short term:	2010	<u>\$ 9,337,527</u>
Long term:	2011	9,110,690
	2012	8,140,467
	2013	8,532,501
	2014	6,698,575
	2015	4,559,099
	Subsequent years	<u>16,655,387</u>
		<u>53,696,719</u>
		<u>\$ 63,034,246</u>

- b. As of December 31, 2009, the minimum payment commitments for capital leases are as follows:

Lease of equipment	\$ 82,234,388
Less:	
Unearned interest	<u>(19,200,142)</u>
Present value of obligations	63,034,246
Less:	
Current portion of obligations	<u>9,337,527</u>
Long term portion of equipment leases	<u>\$ 53,696,719</u>

- c. During the years ended December 31, 2009 and 2008, the transactions derived from capital leases that affected the results of the CFE were those shown below:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Interest	\$ 23,406	\$ 24,819
Foreign exchange fluctuations	(28,174)	198,474
Commissions and others	<u>37,152</u>	<u>56,983</u>
	<u>\$ 32,384</u>	<u>\$ 280,276</u>

- d. Securitization certificates program - In order to refinance financed government construction projects (PIDIREGAS), the CFE has prepared a structured mechanism under which Securitized Certificates (CEBURES) are issued. This mechanism begins with the signing of a credit contract, which is assigned by the creditor bank to a private trust (See Note 23-d) that securitizes the rights to the credit by issuing CEBURES. The funds derived from such issues are invested by the Trustee, while the CFE disburses them to pay the contractors of the financed government construction contracts (PIDIREGAS), upon their delivery to the satisfaction of the Entity. Each issue of CEBURES constitutes a liability for the CFE and each of the disbursements is converted into a PIDIREGAS debt.

In order to carry out this financing mechanism, the National Banking and Securities Commission first authorizes the CEBURES programs for the CFE, normally for minimum amounts of \$ 6,000 million pesos and with an effective duration of two or more years in order to carry out the issues required up to the total amount authorized, which may be extended upon prior request.

In the year 2003 the first issues of CEBURES were carried out, with three tranches for an accumulated amount of \$ 6,000 million nominal pesos. The first two tranches were for the amount of \$ 2,600 million nominal pesos each, and were made on October 6 and November 7, 2003, respectively. The third tranche was issued on December 11, 2003 for the amount of \$ 800 million nominal pesos.

The fourth tranche of this issue was carried out on March 5, 2004 for \$ 665 million nominal pesos.

The effective duration of all these transactions is approximately 10 years, at the 182 day interest rate for the Mexican Treasury Bill ("Cetes"), plus 0.85 percentage points.

For the four tranches described above, the repayment of principal will be approximately every 182 days and the calculation of the interest will include a hedge against inflation (inflation floor); i.e., for each applicable interest period, the rate will be adjusted by comparing the percentage increase in the value of the investment unit ("UDI") during the interest period in question, with the annual gross interest rate payable on the CEBURES for such interest period.

In August 2005, issues for the first three tranches were carried out in a new CEBURES program for a total amount of \$ 7,700 million nominal pesos. The first was for \$ 2,200 million nominal pesos on March 18, 2005; the second was for \$ 3,000 million nominal pesos on July 1, 2005, and the third was for \$ 2,500 million nominal pesos on August 19, 2005. The effective term is approximately 10 years at the 182 day Cetes rate, plus 0.79 percentage points.

On January 27, 2006 the fourth tranche was issued for \$ 2,000 million nominal pesos and the fifth tranche for \$ 1,750 million nominal pesos was issued on March 9, 2007, with a 10 year duration at an interest rate equal to the 91 day Cetes rate plus 0.429 percentage points and 0.345 percentage points, respectively.

As of December 31, 2005, only \$ 6,112,196 of the \$ 7,700,000 issued that year had been disbursed for the payment of "PIDIREGAS" public debt, leaving a disposable balance of \$ 1,587,804. This balance was fully disposed of during 2006.

On April 24, 2006, the National Banking and Securities Commission authorized a new CEBURES program for the CFE, with issues carried out on April 28, June 9 and October 20, 2006 for the amount of \$ 2,000 million nominal pesos in each of these three transactions, while on November 30, 2006, a fourth issue was made for \$ 1,000 million pesos.

The effective term of the aforementioned transactions is approximately 10 years. The average weighted interest rate is equivalent to the 91 day Mexican Treasury Bill (Cetes) rate plus 0.42 percentage points for the first three transactions, while for the fourth transaction it was set at 7.41%.

As of December 31, 2006, of the \$ 7,000 million nominal pesos of the four issues, a total of \$ 3,631,952 had been disbursed for the refinancing of the Financed Government Construction projects.

The National Banking and Securities Commission authorized a new program for the CFE and on November 10, 2006 the first issue was made for \$ 1,500 million nominal pesos, which would be used for the payment of contractors who had been awarded PIDIREGAS projects. This first issue has a duration of 30 years and pays an annual gross interest rate of 8.58%, payable every 182 days. On February 28, 2007, \$ 1,384.7 million pesos was disbursed from this issue, for the partial payment to the contractor of the PIDIREGAS project known as "El Cajón".

On August 30, 2007, the second 30 year issue was made for \$ 1,000.0 million pesos to cover the second payment to the contractor for the "El Cajón" PIDIREGAS project.

In the year 2007, the following 10-year issues were made: on March 9, 2007, an issue for \$ 1,750 million nominal pesos at the Cetes rate plus 0.345% a year; on June 8, another, also for \$ 1,750 million nominal pesos, at the Cetes rate plus 0.25% a year; on August 17, 2007, the issue was for \$ 1,750.0 million pesos at the 182 day Cetes rate, plus 0.25% a year, and finally, on November 23, 2007, for \$ 1,200.0 million pesos at the 182 day Cetes rate plus 0.30% a year.

During the year 2007, a total of \$ 9,945.2 million pesos was disbursed from the trusts for the financing of the different payments of Financed Government Construction projects.

For the year 2008, two issues were made, one on January 25, 2008 for \$ 2,000.0 million pesos and the second on May 23, 2008 for the amount of \$ 1,700.0 million pesos both at the 91 day Cetes rate, plus 0.45%.

In the annual period 2008, a total of \$ 4,827.3 million pesos was disbursed from the trusts for the financing of Financed Government Construction projects.

In year 2009, the following 10-year issues were made: Three (3) issues in Investment Units (UDIs): on April 29, 2009 and issue of UDIS 285.1 million at a fixed rate in UDIS of 4.80% per annum; on August 7, 2009, an issue for UDIS 457.0 million at a fixed rate in UDIS of 4.60% per annum and on October 2, 2009 an issue for UDIS 618.5 million at a fixed rate in UDIS of 5.04% per annum and Two (2) issues in pesos: the first on April 29, 2009 for \$ 2,594.6 million nominal pesos and the second on August 7, 2009 for \$ 1,466.7 million pesos, both at a fixed rate of 8.85% per annum.

During the 2009 annual period, a total of \$ 4,618.3 million pesos and 676.2 million UDIS were disbursed from the Trusts, in order to finance the various payments of Financed Public Construction projects.

