

EPM
Financial Statements and notes
As of December 31, 2013 and 2012

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Empresas Públicas de Medellín E.S.P.

Balance Sheets

At December 31

(Translation of financial statements originally issued in Spanish - See note 1)

(Amounts stated in millions of Colombian pesos)

	Notes	2013	2012
ASSETS			
CURRENT ASSETS			
		2,488,896	2,459,632
Cash	13	301,883	657,615
Investments for liquidity management	14	757,227	697,055
Accounts receivable, net	15	1,296,807	960,010
Inventories, net	16	104,318	112,446
Prepaid expenses	17	28,661	32,506
NON-CURRENT ASSETS			
		29,396,198	27,411,842
Investments for liquidity management	14	47	-
Investments, net	18	5,116,796	5,879,800
Accounts receivable, net	15	1,095,060	625,475
Property, plant and equipment, net	19	10,535,042	8,821,446
Actuarial financial reserve	20	549,736	584,565
Prepaid expenses	17	33,617	-
Other assets, net	21	1,178,480	1,098,523
Revaluation of assets	22	10,887,420	10,402,033
TOTAL ASSETS			
		31,885,094	29,871,474
DEBIT MEMORANDUM ACCOUNTS			
	33	5,499,381	5,343,147

JUAN ESTEBAN CALLE RESTREPO
General Manager
Certification enclosed

DIANA OLIVA RÚA JARAMILLO
Corporate Finance Vice President

	Notes	2013	2012
LIABILITIES			
CURRENT LIABILITIES			
		1,927,773	1,269,083
Public credit transactions	23	546,765	124,141
Hedging operations	24	32,803	44,501
Accounts payable	25	929,048	529,039
Taxes payable	26	233,112	371,018
Labor obligations	27	61,273	56,429
Pension obligations and pension commutation	28	46,303	75,091
Estimated liabilities	29	19,756	5,779
Other liabilities	30	58,713	63,085
NON-CURRENT LIABILITIES			
		7,697,990	7,341,548
Public credit transactions	23	5,968,259	5,552,306
Hedging operations	24	35,635	85,438
Accounts payable	25	15,705	16,649
Taxes payable	26	-	89,713
Labor obligations	27	53,338	54,370
Pension obligations and pension commutation	28	776,459	736,662
Estimated liabilities	29	81,307	135,290
Other liabilities	30	767,287	671,120
TOTAL LIABILITIES			
		9,625,763	8,610,631
EQUITY (see financial statements attached)			
	31-32	22,259,331	21,260,843
TOTAL LIABILITIES AND EQUITY			
		31,885,094	29,871,474
CREDIT MEMORANDUM ACCOUNTS			
	33	20,286,382	19,477,698

CARLOS MARIO TOBÓN OSORIO
Accounting Manager
Professional Card No. 62449-T
Certification enclosed

Empresas Públicas de Medellín E.S.P.

Statement of Financial, Economic, Social and Environmental Activity

At December 31

(Translation of financial statements originally issued in Spanish - See note 1)

(Amounts stated in millions of Colombian pesos)

	Notes	2013	2012
Net income	34	5,533,100	5,354,247
Service rendering costs	35	(2,605,677)	(2,355,537)
Depreciation, provisions and amortization	36	(325,385)	(333,678)
GROSS SURPLUS		2,602,038	2,665,032
Administrative expenses	37	(606,595)	(525,923)
Depreciation, provisions and amortization	36	(108,817)	(109,828)
OPERATING SURPLUS		1,886,626	2,029,281
Non-operating income, net	38	777,347	659,354
Non-operating expenses, net	39	(627,083)	(521,310)
NON-OPERATING SURPLUS		150,264	138,044
SURPLUS FROM THE PERIOD BEFORE TAXES		2,036,890	2,167,325
Income tax provision and Income tax for equity - CREE, net	26	(382,766)	(413,585)
SURPLUS FOR THE PERIOD		1,654,124	1,753,740

JUAN ESTEBAN CALLE RESTREPO
General Manager
Certification enclosed

DIANA OLIVA RÚA JARAMILLO
Corporate Finance Vice President

CARLOS MARIO TOBÓN OSORIO
Accounting Manager
Professional Card No. 62449-T
Certification enclosed

Empresas Públicas de Medellín E.S.P.

Statement of Changes in Equity

At December 31

(Translation of financial statements originally issued in Spanish - See note 1)

(Amounts stated in millions of Colombian pesos)