12. TAXES AND CHARGES PAYABLE

The taxes and charges payable as of December 31, 2008 and 2007 are composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Payable by CFE:		
Income Tax (ISR) on distributable surplus	\$ 959,038	\$ 900,783
ISR payable on account of third parties	367,566	169,841
Mexican Social Security Institute dues (includes Retirement Insurance)	404,924	372,799
Charges for use and exploitation of national waters	203,393	252,026
Payroll tax	34,693	22,507
Contributions to the National Workers' Housing Fund Institute	<u>9,574</u>	<u>8,878</u>
Subtotal	<u>1,979,188</u>	<u>1,726,834</u>
Withheld by CFE:		
ISR withheld from employees	598,509	262,047
Value added tax withholding	97,882	102,022
ISR on interest paid abroad	12,945	25,437
ISR payable to residents abroad	3,948	2,076
Five/thousandths commission to contractors	17,744	13,596
ISR on fees and leases	7,518	6,622
Two/ thousandths commission to contractors	1,370	801
Others	<u>16</u>	<u>36</u>
Subtotal	<u>739,932</u>	<u>412,637</u>
Total	<u>\$ 2,719,120</u>	<u>\$ 2,139,471</u>

13. OTHER LONG-TERM LIABILITIES

This refers to the liability incurred in the dismantling of the Laguna Verde Nuclear Power Plant. At the close of December 2009 and 2008, the approximate amount of the total liability at present value is \$ 6,532,950 and \$ 6,769,150, respectively.

14. EMPLOYEE BENEFITS

Benefit plans are established for employees in relation to the termination of the employment relationship and due to retirement for reasons other than restructuring. The benefit plans at the end of the employment relationship consider severance payments for dismissal (including the seniority premium benefits accrued), and which are not going to reach the benefits established in the retirement or pension plan. The retirement benefits plans consider the years of service completed by the employee and his remuneration at the date of retirement or departure. The retirement benefits plans include the seniority premium which the workers are entitled to receive when the employment relationship is terminated, as well as other defined benefits. In the case of retirement benefits, the Entity amortizes any losses and/or gains generated in the year within a period of 10.79 years for seniority premium and 11.50 years for pensions in retirement benefits, while for termination benefits the amortization is immediate. The valuation of both benefits plans was performed in accordance with actuarial calculations made by independent experts.

A reserve has been created for the purpose of meeting the payment of the benefits in the plans when they become due and payable (plan assets). For the year ended December 31, 2009, the Entity has an investment in such reserve for employment termination and retirement plan for MX\$ 3,936,000 thousands.

The determination of the obligations for acquired and defined benefits, the projected net liability and the net cost of the period, is described below:

Description	Retirement benefits	Benefits from employment termination	2 0 0 9	2 0 0 8
Obligation from acquired benefits (OBA)	\$ 174,306,000	\$ 23,846,000	\$ 198,152,000	\$ 152,761,000
Obligation from unacquired benefits	<u>149,091,000</u>	<u>1,617,000</u>	<u>150,708,000</u>	<u>153,980,000</u>
Obligations from defined benefits (OBD) (OBD)	323,397,000	25,463,000	348,860,000	306,741,000
Fair value of plan assets (AP)	<u>(3,936,000)</u>		<u>(3,936,000)</u>	<u>(3,712,000)</u>
Fund status	319,461,000	25,463,000	344,924,000	303,029,000
Unrecognized past service for benefits not occurred (PTI)	(8,900,000)	(321,000)	(9,221,000)	(12,295,000)
Unrecognized actuarial losses	<u>(111,845,000)</u>		<u>(111,845,000)</u>	<u>(100,286,000)</u>
Projected net liability recognized in the balance sheet	<u>\$ 198,716,000</u>	<u>\$ 25,142,000</u>	<u>\$ 223,858,000</u>	<u>\$ 190,448,000</u>

The Entity has constituted a fund for \$ 134,708, for which reason the liabilities corresponding to employee benefits recorded in accounting amount to \$ 223,723,229.

- a. Following is a reconciliation between the opening and closing balances of the present value of the obligation from defined benefits:

	<u>2 0 0 9</u>
Changes in the present value of the obligation from defined benefits (OBD):	
Present value of the OBD as of January 1	\$ 306,741,000
Labor cost of the current service	11,110,000
Financial cost	25,056,000
Actuarial loss (gain) on the obligation	20,620,000
Business acquisitions	
Benefits paid	<u>(14,667,000)</u>
Present value of the OBD as of December 31	<u>\$ 348,860,000</u>

- b. Following is a reconciliation between the opening and closing balances of the fair value of the plan assets:

	<u>2 0 0 9</u>
Changes in the fair value of the plan assets (AP):	
Fair value of the AP as of January 1	\$ 3,712,000
Expected return on the AP	306,000
Actuarial gain (loss) on the AP	<u>(82,000)</u>
Fair value of the AP as of December 31	<u>\$ 3,936,000</u>

- c. Following is a reconciliation between the opening and closing balances of the projected net liability:

	<u>2 0 0 9</u>
Changes in the projected net liability (PNP):	
Opening PNP	\$ 190,448,000
Net cost of the period	47,401,000
Adjustment for early settlement of obligations	676,000
Benefits paid	<u>(14,667,000)</u>
Closing PNP	<u>\$ 223,858,000</u>

d. Net cost of the period:

Description	2 0 0 9		Total
	Benefits upon retirement	Benefits from employment termination	
Labor cost of current service	\$ 9,582,000	\$ 1,528,000	\$ 11,110,000
Financial cost	23,411,000	1,645,000	25,056,000
Expected return of the plan assets	(306,000)		(306,000)
Actuarial gain or loss, net	6,500,000	1,969,000	8,469,000
Labor cost of past service	2,966,000	107,000	3,073,000
Adjustment for early discharge of obligations	<u>676,000</u>		<u>676,000</u>
Net cost for the period	<u>\$ 42,829,000</u>	<u>\$ 5,249,000</u>	<u>\$ 48,078,000</u>

The labor cost of the year recorded by the Entity as of December 31, 2008 amounted to \$ 6,316,000.

e. Criteria used to determine the expected and real rates of return on the plan assets:

The expected rate of return on the assets was 8.25% during 2008, which was obtained by considering the reference rates in effect during 2008 for 365 day Mexican Treasury Bills (Cetes), published by the Bank of Mexico.

The criteria used to obtain the real rates were as follows:

- The assets are estimated by considering the opening balance, the actual payments and the contributions made, based on a rate of 8.25%.
- The difference compared to the actual assets reported for the close of the year 2009 is considered as the gain or loss, as the case may be, on the plan assets.

f. The most important assumptions used in the determination of the net cost of the period of the plans are as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Discount rate	8.25%	8.25%
Wage increase rate	6.50%	6.50%
Rate of return on plan assets	8.25%	8.25%

- g. Amounts applicable to the current annual period and the four previous annual periods in:

	(Million pesos)				
	<u>2 0 0 9</u>	<u>2 0 0 8</u>	<u>2 0 0 7</u>	<u>2 0 0 6</u>	<u>2 0 0 5</u>
Obligation for defined benefits (OBD)	\$ 348,860	\$ 306,741	\$ 266,600	\$ 231,874	\$ 202,659
Fair value of plan assets(AP)	<u>(3,936)</u>	<u>(3,712)</u>	<u>(8,512)</u>	<u>(7,370)</u>	<u>(2,424)</u>
Fund status	<u>\$ 344,924</u>	<u>\$ 303,029</u>	<u>\$ 258,088</u>	<u>\$ 224,504</u>	<u>\$ 200,235</u>
Adjustments for experience in the OBD	<u>\$ 20,620</u>	<u>\$ 18,072</u>	<u>\$ 19,036</u>	<u>\$ 838</u>	<u>\$ 9,943</u>
Adjustments for experience in the AP	<u>\$ (82)</u>	<u>\$ 134</u>	<u>\$ 559</u>	<u>\$ (125)</u>	<u>\$ (16)</u>

- h. Below is the amortization period of the unamortized items for the pension plan and seniority premium for retirement or for a one-time payment instead of a lifetime pension:

Employee retirement benefits:

	<u>Years</u>
Seniority premium	3.00
Pensions	3.00

Benefits for employment termination:

Seniority premium	3.00
Compensation and severance Plan Amendments	3.00

- i. Collective agreement

On August 18, 2008 the CFE and the Sole Union of Electric Workers of the Mexican Republic (SUTERM) signed the CFE-SUTERM 20/2008 agreement, on the pension regime for workers that join the entity after the signing thereof.