	RESERVES									Total equity
	Tax capital	Surplus on donations	Surplus equity method (Note 18)	Reserves	Equity funds	Total reserves (Note 31)	Retained earnings (Note 32)	Equity revaluation	Surplus on revaluation of assets (Note 22)	
Balances as of December 31, 2011	67	91,779	1,138,694	2,869,445	7,591	2,877,036	4,235,723	1,985,923	9,648,724	19,977,946
Decrease application of equity method for investments	-	-	(434,311)	-	-	-	-	-	-	(434,311)
Ordinary and extraordinary surplus transferred to the municipality	-	-	-	-	-	-	(789,841)	-	-	(789,841)
Reserves appropriation	-	-	-	9,625	-	9,625	(9,625)	-	-	-
Movements for the year	-	-	-	-	-	-	-	-	753,309	753,309
Net surplus for 2012	-	-	-	-	-	-	1,753,740	-	-	760,885
Balances as of December 31, 2012	67	91,779	704,383	2,879,070	7,591	2,886,661	5,189,997	1,985,923	10,402,033	21,260,843
Decrease application of equity method	-	-	93,534	-	-	-	-	-	-	93,534
Ordinary and extraordinary surplus transferred to the municipality	-	-	-	-	-	-	(1,234,557)	-	-	(1,234,557)
Reserves appropriation	-	-	-	259,530	-	259,530	(259,530)	-	-	-
Movements for the year	-	-	-	-	-	-	-	-	485,387	485,387
Net surplus for 2013	-	-	-	-	-	-	1,654,124	-	-	1,654,124
Balances as of December 31, 2013	67	91,779	797,917	3,138,600	7,591	3,146,191	5,350,034	1,985,923	10,887,420	22,259,331

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General Manager
Certification enclosed

DIANA OLIVA RÚA JARAMILLO
Corporate Finance Vice President

CARLOS MARIO TOBÓN OSORIO
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Professional Card No. 62449-T
Certification enclosed

Empresas Públicas de Medellín E.S.P.**Statement of cash flows****For the period comprised between January 1 and December 31,**

(Translation of financial statements originally issued in Spanish - See note 1)

(Amounts stated in millions of Colombian pesos)

	2013	2012
Cash flows from operating activities		
Period surplus	1,654,124	1,753,740
Movement of items not involving cash		
Deferred Income tax	39,232	(15,148)
Provisions, depreciation and amortization	377,697	366,818
Actuarial computation	56,505	40,492
Income for equity method	(478,258)	(145,507)
Other non-cash items of income and expenditure	160,933	(191,098)
Cash from operation activities	1,810,233	1,809,297
Changes in operating items		
Accounts receivable	(793,261)	(161,621)
Inventories	8,128	(10,555)
Other assets	(29,772)	(17,743)
Accounts payable	131,532	(345,908)
Third parties collections and other liabilities	(23,186)	(56,892)
Labor obligations	(41,682)	(41,975)
Net cash provided by operating activities	1,061,992	1,174,603
Cash flow from investments activities		
Assets and infrastructure investments	(2,046,592)	(619,389)
Subsidiaries and associated entities investments	(390,742)	(201,221)
Sale and restitution of investments	929,128	-
Dividends received	767,192	353,452
Sale of lands and other assets	-	157,428
Other assets	6,589	(43,934)
Net cash used in investments activities	(734,425)	(353,664)
Cash flows from financing activities		
Public credit and treasury disbursements	736,119	1,004,601
Capital amortizations	(175,753)	(440,551)
Surplus paid to the Municipality of Medellín	(1,183,493)	(839,841)
Net cash provided by financing activities	(623,127)	(275,791)
Net cash increase and cash equivalents	(295,560)	545,148
Cash and cash equivalents at beginning of period	1,354,670	809,522
Cash and cash equivalents at end of period	1,059,110	1,354,670

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General Manager
Certification enclosed

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Corporate Finance Vice President

CARLOS MARIO TOBÓN OSORIO
Accounting Manager
Professional Card No. 62449-T
Certification enclosed

General Notes

Note 1 Legal nature, corporate purpose and business activities

Empresas Públicas de Medellín E.S.P. (hereinafter "EPM" or the "Company") is the Parent Company of a business group that, consisting of 55 companies, is present in Bermuda, Chile, Colombia, El Salvador, Spain, United States, Guatemala, Mexico and Panama.

EPM is a municipal decentralized entity created in Colombia by means of Agreement 58 of August 6, 1955 issued by the City Council of Medellín as an autonomous public Establishment. It was transformed into a Government-owned industrial and commercial company through Agreement 069 of December 10, 1997, issued by the City Council of Medellín. As a result of its legal nature, EPM has administrative and financial autonomy and its own equity, in accordance with Article 85, Law 489 of 1998. All the capital of its incorporation and its current operation, as well as its equity, is public, its sole owner being the Municipality of Medellín. Its main offices are located at Carrera 58 No. 42-125, Medellín, Colombia. No duration term has been established for the company.

The corporate object of EPM is to provide domiciliary public utilities of water, sewage, power, fuel gas distribution, basic public switched fixed-line telephone system, and local mobile telephone in the rural sector, and other telecommunications services. The company may also provide public waste collection, treatment and use services, as well as all complementary activities proper of each of these public utilities.

According to Article 4 of its bylaws, EPM is required to maintain separate accounting of revenues, costs and expenses associated to each of the domiciliary public utilities that it provides, and guarantee the specific uses of funds from government loans.

EPM provides domiciliary public utilities directly through the two strategic business groups that are part of it:

- Water strategic business group: made up by the water and wastewater businesses, which are provided in the municipalities of Barbosa, Girardota, Bello, Copacabana, Medellín, Itagüí, Envigado, La Estrella, Sabaneta and Caldas.
- Energy strategic business group: made up by the Energy Generation, Transmission and Distribution, and Natural Gas Distribution. These services are provided in the following locations:
 - Power generation service: the power generated by EPM's plants is delivered to the National Interconnected System (SIN, for its initials in Spanish) and is commercialized through the Wholesale Power Market (MEM, for its initials in Spanish) through the sale of long term contracts and sales in the Power. The long-term contracts are entered into with different commercialization agents in several regions of the country, while the energy in the Power Exchange is sold to all agents. Additionally, it is exported to Ecuador through the International Energy Transactions scheme.
 - Power transmission and distribution service: it serves mainly the regulated market in 124 municipalities, of which 123 are located in the Department of

Antioquia and one in the Department of Chocó, Municipality of Carmen de Atrato.

- Natural gas service: the massive gas distribution program, through the domiciliary network, serves the residential, commercial and industrial sectors in the ten municipalities of the Valle de Aburra. With the Vehicle Natural Gas, EPM serves 26 service stations located in the municipalities of Itagüi, Sabaneta, Envigado, Medellín, Copacabana and Bello. As of December, 2013 the Company has 9 vehicle natural gas stations in the Medellín metropolitan area.

In 2008 EPM started covering the non-residential natural gas market in the municipalities of Guarne, Rionegro and Marinilla through the Western branch line. In 2013, 75 customers were connected between residential, small and medium size enterprises (SMEs), vehicle natural gas (VNG) and large industries. The gas system expansion in the municipalities of the Department of Antioquia out of Valle de Aburra, is carried out through the Compressed Natural Gas (CNG), which as serve to provide the service in the Municipality of La Ceja since April 2009, and in La Union and El Retiro since August 2009. The municipalities of El Peñol and Guatapé were connected in 2010, the service provision in the municipalities of Yarumal, San Pedro, Santa Rosa, Entrerrios and Donmatias started in 2011; in Sonson, Necocli, Chigorodo and Apartadó since 2012; and as of 2013 Turbo, Carepa, Santa Fe de Antioquia, San Jerónimo, Sopetrán, Ciudad Bolívar and Amagá.

Note 2 Legal and regulatory framework

The activities performed by EPM, rendering of domiciliary public utilities, are regulated in Colombia mainly by laws 142 and 143 of 1994, among others. The most significant applicable regulatory aspects are the following:

2.1 General aspects

The Political Constitution of Colombia of 1991 provided that public utilities are inherent to the State's social purpose and that its duty is to ensure the efficient rendering of those services to all inhabitants of the national territory. The Constitution also establishes that it corresponds to the President of the Republic to point out, in compliance with the law, the general administration and efficiency control policies of domiciliary public utilities, exercising, through the Superintendence of Domiciliary Public Utilities, the control, inspection and monitoring of the entities that provide them.

Law 142 of 1994, the Public Utilities Law, defines the general criteria and the policies that must rule the rendering of domiciliary public utilities in the country and the procedures and mechanism for their regulation, control and monitoring.

Law 143 of 1994, the Electric Law, made viable the constitutional approach and regulates the generation, transmission, distribution and commercialization of electric power, at the same time that it created market environment and competition, strengthen the sector and limited the State's intervention.

Because it is a company engaged in the rendering of domiciliary public utilities, EPM is governed by laws 142 and 143 of 1994. Therefore, according to these laws and to Law 689 of 2001, the contracting regime that rules it is private law, without prejudice of the obligations to comply with the general public function principles set forth in the Constitution and other principles that rule the provision of domiciliary public utilities. Likewise, because it is a decentralized municipal entity, EPM is subject to the political control of the Council of Medellin, to the fiscal control of the Medellin's Controller Office and to the disciplinary control of the General Attorney's Office.

2.2 Regulation Commissions

The President's function of establishing general policies for administration and efficiency control of residential public utilities was delegated to the Regulatory Commissions by means of Decree 1524 of 1994.

In Colombia, Regulatory Commissions have the function of regulating monopolies in the rendering of public utilities when competition is not possible. In all other cases, the function is to promote the competition among those who provide public utilities, in order that the operations of the competitors will be economically efficient, do not imply abuse in the dominant position and produce quality services. These entities are the following:

- The Energy and Gas Regulatory Commission (CREG, for its initials in Spanish) technical entity attached to the Ministry of Mines and Energy (MME) that regulates the energy sale rates and aspects related to the operation of the Wholesale Energy Market and the rendering of the electric power and gas services.
- The Potable Water and Basic Sanitation Regulatory Commission (CRA, for its initials in Spanish), regulates the water and sewage rates, technical entity attached to the Ministry of Housing, City and Territory.

2.3 Tariff system

The tariff or rate system applicable to domiciliary public utilities is made up by rules related to procedures, methodologies, formulas, structures, socioeconomic groups, billings, options, values and, in general, all aspects that determine the charge of the tariffs. According to the Public Utilities Law said regime is oriented by the criteria of economic efficiency, neutrality, solidarity, redistribution, financial sufficiency, simplicity and transparency.