The labor liabilities problem that has been gradually growing and that poses a threat to CFE, such as it has been affecting other companies and entities in Mexico and all over the world is solved with this agreement.

The rights and benefits of the collective labor agreement in force remain unchanged.

For current and retired workers, non-unionized and unionized workers, retirement does not experience any amendment whatsoever.

The characteristics of the new retirement scheme for incoming workers are:

- Individual retirement accounts will be created.

The worker will contribute 5% of his base quotation salary and CFE will contribute one and a half times the amount contributed by the worker (7.5%).

- These funds will be managed under the terms agreed upon by CFE and the SUTERM, in accordance with the provisions issued by the National Commission of the Retirement Savings System (CONSAR).
- Due to increase in life expectancy, the time of service to the company for the new workers is increasing by five years, except for those in live lines, who retain the same number of years of service.

15. ALLOWANCE FOR LABOR COMPLAINTS AND OTHER CONTINGENCIES

- There are 8,409 labor lawsuits that have not yet been resolved. According to the study carried out as of December 31, 2009, there must be a provision for \$ 2,891,983, for which \$ 2,459,000 has been recorded. The study to create the provision for labor lawsuits considered the trend of the lawsuits resolved in the last five years.
- The Entity has about 19,605 penal, tax, civil, agricultural and arbitration lawsuits whose economic effects are wide-ranging. Some of these lawsuits are considered relevant by the CFE's attorneys and amount to about \$ 1,241,575. The contingent amounts claimed to the Entity and susceptible of being materialized are not determinable, since the lawsuits are currently in the process of being resolved. Therefore, the legal area in charge considers that in the current stage of the processes, it is not possible to evaluate the possibility of an adverse outcome and it is not possible either to measure their economic amount.

16. EQUITY

The effect of the restatement of equity is distributed among each of its different components, as illustrated below:

	<u>Face value</u>	<u>Restatement</u>	<u>Total</u>
Accumulated equity	\$ 126,134,866	\$ 247,528,841	\$ 373,663,707
Contributions received	5,853,330		5,853,330
Net income for the year	<u>1,185,369</u>		<u>1,185,369</u>
	<u>\$ 133,173,565</u>	<u>\$ 247,528,841</u>	<u>\$ 380,702,406</u>

17. OTHER REVENUES, NET

As of December 31, 2009 and 2008, this item is composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Other revenues	\$ 3,764,895	\$ 5,291,507
Other expenses	(3,502,709)	(4,838,492)
Independent electricity producers, net	<u>213,413</u>	<u>(73,885)</u>
	<u>\$ 475,599</u>	<u>\$ 379,130</u>

18. INCOME TAX (ISR) ON THE DISTRIBUTABLE REMNANT

In accordance with the Law (LISR), the Entity does not incur this tax; however, it must withhold and pay the tax and also demand documentation that complies with tax requirements, when it makes payments to third parties and they are obligated to do so in the terms established in the Law. The Entity is obligated to pay the tax for the distributable remnant of the items that do not comply with tax requirements, based on article 95, final paragraph of the LISR.

During the years ended December 31, 2009 and 2008, income tax was incurred on the distributable remnant for \$ 962,997 and \$ 901,062, respectively, which amounts were determined in accordance with articles 95, final paragraph and 102 of the LISR.

As of January 1, 2008 the Business Flat Tax (IETU) Law is in effect, which replaces the Asset Tax (IMPAC) Law. The Entity is not a taxpayer of IETU, as established in article 4, section I of the IETU Law (LIETU), and was also not subject to the IMPAC Law (LIMPAC), as established in article 6, section I of the respective Law.

19. INSUFFICIENCY IN THE NONTAX CHARGE FOR THE TRANSFERS FROM THE FEDERAL GOVERNMENT TO SUPPLEMENT DEFICIT RATES

The transactions performed with the Federal Government during the years ended December 31, 2009 and 2008 and that do not represent cash flow movements were as follows (See Note 3-n):

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Nontax charge payable by CFE determined through the application of a 9% rate to the net fixed assets in operation from the previous year	\$ (55,484,574)	\$ (55,767,440)
Transfers from the Federal Government to supplement deficit rates:		
Virtual	98,339,370	76,781,889
Received in cash	<u> </u>	<u>229,942</u>
Total transfers from the Federal Government to supplement deficit rates	<u>98,339,370</u>	<u>77,011,831</u>
Insufficiency in the nontax charge for the transfers to supplement deficit rates	<u>\$ 42,854,796</u>	<u>\$ 21,244,391</u>

20. COMPREHENSIVE RESULT OF FINANCING

The comprehensive result of financing is composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Interest payable, net	\$ (3,979,738)	\$ (4,824,162)
Exchange gain (loss), net	<u>2,615,970</u>	<u>(17,762,326)</u>
	<u>\$ (1,363,768)</u>	<u>\$ (22,586,488)</u>

21. COMPREHENSIVE INCOME

The comprehensive income as of December 31, 2009 and 2008 is composed as follows:

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Effect for the year due to financial instruments recorded in the accumulated equity	\$ 716,548	\$ 702,341
Income (loss) according to statement of income	1,185,369	(19,510,354)
Other movements in equity	(315,823)	
Cancellation of charges to equity for the recognition of NIF D-3 "Employee benefits"		72,517,010
Recognition in accumulated equity of the effects of incorporation of NIF B-10 Effects of inflation		(2,753,310)
Cancellation of insufficiency in restatement of equity for the recognition of the NIF B-10 Effects of inflation		<u>2,753,310</u>
	<u>\$ 1,586,094</u>	<u>\$ 53,708,997</u>

Derived from the application of NIF B-10 "Effects of inflation on the financial statements", for the year ended December 31, 2008 the insufficiency in restated equity in the amount of 3,000,794, was cancelled, becoming a part of the accumulated equity. Furthermore and due to the recognition of NIF D-3 "Employee benefits", the effect on equity for labor obligations in the amount of \$ 57,007,650 was cancelled.