Entities that provide residential public utilities must observe formulas periodically defined by the respective Regulatory Commission to set their tariffs. In this respect, the regulatory commission may establish maximum and minimum tariff limits that must be mandatorily complied by the companies; it may also define the methodologies to determinate the tariffs and the convenience of applying the regulated or supervised freedom system, in accordance with market conditions.

Notwithstanding other alternatives that might be defined by the Regulatory Commissions, the factors in tariff formulas may include a charge per consumption unit, a fixed charge and a connection contribution charge, the collection of which, under no circumstance, may contradict the principle of efficiency, nor transfer the cost of an inefficient management to

the user, nor derive benefits from dominant or monopolistic positions. Regulatory Commission may design and disclose to the public various tariff options that take into consideration optimal tariff designs.

Based on legal provisions, the tariff formulas have a term of five years. After which the commissions must review them to adjust them to the particular dynamics of the sector and of the economy in general.

Additionally, the tariff system includes the solidarity and income redistribution criteria, whereby subscribers of lower socioeconomic levels are benefited with subsidies on basic consumption or subsistence consumption, which are funded by the contributions made by industrial and commercial users, and residential users in socioeconomic levels 5 and 6, as well as contributions from the National Government and Territorial Entities

2.4 Regulation per sector

2.4.1 Potable water and basic sanitation sector

The public utility tariffs of water supply and basic sanitation consider, on the one hand, the regulations pertaining to pricing; and on the other hand, regulations for designing the subsidies and contributions scheme.

For these utilities the CRA adopted the regulated freedom system, whereby the prices are set by the local tariff-setting entity, in accordance with the methodology defined in resolution CRA 287 of 2004 and its complementary regulations. For service suppliers different from the municipality, the local tariff-setting entity corresponds to the board of directors of the supplier company.

The costs adopted by EPM were approved by means of Decree 211 of December 2005 modified by means of Decree 232 of June 2007.

For each utility, pricing includes the following components:

2.4.1.1 Water supply service

The tariff of this service includes a fixed charge and a charge for consumption.

The fixed charge represents the costs incurred by EPM to guarantee the permanent availability of the service. This charge includes costs related to the administrative and commercial activity for the rendering of this service, affected by the comparative efficiency score, calculated based on the Data Envelopment Analysis (DEA) technique.

The charge for consumption reflects the costs to operate and maintain the system, as well as the investment, replacement and rehabilitation costs, and the infrastructure recognition at the time of the computation. This charge also considers the average costs of environmental tariffs, which reflect the obligation to which water supply companies are subject by environmental authorities. These tariffs reflect the obligation arising from the use of the resource and are regulated by the Ministry of the Environment and Sustainable Development.

2.4.1.2 Basic sanitation service

As in the case of the water supply utility, in the sanitation service a fixed charge and a charge for use. The fixed charge represents the costs incurred by the companies to guarantee the permanent availability of the service, including the accounting costs associated to the administrative and commercial activity of providing the service, affected by the comparative efficiency score calculated based on the DEA technique.

The charge for consumption reflects the costs to operate and maintain the system, as well as the investment, replacement and rehabilitation costs, and the infrastructure recognition at the time of the computation. This charge also includes the average cost of environmental tariffs, which reflect the obligation to which sewage companies are subject by environmental authorities for compensatory tariffs for the subscribers' wastewater disposal into receiving sources.

2.4.1.3 Subsidies and contributions

In the water supply and basic sanitation services, the balances between contributions and subsidies are calculated in accordance with Law 632 of 2000, Law 1450 of 2011, Decrees 1013 of 2005 and 4924 of 2011, which established minimum contribution factors applicable to subscribers of socioeconomic levels 5 and 6, industrial and commercial subscribers; the methodology to find balance between contributions from the various sources and subsidies for socioeconomic level 1, 2 and 3, as well as the creation of a common pool of minimum contributions for municipalities served by the same supplier. According to the latter, these contributions are distributed among the municipalities according to the percentage that each municipality assigns to cover subsidies, and to the total demand for resources required to cover said subsidies.

According to legal regulations, subsidies cannot in any case exceed the value of basic subsistence consumption or be higher than seventy percent (70%) of the average cost of the supply for level 1, forty percent (40%) for level 2 and fifteen percent (15%) for level 3. While the factors of solidary contribution for the public utilities of water supply and sewage will be minimum the following: residential subscribers of level 5, fifty percent (50%); residential subscribers of level 6, sixty percent (60%); commercial subscribers fifty percent (50%); and industrial subscriber thirty percent (30%).

2.4.2 Electric power sector

2.4.2.1 General

Law 143 of 1994 segmented the electric power service into four activities: generation, transmission, distribution and commercialization, which may be carried out by independent companies. The legal framework's purpose is to supply the demand of electricity under economic and financial viability criteria and move towards an efficient, secure and reliable operation of the sector.

Based on these laws 142 and 143 of 1994, the CREG designs, regulates and implements the institutional and regulatory framework of the Colombian electric sector by means of specific resolutions for each of the activities of the electric power service chain.

2.4.2.1.1 Activities of the electric power sector

Generation: Consists in the production of electric power based on different sources (conventional or non-conventional), whether this activity is performed exclusively or combined with another or other activities of the electricity sector, regardless of which of them is the main activity.