22. POSITION IN FOREIGN CURRENCY

As of December 31, the CFE had assets and liabilities in foreign currency (figures expressed in thousands) as follows:

	2 0 0 9					
	Assets		Liabilities			Short
	Cash and cash equivalents	Suppliers	Internal debt	External debt	Equipment leasing and PIDIREGAS	position in foreign currency
US dollars	<u>88,429</u>	<u>10,322</u>	<u>47,867</u>	<u>2,854,006</u>	<u>2,067,478</u>	<u>(4,891,244)</u>
Euros	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,972</u>	<u>22,858</u>	<u>(71,830)</u>
Japanese yens	<u>670,710</u>	<u>-</u>	<u>-</u>	<u>38,135,083</u>	<u>-</u>	<u>(37,464,373)</u>
Swiss francs	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,951</u>	<u>-</u>	<u>(139,951)</u>
	2 0 0 8					
US dollars	<u>59,158</u>	<u>25,821</u>	<u>76,629</u>	<u>2,998,192</u>	<u>2,786,451</u>	<u>(5,827,935)</u>
Euros	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,987</u>	<u>23,615</u>	<u>(56,602)</u>
Japanese yens	<u>2,523,954</u>	<u>-</u>	<u>-</u>	<u>37,383,496</u>	<u>-</u>	<u>(34,859,542)</u>
Swiss francs	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,305</u>	<u>-</u>	<u>(181,305)</u>

These assets and liabilities in foreign currency were converted into Mexican pesos at the exchange rate established by the Unit of Government Accounting and Reports on Public Activities, an Entity of the SHCP, in accordance with the Circular entitled "Exchange rates of foreign currencies for accounting closes" as of December 31, 2009 and 2008, as follows:

<u>Currency</u>	<u>2 0 0 9</u>	<u>2 0 0 8</u>
US dollars	\$ 13.0587	\$ 13.5383
Euros	18.7353	19.1432
Japanese yens	0.1404	0.1501
Swiss francs	12.6378	12.8630

The exchange rates existing as of the date of issuance of the financial statements are shown below:

US dollars	\$ 12.7769
Euros	17.4354
Japanese yens	0.1437
Swiss francs	11.9110

23. COMMITMENTS

a. Agreements formalized with independent energy producers

As of December 31 2009, 21 contracts have been signed with private investors, known as independent energy producers, which establish the obligation for CFE to pay different considerations in exchange for the latter guaranteeing the energy supply service, based on a previously established generating capacity, through power plants financed and constructed on account of such investors.

Such contracts contain a contingency clause whereby CFE undertakes to early pay the investor the value of its assets at the date on which any of the default assumptions of this clause is fulfilled, in accordance with the calculation methodology established in the contract in question.

Furthermore, the CFE is exposed to inherent risks, which include the following:

Risks inherent to the CFE:

- Electricity market risks.
- Changes in the law.
- Among others (*)

(*) NOTE: See particulars for each of the commitment agreements for capacity of Generation of Electric Energy and purchase and sale of associated Electric Energy.

Risks inherent to the independent energy producer:

- Obtaining the financing and variations in the project costs.
- Performance of critical events.
- Contractual penalties for noncompliance with the guaranteed net capacity.
- Nonperformance of the operating guarantees.
- Operating risks of the power plant.
- Among others (**)

(**) NOTE: See particulars for each of the commitment agreements for capacity of Generation of Electric Energy and purchase and sale of associated Electric Energy.

Pursuant to the foregoing, the basic information on the power plants contracted under these conditions, which will originate variable future payments mainly for the purchase of energy and electricity generating capacity, is as follows:

Power station	Term of contract (in years)	Generating capacity (in MW)	Dates of entry into commercial operation
CT Mérida III	25.5	484.0	June 9, 2000 Phase I and October 14, 2000 Phase II
CC Río Bravo II (Anáhuac)	25.0	495.0	January 18, 2002
CC Hermosillo	25.0	250.0	October 1, 2001
CC Saltillo	25.0	247.5	November 19, 2001
CC Bajío (El Sauz)	25.0	495.0	March 9, 2002
CC Bajío (supplementary generation)	5.0	60.0	March 9, 2002
CC Tuxpan II	25.0	495.0	December 15, 2001
CC Monterrey III	25.0	449.0	March 27, 2002
CC Altamira II	25.0	495.0	May 1, 2002
CC Campeche	25.0	252.4	May 28, 2003
CC Naco – Nogales	25.0	258.0	October 4, 2003
CC Mexicali	25.0	489.0	July 20, 2003
CC Chihuahua III	25.0	259.0	September 9, 2003
CC Tuxpan III y IV	25.0	983.0	May 3, 2003
CC Altamira III y IV	25.0	1,036.0	December 24, 2003
CC Río Bravo III	25.0	495.0	April 1, 2004
CC Río Bravo IV	25.0	500.0	April 1, 2005
CC La Laguna II	25.0	498.0	March 15, 2005
CC Altamira V	25.0	1,121.0	October 22, 2006
CC Tuxpan V	25.0	495.0	September 1, 2006
CC Valladolid III	25.0	525.0	June 27, 2006
CC Tamazunchale	25.0	1,135.0	June 21, 2007

The obligation for future payments for CFE includes: a) rules for quantifying the purchase cost of the power plants when a contingent event takes place that is classified as force majeure in the terms of each contract, applicable from the construction stage of each project until the expiration of the contracts and b) fixed charges for energy generation capacity, as well as variable charges for operation and maintenance of the power plants, which are determined in accordance with variable terms established in the contracts, applicable from the startup test phase until the expiration of the contracts.

b. Contracts with third parties

There are obligations derived from contracts executed with third parties that own the gas pipelines, known as Ciudad PEMEX – Valladolid and Samalayuca, as well as the Coal Terminal of the C.T. Pdte. Plutarco Elías Calles, for which CFE is obligated to also pay different considerations, in exchange for the latter guaranteeing the transportation of gas through the gas pipelines and the reception, transportation and handling of coal, in the case of the Coal Terminal.

Pursuant to the foregoing, below we illustrate the future payments of projects in operation, as well as the actual contingency derived from projects in operation and under construction:

Future payment commitments of projects in operation	(Figures in millions of pesos)	
	2 0 0 9	2 0 0 8
CC Altamira II	\$ 2,761	\$ 3,679
CC Bajío	3,968	5,317
CC Campeche	4,289	4,677
CC Hermosillo	3,847	4,303
CT Mérida III	4,756	5,314
CC Monterrey III	4,076	4,677
CC Naco – Nogales	4,479	4,841
CC Río Bravo II	8,379	9,067
CC Mexicali	5,065	5,979
CC Saltillo	5,565	6,056
CC Tuxpan II	6,008	6,803
CC Chihuahua III	5,182	5,738
CC Tuxpan III y IV	18,578	20,306
Altamira III y IV	22,958	24,711
CC Río Bravo III	8,349	9,217
CC La Laguna II	13,172	14,309
CC Río Bravo IV	8,573	9,427
CC Valladolid III	8,446	9,265
Tuxpan V	8,356	9,196
CC Altamira V	24,093	26,155
CC Tamazunchale	18,663	20,191
Gasoducto Cd. PEMEX Valladolid	1,586	1,596
Terminal de Carbón de la CT Presidente Plutarco Elías Calles	531	1,883
Total	\$ 191,680	\$ 212,707

Amount of real contingency of projects in operation	(Figures in millions of pesos)	
	2 0 0 9	2 0 0 8
CC Altamira II	\$ 1,583	\$ 2,180
Bajío (El Saúz)	2,865	3,745
CC Campeche	1,459	1,566
CC Hermosillo	1,640	1,770
CT Mérida III	1,724	1,927
CC Monterrey III	2,413	2,687
CC Naco – Nogales	1,761	1,868
CC Río Bravo II	3,041	3,184
CC Mexicali	2,599	3,082
CC Saltillo	2,129	2,247
CC Tuxpan II	3,451	3,773
CC Chihuahua III	1,923	2,053
CC Tuxpan III y IV	5,894	6,303
CC Altamira III y IV	6,707	6,984
CC Río Bravo III	3,101	3,344
CC La Laguna II	4,364	4,575
CC Río Bravo IV	3,411	3,577
CC Valladolid III	3,086	3,302
Tuxpan V	3,569	3,774
CC Altamira V	6,808	7,329
Tamazunchale	6,105	6,494
Gasoducto Cd. PEMEX – Valladolid	2,349	3,159
Terminal de Carbón de la CT Presidente Plutarco Elías Calles	620	835
Subtotal	<u>72,602</u>	<u>79,758</u>
Amount of the real contingency of projects under construction		
CCC Norte Durango	<u>6,156</u>	<u>3,762</u>
Total real contingency of projects in operation and under construction	<u>\$ 78,758</u>	<u>\$ 83,520</u>

In accordance with the foregoing, as of December 31, 2009, the CFE has a commitment in the order of \$ 191,680 million pesos, equivalent to \$ 14,678 million US dollars, which considers the fixed capacity charge currently in operation, which is related to the service and repayment of the debt acquired by the producer, and reflects the payments that the CFE will have to make to the independent producer for making electricity generation capacity available to this Entity. There are additional commitments for CFE, in the event of an act of God or force majeure and noncompliance events, on the understanding that to calculate the amounts they assume certain contractual considerations which depend on the causes for contract termination, with an amount at the aforementioned date in memorandum accounts of \$ 78,758 million pesos, equivalent to 6,031 million US dollars.

c. Natural gas supply contracts

Contract for the supply of liquefied natural gas from a Liquefied Natural Gas (LNG) plant executed with Gas del Litoral, S. de R. L. de C. V.

The management of this agreement has been carried out in accordance with its clauses. For 2010 the maximum contracted amount is received, that is, 500 MMPCD.

Contract for the supply of natural gas in the delivery points, from an LNG storage and/or continental natural gas storage plant, with the supplier SEMPRA Energy LNG Marketing México, S. de R. L. de C. V.

In 2010 it is intended to receive on a firm basis about 99.42 MMPCD and approximately 36.08 MMPCD on a variable basis, depending on the demand.

The effective term thereof is 15 years until December 31, 2022.

As of December 31, 2009, the CFE has signed various agreements for the private investors to complete the construction of each of the investment projects and for their delivery to the Entity of the assets for their operation. The estimated amounts of these lease agreements and the estimated dates of termination of the construction and start-up are those shown in the following table:

Transmission lines and substations:

Project	Capacity		Estimated amount of the contract expressed in thousands of		Energization or end of construction
	Km-c	MVA	US dollars	Pesos	
LT 718 Red. Transm. A CE Pacífico	281.8	73.900	73,900	\$ 965,040	October 2009
SLT 1112 Transm. y trans. del Noroeste	24.7	300.00	31,480	411,087	October 2009
SE 1129 Compensación media tensión redes		5.00	4,820	62,942	November 2009
SLT1118 Transm. y transf. del Norte	109.3		11,570	151,089	November 2009
SE 1205 Compensación Oriental Peninsular			9,360	122,229	November 2009
SE 1005 Noroeste	11.00	30.00	16,600	216,774	December 2009
SLT 1002 Compensación y transm. Noreste - Sureste	88.4		18,100	236,362	January 2010
SE 1121 Baja California		30.0	2,980	38,915	February 2010
SE 914 División Centro Sur	5.9	30.0	12,310	160,752	March 2010
SE 1213 Compensac. de redes	65.5		19,150	250,075	May 2010
SE 1129 Compensación Media Tensión Redes		4.0	7,090	92,586	June 2010
SLT 1304 Trasm. y Trans. Oriental	47.9		5,400	70,517	July 2010
SLT 1303 Transm. y Trans. en Baja Norte	108.9	50.0	8,230	107,473	July 2010
SE1122 Golfo Norte	44.8	180.0	29,300	382,619	August 2010
SE 1321 Distribución Noroeste	26.1	150.0	24,770	323,464	August 2010
SE 1123 Norte	0.1	30.0	3,590	46,880	August 2010
SE 1202 Suministro Energ. Manzanillo	56.6	375.0	30,210	394,503	August 2010

Project	Capacity		Estimated amount of the contract expressed in thousands of		Energization or end of construction
	Km-c	MVA	US dollars	Pesos	
LT 1220 Red. Transm. Asoc. Proy. Temp. Abiert. Oaxa.	425.8	2,125.0	208,990	\$ 2,729,137	September 2010
SE 1213 Compensación de Redes F6	60.4	4.3	4,530	59,155	September 2010
SLT 1119 Transm. y Transf del Sureste	175.2	875	91,400	1,193,565	September 2010
SE1213 Compensación de Redes F8	33.80	2.1	5,890	76,915	September 2010
SLT 806 Bajío	55.9	500.0	22,860	298,521	September 2010
SE 1211 Noreste Central	4.0	50.0	6,640	86,709	October 2010
SLT 1204 Convers . Peninsular	178.90	875	111,700	1,458,656	October 2010
SE 1127 Sureste	4.70	50.0	15,410	201,234	October 2010
SE 1212 Sur Peninsular	22.8	70.0	11,900	155,398	November 2010
SL T1203 Trans. y Transf. Oriental Sureste	196.10	1,175.0	159,480	2,082,601	November 2010
SE 1120 Noroeste	30.20	180.0	34,830	454,834	December 2010
SE 1125 Distribución	168.1	20.0	46,360	605,401	December 2010
SE 1005 Noroeste	16.0		5,730	74,826	December 2010
SE 1213 Compensación de Redes F10	42.6	4.1	7,030	91,802	December 2010
SE 1210 Norte Noroeste	7.4	60.0	17,790	232,314	December 2010
SE 1116 Transf. Noroeste	140.0	500.0	105,900	1,382,916	December 2010
SE 1006 Central- Sur	0.4	30.0	3,400	44,399	December 2010
SLT 1201 Transm. y Transf. Baja Calif.	5.4	50.0	7,900	103,163	December 2010
SE 1124 Bajío Centro	47.80	30.0	23,840	311,319	February 2011
Power Plants:					
CCE Pacífico	651.2 MW		611,300	7,982,783	February 2010
CG Los Humeros II Phase A	25.0 MW		58,400	762,628	October 2011
CG Los Humeros II Phase B	25.0 MW		58,400	762,628	May 2012
PH La Yesca	750.0MW		767,700	10,025,164	June 2012

These contracts are executed under the PIDIREGAS scheme (Note 3-e) and the CFE will apply the accounting policy for purposes of these financial statements based on the terms of such Note; the total amount of each of the contracts must be recorded for accounting purposes at the time the risks and benefits of the assets are transferred to the CFE.

d. Trusts and lease agreements

1. Scope of activity.

- 1.1 CFE currently participates in the capacity of Trustor or Beneficiary in (thirty one) Trusts, 7 (seven) of which are in the process of being extinguished.
- 1.2 According to their purpose and operating characteristics, these can be classified in the following groups:
 - a. Energy saving
 - b. Previous expenses
 - c. Management of construction contracts
 - d. Trusts with indirect participation

a. Energy saving

Those constituted for the execution of energy savings promotion and development programs.

Trust	Participation by CFE		
	Trustor	Trustee	Beneficiary
Trust for Energy Saving (FIDE), constituted on August 14, 1990	Constitution: Confederación de Cámaras Industriales (CONCAMIN), Cámara Nacional de la Industria de Transformación (CANACINTRA), Cámara Nacional de Manufacturas Eléctricas (CANAME), Cámara Nacional de la Industria de la Construcción (CNIC), Cámara Nacional de Empresas de Consultoría (CNEC) y Sindicato Único de Trabajadores Electricistas de la República (SUTERM)	Nacional Financiera, S.N.C.	In the first place: The consumers of electric energy. In the second place: CFE.
Trust for Thermal Insulation of Houses in Mexicali (FIPATERM), constituted on October 19, 1990	CFE	Banco Nacional de Obras y Servicios Públicos, S.N.C.	CFE

b. Previous expenses

Those constituted for the financing and coverage of expenses prior to the execution of the projects, subsequently recoverable and payable by whoever carries them out to comply with the regulations applicable to this type of budgetary projects or projects subject to conditional investment.