Transmission: The national transmission activity is the transportation of electric power in the National Transmission System (STN, for its initials in Spanish). It is made up by the set of lines, together with their corresponding connection equipment, that operate at voltages equal to or higher than 220 kV. The National Transmitter is the legal person that operates and transport electric power in the STN or has incorporated a company which object is the performance of said activity.

Distribution: Consists in transporting electric power through a set of lines and substations, with their associated equipment, that operate at voltages lower than 220 kV.

Commercialization: Activity consisting in the purchase of electric power in the wholesale market and its sale to other market agents or end subscribers, regulated or not regulated, whether this activity is performed exclusively or combined with other activities of the electric power sector, regardless of which of them is the main activity.

Law 143 of 1994 prohibits the integral integration between generators and distributors, but permits that both agents may perform the commercialization activity. For the transmission, it defined that the companies that perform it must have this activity as their exclusive object. However, companies that as of the date of passing of Law 143 of 1994 were vertically integrated could continue being so, provided they have separate accounts for the different activities.

By means of Resolution 011 of 2006, and its modifications, and Resolution 060 of 2007, the CREG established the limits of participation of the companies in each one of the activities of the sector, defining also the methodologies for calculation of such participation.

For the generation, it established a differential regulation, according to the participation of the agent in the electric power generation activity and the market concentration. In this manner, it permits that under certain market concentration conditions, an agent may have up to 30% participation in this activity.

For the distribution activity the participation limits were released, while for the case of commercialization it was established that no company may have, directly or indirectly, a market share in excess of 25.49%, determined according to the calculation methodology defined in Resolution CREG 001 of 2006, modified by Resolutions CREG 163 of 2008 and 024 of 2009.

2.4.2.1.2 Wholesale Electric Power Market (MEM, for its initials in Spanish)

Law 143 of 1994 defined the Wholesale Electric Power Market (MEM) in the following terms: "The market of large blocks of electric power, in which generators and commercialization agents sell and buy energy and power in the National Interconnected

System (NIS), subject to the operating regulations". Its operation is based on the existence of an electric power pool, where commercial interchanges are made, and a central operator of the NIS called National Dispatch Center (NDC). Resolution CREG 024 of 1995 regulated the commercial aspects of the MEM and Resolution CREG 025 of 1995 the operating aspects of the NIS.

Transactions performed between generators and commercialization agents are made through two mechanisms:

Bilateral agreements: power purchases intended to the regulated market must be made through mechanisms that encourage free competition and that request and give an opportunity under equal conditions to all interested agents to submit their offers, which must be evaluated based on the price. Vertically integrated companies with the generation activity, can only self-purchase up to 60% of the power intended to their regulated market and must participate as any other generator in the public bill for power purchases. For the non-regulated market power purchases are made through direct negotiations between generators and commercialization agents or non-regulated subscribers.

Energy Exchange: It is a system whereby energy is sold and purchased in the short term (hour by hour), based on a model of free competition between supply and demand. The generation resources offered to cover the demand are dispatched from lower to higher price, using for this purpose model of optimization by day, based on which the hourly exchange tariff is set.

2.4.2.2 Power generation activity

It is an activity open to competition and for this reason the prices are market defined. Generator agents subject to central dispatch, with an installed capacity equal to or in excess of 20 MW, carry out their electric power transactions in the MEM. In addition, the following types of generators are part of the system:

- **Small-size plants:** those with installed capacity of less than 20 MW. The regulations applicable to commercial transactions carried out by these agents are included in CREG Resolution 086 of 1996.
- **Self-generator:** natural or legal person who produces electric power exclusively to take care of its own needs. It uses the public network only to obtain support from the SIN (CREG Resolution 086 of 1996).
- **Cogenerator:** natural or legal person who produces energy using a cogeneration process (CREG Resolution 005 of 2010). This process consists in the combined production of electric power and thermal power that forms integral part of the productive activity of those who produce that power, both intended to their own consumption of that of third parties in industrial or commercial processes.

The income from the generation activity proceeds basically from power sales through bilateral agreements to the regulated and non-regulated markets, of the power exchange, the Automatic Generation Control (AGC) service and the reliability charge.

By means of CREG Resolution 071 of 2006, and its subsequent amendments, the methodology was established for the remuneration of the reliability charge to MEM generators. This charge intends to promote the expansion of the electric power generation capability in the country and make sure that the generation resources are available to supply the demand in critical hydrology events. To this end, the Firm Power Obligations (OEF, for its initials in Spanish) that are required to cover the system's objective demand defined by the regulator are auctioned.

The generator to which OEFs are assigned receives a known remuneration that is stable during a determined term, and agrees to deliver this energy when the exchange price exceeds the threshold previously established by the CREG, known as "scarcity pricing". The Administrator of Commercial Interchanges (ASIC, for its initials in Spanish) calculates, collects and distributes this remuneration and it is paid by regulated and non-regulated subscribers of the SIN through the tariffs charged by the commercialization agents.

The implementation of CREG Resolution 71 of 2006 had a transition period from December 1, 2006 up to November 30, 2012. During this period, both the mechanism of assignment of the reliability charge and the determination of the price were managed centrally. In this transition the price of the OEF was of 13,045 USD /MWh (USD of 2006).

From November 30, 2012 to November 30, 2015, the OEF price is \$13,008 USD /MWh (USD of 2008) and corresponds to those OEFs assigned through the first auction that took place on May 6, 2008; this value applies both for existing plants and for new plans with OEF assignment in the auction process. As of December 1, 2015 the reliability charge will have a value of USD 15.70 USD /MWh (USD of 2011), according to the results of the auction of December 27, 2011.

2.4.2.3 Energy transmission activity

2.4.2.3.1 General aspects of regulations in effect

The most relevant aspects of the regulatory framework in effect of this activity are contained in CREG Resolution 011 of 2009, which are summarized below.

The remuneration methodology of the National Transmission activity is known as "regulated income", whereby the maximum annual income that remunerate each national transmitter are established, in accordance with the assets effectively owned in the STN. For the above, typical constructive units were established valued at replacement cost to new, useful lives, administration, operation and maintenance expenses (AOM) and a discount tariff applicable to the assets.

This income is collected through the application of some charges for the use of the STN, which are paid by the commercialization agents of the SIN (demand), determined in accordance with the methodology established in CREG Resolution 103 of 2000, which is based on a national stamp charge with time differentiation by loan period that permits to remunerate transporters of the STN. The resulting charge and collection of the application of charges for the use of the STN are managed centrally through the person in charge of the Account Assessment and Administration (LAC, for its initials in Spanish) of the STN, who bills and calculates the charges for use.

On the subject of quality, the transmission agents must take into account some maximum value of non-availability of the assets owned by them. The failure to comply with these values will lead to the reduction of the agent's regulated income, which results in a lower value of the charge for use of the STN that must be paid by the demand of the SIN. Likewise, they will make compensations of energy not supplied when the non-availability of these assets causes demand not met that exceeds the limits previously established in the regulation.

2.4.2.3.2. Expansion of the STN

In respect to the expansion of the STN, the CREG adopted a set of provisions contained in CREG Resolution 022 of 2001, and its modifications, that seek to introduce elements of efficiency in the performance of the STN expansion plan. This plan is defined by the Mining Energy Planning Unit (UPME, for its initials in Spanish), and is awarded through public bidding processes. In this processes compete existing national, as well as potential transmitters, for the construction, administration, operation and maintenance of the STN expansion projects. The bidder with the lowest present value of the expected income flow will be awarded the respective project.

2.4.2.4 Distribution activity

The distribution activity is the transportation of electric power through the Local Distribution System (SDL, for its initials in Spanish) or the Regional Transmission System (STR, for its initials in Spanish). This activity is carried out by Network Operators (OR, for its initials in Spanish) who take charge of the planning of the expansion, investments, operation and maintenance of all or part of a STR or SDL. The assets may be owned by them or by third parties, although the ORs have the priority in the system expansion.

The SDL is the electric power transportation system consisting of the set of lines and substations, together with their associated equipment, that operate at voltage levels lower than 57.5 kV (levels 1, 2 and 3), engaged in the rendering of the service in one or several commercialization markets. The STR is the electric power transportation system made up by the connection assets to the STN and the set of lines and substations, together with their associated equipment, that operate at a level equal or higher than 57.5 kV (level 4). An STR may belong to one or more OR

Given that the distribution activity is a monopoly, it is fully regulated. To this effect, the CREG defines the remuneration applicable, which is revised every five years as provided by the law. The methodology established for the remuneration has a quality scheme associated. The basic elements of the remuneration are contained in CREG Resolution 097 of 2008, whereby the general methodology for determination of distribution charges was defined, emphasizing the following:

- The methodology for remuneration for voltage level 4 is of regulated income and for levels 1, 2 and 3 of maximum price. In the former case an income is guaranteed to the OR, regardless of the demand's behavior, and in the latter a maximum charge is guaranteed but with the demand risk associated.
- Distribution charges of each of the voltage levels are calculated as the ratio between annuity of AOM assets and the power transported of the base year (for the current

tariff period it corresponds to 2007). In assets, the regulator defines constructive units (physical quantity) and values them at weighted costs between replacement price to new and the cost recognized in the preceding regulatory period; the AOM is determined by considering the actual AOMs of the company and the service quality evolution of the immediately preceding year. The regulator also defines the value of the Weighted Average Cost of Capital (WACC), which is the discount tariff used to find the annuity of assets. The energy transported considers some efficient energy losses, which are also defined by the regulator.

- Upon definition of the methodology, each OR is approved by an independent resolution its own distribution charges by voltage level. The distribution charges for EPM were approved by means of CREG Resolutions 105 of 2009 and 026 of 2010.

In addition to the above, for the remuneration of the distribution activity, the MME defined the distribution areas (ADD, for its initials in Spanish), that correspond to a group of Network Operators by zones considering their geographic proximity, in order to define in this manner the charges for transportation use of all ORs by voltage level (1, 2, 3 and 4), that for the case of the Companies of the EPM Group corresponds the ADD-Center in accordance with the provisions of Resolution MME 18 0574 of 2012; and although the unified charges are defined to transfer to the rate in the commercialization markets of the ORs of the ADD, each OR will receive as income its charges approved by means of CREG Resolutions.