Trust	Participation by CFE			Type of projects
	Trustor	Beneficiary	Trustee	
Management of previous CPTT expenses, incorporated on August 11, 2003	CFE	In the first place: The awardees of the contracts. In the second place: CFE	Banco Nacional de Comercio Exterior, S.N.C.	Direct investment
Management and transfer of ownership 2030, constituted on June 30, 2000	CFE	In the first place: The awardees of the contracts. In the second place: CFE	Banobras, S.N.C.	Conditional investment

c. Management of construction contracts

As of the decade of the 90s, the Federal Government introduced different off-budget schemes for the purpose of continuing with the investment in infrastructure projects. These projects were instituted because at that time there were insufficient resources available to make such investments. These schemes were designed under two modalities:

- Turnkey Projects (1990).
- Build, Lease and Transfer Projects (BLT) (1996).

Turnkey Projects - Under this scheme, construction work was performed for electric power plants and transmission lines, through an irrevocable management and transfer of title trust contract, linked with a lease agreement. Under this modality, the trustee performed the following functions:

Contracting of credits, management of the trust's net worth (assets), reception of the rentals from CFE and gratuitous transfer of the assets to CFE once a sufficient amount of such rentals had been paid to settle the credits contracted.

The CFE makes payments of rentals to the trustee based on the credits contracted by the trust, instructing the trustee to pay constructors in exchange for invoices approved by the construction area, payment of taxes and other charges, including fiduciary fees.

These management and transfer of title trusts were carried out in accordance with the "Guidelines for the performance of thermoelectric projects with off-budget resources", as well as the "Guidelines for the performance of projects for transmission lines and substations with off-budget resources" issued by the former Department of Programming and Budget.

Trust	Participation by CFE		Trustee
	Trustor	Beneficiary	
**Turalmex (Tuxpan U3 and 4), constituted on January 30, 1996	Turalmex, S. A. de C. V.	A) Turalmex, S. A. de C. V., as well as the other persons and institutions that make contributions later (...).	Nacional Financiera, S.N.C.

Trust	Participation by CFE		Trustee
	Trustor	Beneficiary	
		B) The CFE, once the construction of the plant is completed and satisfactorily received. C) Nacional Financiera, S.N.C.	
Topolobambo II (Electrolyser, S. A. de C. V.), constituted on November 14, 1991	Bufete Industrial Construcciones, S. A. de C. V. and Electrolyser, S. A. de C. V., regarding their contribution to the Trust.	In the first place: Electrolyser, S. A. de C. V., regarding its contribution and In the second place: CFE	Santander, S. A.
**Temascal II, constituted on December 22, 1992	Cegelec de México, S. A. de C. V. and ICA Industrial, S. A. de C. V.	In the first place: each and all of the financial or credit institutions that grant credits or guarantees in favor of the Trust, as well as the purchasers, owners or holders of the titles In the second place: CFE	Banco del Centro, S. A.
** BANCOMEXT transmission lines, constituted on December 8, 1993	Lehman Brothers International (Europe).	CFE	BANCOMEXT
** In the process of being extinguished.			

As of December 31, 2009, CFE has liabilities for \$ 943,048 and fixed assets for \$ 7,013,400, corresponding to the Turn-key Projects of the above-mentioned trusts.

Build, Lease, Transfer (BLT) projects – In 1996 began the transition phase to establish the trusts known as BLT, in which the trustee manages the net worth (assets) and transfers them to the CFE once the rentals have been paid. The credits are contracted directly by a Consortium, which is a specific purpose entity, for which purpose there is an irrevocable management and transfer of title trust contract.

In this type of trust the CFE is involved in making the payment of rentals based on the quarterly payment tables presented by the consortiums in their bids. The majority of these tables include forty quarterly payments. The projects that were carried out under this modality and are still in operation are as follows:

Trust	Participation by CFE		Trustee
	Trustor	Beneficiary	
C. G. Cerro Prieto IV, constituted on November 28, 1997	Constructora Geotermo-eléctrica del Pacífico, S. A. de C. V. and CFE.	CFE	BANCOMEXT
C. T. Monterrey II, constituted on October 17, 1997	Monterrey Power S. A. de C.V. and CFE.	CFE	Nacional Financiera, S.N.C.
C. C.C. Chihuahua, constituted on December 8, 1997	Norelec del Norte, S. A. de C. V. and CFE.	CFE	Nacional Financiera, S.N.C.
C.D. Puerto San Carlos II, constituted on September 14, 1998	C.D. Puerto San Carlos, S. A. de C. V. and CFE.	CFE	BANCOMEXT
C. G. Tres Vírgenes, constituted on January 15, 1999	SPE Alstom, S. A. de C. V. and CFE.	CFE	BANCOMEXT
C.C.C. Rosarito III (8 y 9), constituted August 22, 1997	CFE y Rosarito Power, S. A. de C. V.	CFE	BANCOMEXT
C.T. Samalayuca II, constituted on May 2, 1996	Compañía Samalayuca II, S. A. de C. V.	In the first place: The foreign bank, common representative of the creditors; In the second place: Compañía Samalayuca II, S. A. de C. V. In the third place: CFE	Banco Nacional de México, S. A.
SE 212 Subestaciones SF6 Potencia, constituted on August 21, 1997	Siemens Proyecto de Energía, S. A. de C. V.	CFE	Nacional Financiera, S.N.C.
SE 213 Subestaciones, constituted on August 25, 1997	Siemens Proyecto de Energía, S. A. de C. V.	CFE	Nacional Financiera, S.N.C.
LT 214 Sureste Peninsular 1, constituted on November 19, 1997	ABB L.T.S. Sureste Peninsular I, S. A. de C. V.	CFE	BANCOMEXT
LT 215 Alstom CEGICA, constituted on December 5, 1997	CEGICA, S. A. de C. V.	CFE	BANCOMEXT
**LT 216 Noroeste 1, constituted on August 29, 1997	L.T. (Transmission Lines) Rosarito and Monterrey, S. A. de C. V.	CFE	BANCOMEXT

Trust	Participation by CFE		Trustee
	Trustor	Beneficiary	
**LT 217 Líneas de Transmisión Noroeste 2, constituted on October 10, 1997	Elinattech, S. A.	CFE	Nacional Financiera, S.N.C.
SE 218 Noroeste, constituted on December 5, 1997	Dragados y CYMI, S. A. de C. V.	CFE	BANCOMEXT
**SE 219 Sureste Peninsular, constituted on August 21, 1997	S.E.T. (Subestaciones Eléctricas de Transformación) Sureste Peninsular, S. A. de C. V.	CFE	BANCOMEXT
**SE 220 Oriental Centro, constituted on September 12, 1997	ABB SE'S Oriental Centro, S. A. de C. V.	CFE	BANCOMEXT
SE 221 Occidental, constituted on November 7, 1997	SPE Subestaciones AEG, S. A. de C. V.	CFE	Nacional Financiera, S.N.C.
Terminal de Carbón CT Presidente Plutarco Elías Calles (Petacalco), constituted on November 22, 1996	Techint, S. A., Grupo Mexicano de Desarrollo, S. A. de C. V., Techint Compagnia Técnica Internazionale S.P.A.	CFE and Carbonser, S. A. de C. V.	Banco Nacional de México, S. A. (Banamex)
** In the process of extinguishment.			