2.4.2.4.1 Expansion of Regional Transmission Systems (STR) and the Local Distribution Systems

The regulation establishes the criteria to secure the expansion and coverage levels of the STRs and SDLs, which are in the CREG Resolution 079 of 1998. The ORs are responsible for preparing and executing the expansion plan of the system operated by them, in accordance with their strategic, action and financial plans.

The expansion plans of the ORs shall include all projects required by their system, considering requests from third parties and that are viable under the context of their financial plan. If the ORs do not carry out a project contained in their expansion plan, it can be carried out by the interested subscriber or a third party, for which a remuneration scheme is defined. For the specific case of the expansion of the STR, the projects that are not of interest of the OR will be subject to public bidding processes.

According to the provisions of the Distribution Regulations, CREG Resolution 070 of 1998, the planning must be done based on certain criteria, among them, meeting the demand, adaptability, flexibility, environmental viability, economic efficiency, quality and continuity in the supply.

Based on the methodology defined in CREG Resolution 097 of 2008, the expansion projects that have an average cost in excess of that approved in the distribution charges to the network operator will be incorporated in the tariff, prior approval by the UPME. Thus, such projects start to be remunerated once they being to operate and it is no longer necessary to wait until the following regulatory period as it was the case before. In the

year 2013, the CREG issued Resolution 024 of 2013, which establishes the procedures to be followed for the expansion of the STRs (selection processes).

2.4.2.4.2 Quality of the electric power service

The regulation differentiates the quality of the power supplied from the quality of the service provided. The quality of the power relates to the deviations of the values specified for the voltage variables and for the form of the voltage and current waves, while the quality of the service rendered refers to the reliability of the service.

In respect to the quality of the service rendered, the methodology defined in CREG Resolution 097 of 2008 introduced incentives with compensations to the worst served subscribers in the SDL and for the case of the STR compensations were defined by energy not supplied when the non-availability of these assets causes demand not met that exceeds the limits previously established in the regulation.

For the incentive scheme, a quality target was defined, calculated based on the average quality for each distribution system, which varies within a range defined based on a two-year history (2006 and 2007) and its fulfillment is evaluated quarterly, as follows:

- If the ORs do not comply with the target, and the result is lower than expectation, their distribution charge is reduced.
- If the ORs exceed the target, that is, achieve a better result than expected; they are giving an incentive increasing them the charge for distribution use in the quarter following that evaluated.
- If the ORs obtain a result that places them within the range previously defined (indifference range) their tariff is not affected.

In the last two cases, when the tariff is improved or when it remains the same, it is necessary to compensate the "worst served" subscribers, that is, those subscribers to whom the quality is individually deteriorated.

CREG Resolution 117 of 2010 determined the Grouped Availability Benchmark Indexes (IRAD, for its initials in Spanish) for EPM, with which it started the application of the SDL service quality scheme.

2.4.2.5 Commercialization activity

Generators and distributors of electric power may carry out this activity jointly or it may be carried out independently. The commercialization agent is the intermediary between the end subscriber and all other agents that are behind the chain (generators, transporters, distributors and market administrator). Therefore, he is in charge of purchasing energy from the wholesale market and selling it to those subscribers, for which it prepares the billing, measuring, collection and service to summers, among others.

Law 143 of 1994 established a segmentation of the retail electricity market in two types: regulated market and non-regulated market.

Regulated market: electric power market in which the tariffs operate under the regulated freedom regime, are not negotiable and are determined through tariff formulas established in resolutions issued by the CREG. Industrial, commercial and residential subscribers can participate in this market. Also, competition was introduced in such a way that subscribers are free to choose the service provider. The purchase of energy for the regulated market must be done through public bids in order to guarantee the free concurrence of agents.

Non-regulated market: electric power market in which users with a demand for electricity equal or in excess of 0.1 MW, or a minimum monthly power consumption of 55 MWh, as established by CREG Resolution 131 of 1998. Commercialization and generation agents supply it; who negotiate the prices freely (generation component), the period and the electric power quantities.

2.4.2.5.1 Tariff structure

According to the regulations in effect, electric power commercialization agents may charge their end subscribers a maximum cost per consumption unit. For the regulated market said cost is calculated in accordance with the tariff formula defined by the CREG, in CREG Resolution 119 of 2007, which became effective in the month of February 2008.

The cost of rendering the service is the sum of the costs involved in each of the activities of the electric sector: generation (G), transmission (STN), distribution (SDL), commercialization (C) restrictions (R) and losses (P).

For the non-regulated market a tariff formula is not approved because it operates under the (monitored) freedom regime, but the costs of the six components above are transferred to it, although some of them are calculated differently: the G results from the negotiation between subscribers and commercialization agents and, in turn, between the latter and the generators.