As of December 31, 2009, CFE has liabilities for \$ 10,201,494 and fixed assets for \$ 22,399,690, corresponding to the CAT (Annualized Total Cost) of the above-mentioned trusts.

Coal Terminal of the C.T. Pdte. Plutarco Elías Calles

In 1996, an irrevocable trust agreement for management, guarantee and transfer of ownership was executed, which among its purposes established that the Trustee will execute with CFE the agreement for the provision of services.

With the coming into effect of the agreement for coal handling services by and between CFE and Banco Inverlat, S. A. as trustee of the Petacalco Trust, composed of the companies Techint Compagnia Tecnica Internazionale S.P.A., Grupo Mexicano de Desarrollo, S. A. de C. V. and Techint, S. A., entered into on November 22, 1996, according to the provisions in clauses 8.1 the Commission pays the service supplier the amounts of the invoices related with the fixed charge for capacity.

Facility	Accounting record of fixed charge for capacity during 2009
Petacalco Coal	\$ 247,899

d. Indirect participation trusts.

Furthermore, it maintains an indirect relation as it is not a Trustor, but with a participation in the capacity as a borrower, with five guarantee Trusts and payment of financing, constituted by Financial Institutions as Trustor and Beneficiaries, for the issuance of securities linked to credits granted to CFE. CFE itself is named as Trustee in the second place for the specific event that it acquires some of the issued certificates and it maintains a representation in its Technical Committees in accordance with the contractual provisions (see Note 11-d).

CFE is bound to cover to the Trust, under the terms of the "Indemnity Agreement", the expenses incurred by these due to the issuance of securities and their management.

Trust	Participation by CFE		Trustee
	Trustor	Beneficiary	
Trust N° 161, constituted on October 2, 2003	ING (México), S. A. de C. V., Casa de Bolsa, ING Grupo Financiero	In the first place: Each of the preferred holders of each Issue. In the second place: CFE.	ABN AMRO Bank (México), S. A.
Trust N° 194, constituted on May 3, 2004	In the first place: ING (México), S. A. de C. V., Casa de Bolsa, ING Grupo Financiero. In the second place: Deutsche Securities, S. A. de C. V., Casa de Bolsa.	In the first place: Each of the preferred holders of each Issue. In the second place: CFE.	ABN AMRO Bank (Mexico), S. A.
Trust N° 290, constituted on April 7, 2006	Casa de Bolsa BBVA Bancomer, S. A. de C. V., Grupo Financiero BBVA Bancomer, HSBC Casa de Bolsa, S. A. de C. V., Grupo Financiero HSBC and IXE Casa de Bolsa, S. A. de C. V., IXE Grupo Financiero.	In the first place: Each of the preferred holders of each Issue. In the second place: CFE.	ABN AMRO Bank (México), S. A.
Trust N° 232246, constituted on November 3, 2006	Banco Nacional de México, S. A., Integrante del Grupo Financiero Banamex.	In the first place: Each of the preferred holders of each Issue. In the second place: CFE.	HSBC México, S. A., Grupo Financiero HSBC
Trust N° 411, constituted on August 6, 2009	Banco Nacional de México, S. A., Integrante del Grupo Financiero Banamex.	In the first place: Each of the preferred holders of each Issue. In the second place: CFE.	Bank of América México, S. A., Grupo Financiero Bank of América

As of December 31, 2009 there are funds available to be disbursed in the above-mentioned trusts in the amount of \$ 3,228,638.

2. Legal nature.

2.1 In accordance with the Organic Law of the Federal Public Administration, none of the trusts are considered Public Trusts with the capacity of "Entity", considering that:

- a. In 22 of them, CFE does not have the capacity of Trustor in their constitution.
- b. The other 9 do not have an organic structure similar to those of the state-run entities that constitute them as "Entities" under the terms of the Law.

2.2 The SHCP has kept registered for the purposes of the Federal Law of Treasury Budget and Responsibility, only for the case of 9 (nine) of them, due to the assignment of federal resources or the contribution of the beneficial interest on land owned by the CFE where the works will be built.

Registration of Trusts before the SHCP		
No.	Trusts	Registry
1	Trust for Thermal Insulation of Houses in Mexicali , FIPATERM	700018TOQ058
2	Trust for Previous Expenses	200318TOQ01345
3	Trust for the Transfer of Ownership 2030	200318TOQ01050
4	Trust for Energy Saving	700018TOQ149
5	C. C.C. Chihuahua	199818TOQ00857
6	C. T. Monterrey II	199818TOQ00850
7	C. G. Cerro Prieto IV	199818TOQ00860
8	C.D. Puerto San Carlos II	200018TOQ01042
9	C. G. Tres Vírgenes	200018TOQ01043

24. INFORMATION BY SEGMENTS

An operating segment is defined as a component of the entity engaged in different business activities, from which revenues are obtained and costs and expenses are incurred; the accounting policies of the segments are the same as those described in the summary of significant accounting policies.

As of December 31, 2009, the CFE has a National Fiber Optics Network of 29,021.57 kilometers, divided into the Intermodal Network: 26,587.07 kilometers and the Access Network and Local Access: 2,434.5 kilometers, developed to increase the safety and reliability of the National Electricity System, and which will facilitate the application of a long-term solution for the technical-administrative communications involving voice, data and video, among others, gradually replacing the telecommunications services currently provided by third parties.

In order to maximize the use of such fiber optics network, and given that it has the capacity to provide services to third parties, the CFE requested, and on November 10, 2006 obtained from the Department of Communications and Transportation (SCT), a "Concession title for a public telecommunications network for the provision of services of supply and leasing of network capacity and marketing of the capacity acquired, in relation to networks of other concessionaires in 71 population centers around the country", with an initial term of 15 years that may be renewed.

This network, which is essential for the operation of CFE, becomes an important complement of the national telecommunications network; consequently, on March 28, 2006, the Federal Official Gazette published agreement No. 33/2006 issued by the Governing Board of the CFE dated February 20, 2006, which amends different numerals of the organic bylaws of the CFE, to modify the corporate purpose with the provision of the telecommunications service in terms of the Federal Telecommunications.

To achieve adequate operation of the network, both for internal purposes and for the use of third parties, the Governing Board of the CFE has authorized changes in its organic structure to create two administrative units: the first, the Fiber Optics Operation Coordination, engaged in the operation and maintenance of the fiber optics network; and the second, the CFE Telecom Coordination, whose functions refer to the marketing of the services authorized in the concession title.

During the second half of 2009 the efforts of the CFE were geared to promoting its services among telecommunications operators and large users; signing commercial contracts and delivering requested services to customers; and implementing a quality system that will help reduce the times of the processes and guarantee high-level quality in linkups.

Until December 2009, contracts had been signed with twenty one companies (PEMEX in all of its divisions, SCT, Alestra, Axtel, Telefónica, Btel, ICA, Cía. de G. Valladolid, Grupo Hevi, Megacable, Peñoles, Cablemás, IUSACELL, Pegaso, CDI, La Parreña, Unidad de Tecnologías de Información y Comunicaciones, Cablevisión y México Red de Telecomunicaciones).

The financial information related to the segments operated by the CFE as of December 31, 2009 is shown below:

a. Information per operating segment:

	2 0 0 9				
	Energy	Services of		Elimination internal services	Total
		Fiber optics			
		Internal	External		
Revenues	\$ 220,034,258	\$ 385,695	\$ 160,146	\$ 385,695	\$ 220,194,404
Depreciation and amortization	26,639,495	215,098	1,680	215,098	26,641,175
Comprehensive result of financing	(1,363,768)	(79,718)		(79,718)	(1,363,768)
Income (loss) from operations	(39,889,598)	(238,304)	71,337	(238,304)	(39,818,261)
Investment in productive assets	645,893,358	3,528,154	23,344		649,444,856
Total assets	798,764,443	4,205,695	73,694		803,043,832

The revenues for external fiber optics are included in the statement of income within other revenues (expenses).

	2 0 0 8				
	Energy	Services of		Elimination external services	Total
		Fiber optics			
		Internal	External		
Revenues	\$ 269,682,377	\$ 296,015	\$ 42,337	\$ 296,015	\$ 269,724,714
Depreciation and amortization	26,159,405	228,918	1,317	228,918	26,160,722
Comprehensive result of financing	(22,586,467)	(101,268)	(21)	(101,268)	(22,586,488)
Operating loss	17,639,519	287,603	6,806	287,603	(17,646,325)
Plants, installations and equipment	637,422,003	3,298,566	23,774		640,744,343
Total assets	781,015,822	3,724,227	54,520		784,794,569

b. Plants, installations and equipment in operating process.

The heading of plants, installations and equipment includes the plants, installations and equipment in operation, which is composed as follows:

	2 0 0 9	2 0 0 8
Generation	\$ 324,359,203	\$ 330,155,294
Transmission and transformation	116,130,908	128,467,580
Fiber optics	3,291,003	3,322,340
Control	756,185	689,327
Distribution	172,699,662	151,563,563
Construction	939,581	859,678
Corporate	<u>1,255,532</u>	<u>1,437,483</u>
Total property, plant and equipment	<u>\$ 619,432,074</u>	<u>\$ 616,495,265</u>

c. Revenues by division (geographic zone):

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Baja California	\$ 13,929,681	\$ 16,282,605
Northwest	14,504,822	16,297,013
North	14,987,502	17,977,112
Gulf North	29,707,973	35,767,601
Center West	8,708,360	11,545,919
Center South	8,337,319	9,407,537
East	11,880,786	13,784,050
Southeast	9,733,585	9,977,508
Bajío	20,006,445	22,045,692
Gulf Center	9,870,738	11,767,225
Center East	9,245,409	11,208,782
Peninsular	9,961,775	10,984,223
Jalisco	14,683,129	16,382,427
Central Zone of the Country	<u>7,181,019</u>	
Subtotal retail sales	182,738,543	203,427,694
En bloc for resale	33,399,177	61,529,099
Other programs	2,698,499	3,663,997
Other proceeds from exploitation	<u>1,198,039</u>	<u>1,061,587</u>
Total proceeds from exploitation	<u>\$ 220,034,258</u>	<u>\$ 269,682,377</u>

d. Revenues from homogeneous groups of customers

	<u>2 0 0 9</u>	<u>2 0 0 8</u>
Domestic service	\$ 44,464,791	\$ 41,950,530
Commercial service	23,422,679	24,647,662
Public lighting service	10,696,507	8,631,616
Agricultural service	3,696,059	3,983,830
Industrial service	<u>100,458,507</u>	<u>124,214,056</u>
Total retail sales	<u>182,738,543</u>	<u>203,427,694</u>
En bloc for resale	33,399,177	61,529,099
Other programs	2,698,499	3,663,997
Other proceeds from exploitation	<u>1,198,039</u>	<u>1,061,587</u>
	<u>37,295,715</u>	<u>66,254,683</u>
Total proceeds from exploitation	<u>\$ 220,034,258</u>	<u>\$ 269,682,377</u>

The "En Bloc for resale" segment includes energy sales to Compañía de Luz y Fuerza del Centro, a Decentralized Public Entity of the Federal Government for the amount of \$ 60,748,989 for year 2008, which accounted for 22.5% of the total sales. Instead, in this year 2009, said sales until October 10 amounted to only \$ 32,857,514, thus representing 14.9% of the total; namely, due to the extinguishment of Luz y Fuerza del Centro through a presidential decree dated October 1, 2009.

The "Electricity services" segment includes mainly the sale of the public electricity service, which consists of: generating, conducting, transforming, distributing and supplying electricity to all the users in the country, as well as planning and performing all the works, installations and constructions required by the domestic electricity system, in terms of planning, execution, operation and maintenance, with the applicable participation of the independent energy producers, as established in the Electricity Public Service Law and its Regulations.

The "Fiber Optics" segment includes the internal services for the operation of the CFE and external services for the rendering of supply and leasing services of the network capacity and marketing of the capacity acquired, in relation to networks of other concessionaires in 71 population centers around the country. The concession granted by the Department of Communications and Transportation (SCT) is to install, operate and exploit a public communications network, which is granted by the Federal Government through the Department of Communications and Transportation to the CFE.

As of December 31 2008, 20 capacity leasing service contracts had been signed with public and private companies.

The "Fiber Optics" segment described includes revenues mainly from the rendering of supply and leasing services of the network capacity and marketing of the capacity acquired, in relation to networks of other concessionaires in 71 population centers around the country, together with revenues obtained from adaptations and the related costs incurred in each heading.

25. NEW REGULATIONS

NIF C-1 "Cash and cash equivalents"

From January 1, 2010 the changes to NIF C-1 are in force, standardizing the descriptions of restricted cash, cash equivalents, investments available at sight and fair value with the provisions established in NIF B-2 "Cash flow". Also established is the possibility to use for certain accounting valuations the fair or face value, depending of their characteristics. Furthermore, Bulletin C-2 "Financial instruments" is amended, so as to define the financial instruments held to maturity and financial instruments for trading purposes.

NIF B-5 "Financial information by segments"

Various amendments to NIF B-5 will come into effect from January 1, 2011, which are retrospectively applied. The most significant disclosure aspects are:

- a. Supplementary information for each operating segment, including, as the case may be, the stages in a preoperating stage.
- b. Interest revenues and expenses must be shown separately.
- c. The amounts of liabilities per operating segment must be disclosed.
- d. Certain information of the Entity must be presented as a whole on products or services, geographical areas and main customers.

26. RESTATEMENT OF 2009-2008 FIGURES


For comparison purposes some figures of the general balance sheet as of December 31, 2008 were restated in order to make them comparable with the figures as of December 31, 2009. The items that were restated were: other assets and other accounts payable and accrued liabilities.

27. RESPONSIBILITY FOR THE FINANCIAL INFORMATION


These financial statements have been approved on March 1, 2010 by Ing. Alfredo Elías Ayub, General Director; Lic. Francisco J. Santoyo Vargas, Financial Director; C.P. Oscar H. Lara Andrade, Deputy Director of Financial Control and C.P. Aurora Navarrete Díaz, Accounting Manager, who are responsible for the financial information of the Entity.



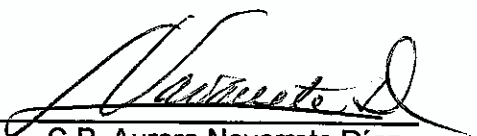
Ing. Alfredo Elías Ayub
General Director



Lic. Francisco J. Santoyo Vargas
Financial Director



C.P. Oscar H. Lara Andrade
Deputy Director of Financial Control



C.P. Aurora Navarrete Díaz
Accounting Manager