The provisions on the subject of subsidies and contributions are summarized below:

- Tariffs for subscribers of level 1 and 2: according to the provisions of Law 1117 of 2006, extended by means of Law 1428 of 2010, for subsistence consumptions, consumptions lower than 131 kWh/month, the tariffs can only increase monthly a maximum of the inflation. This implies that when the cost of rendering the service grows above the inflation, the difference becomes a higher subsidy for subscribers. The subsidy percentage has a limit of 60% and 50% for level 1 and 2 respectively.
- Tariffs for level 3 subscribers: they receive a subsidy equivalent to 15% of the cost of rendering the service.
- Tariffs for level 5 and 6 and the commercial sector: they pay a contribution of 20% on the cost of rendering the service, intended to cover the subsidies granted to subscribers of level 1, 2 and 3.

Law 1430 of 2011, whereby tax regulations of control and for competitiveness are issued, established a contribution, setting forth as of 2012 that industrial subscribers will not be subject to the charge for solidarity contribution. In addition, the Government will establish

who is the industrial subscriber beneficiary of the discount and subject to that surcharge. Such regulation became effective by means of decrees 2915 of 2011, 4955 of 2011 and 2860 of 2013.

Law 142 of 1994 established the obligation to create in the Ministry of Mines and Energy a Solidarity Fund for Subsidies and Redistribution of Income (FSSRI, for its initials in Spanish), which is funded with resources from the surpluses that commercialization companies generate, after offsetting subsidies and contributions in their own markets. Additionally, if the resources from the companies' surpluses are not sufficient to cover the total amount of the subsidies applied, the National Government covers the shortage, charging the budget. Otherwise, the public utility companies may take the necessary measures in order that subscribers cover the total service cost.

2.4.3 Natural gas sector

2.4.3.1 General

Law 142 of 1994 defined the legal framework for the rendering of domiciliary public utilities, environment in which natural gas is defined as a public utility, and created the CREG as the entity in charge of developing the rules and regulations for the activities associated to this service: commercialization from production, transportation, distribution and commercialization to end subscriber. However, the regulations and competences expressed in the Oil Code and in the Association Contract continue to rule for the exploration, exploitation and production of natural gas and, therefore, it is beyond the scope of CREG's regulation. The regulation of the natural gas production is made by the MME and the administration of gas resources is carried out through contracts with the National Hydrocarbons Agency (ANH, for its initials in Spanish).

As of the passing of Law 142 of 1994 major changes took place on institutional and regulatory matters which have consolidated the development of the natural gas industry in the country, achieving the incorporation of new and considerable investments in the different activities of the sector, through different public and private agents. Natural gas distribution companies started to exercise their activity under the legal regime of this law, without need for a concession contact with the Nation, exception applicable only to the exclusive service areas for distribution of natural gas through a network. Based on Law 142 of 1994, the CREG defined the regulatory framework of the natural gas utility by means of Resolution 057 of 1996.

2.4.3.2 Activities of the sector

2.4.3.2.1 Commercialization since production

This activity consists in the sale of natural gas originating in the different production fields located in the national territory, to the commercialization agents or non-regulated users who wish to access gas supply directly.

The CREG, by means of Resolution 08 of 2013, modified the commercialization mechanism in effect to improve the liquidity and efficiency of the primary and secondary gas markets. The above, through the definition of requirements and standards for the contracts, as well

as of the market operator and some modifications to the secondary market, including matters related to long and short term "take or pay" mechanisms.

For fields with a production higher than 30 MCFD, the bilateral negotiation is permitted in case that the annual balance of the added supply and demand made by UPME shows excess supply in at least three of the five years of the horizon. Otherwise, an annual and simultaneous auction is held in the points of entry to the system and with standardized products of 1 and 5 years.

The types of supply contracts permitted, both in the primary and the secondary markets, are: firm, conditioned firmness, gas purchase option, gas purchase option against exports and of contingency for thermal and non-thermal demand (per provisions of CREG Resolution 062 of 2013). Contracts with interruptions will be allowed until November 2014 and subsequently they will be made by monthly auction.

2.4.3.2.2 Transportation of natural gas

This activity consists in the conveyance of natural gas in high-pressure steel pipes that make up the National Transportation System (SNT), from the natural gas production fields to the entrance to the large cities (city gate) and to large consumers, thermoelectric plants and large industries.

The activity is considered a natural monopoly regulated in price, quality and access. The remuneration of the service is based on a scheme of charges by passage or distance, determined as the sum of the charges corresponding to each gas pipeline section from the point of entry of gas to the SNT up to the point of exit of gas of each purchasing agent of the utility. The remuneration and charge structure are established in CREG Resolution 126 of 2010. The distance charge scheme reflects the average costs of each component of the system and preserves the location signs, for which efficient investment costs and the gas pipeline AOM as well as the volumes transported by it are taken into account.

The natural gas transportation market is a bilateral market characterized by the direct negotiation between the parties, transporter and sender, closing the transactions autonomously. Contracts are ruled according to the standardization established by CREG Resolution 089 of 2013.

Access conditions to the transportation network, as well as the quality and pressure specifications for delivery of natural gas must comply with the conditions that are set forth in the Single Transportation Regulations (RUT, for its initials in Spanish), CREG Resolution 071 of 1999.

CREG Resolution 171 of 2011 prohibited the physical "by-pass" to the natural gas distribution network by an existing or future user, who although being able to connect to the distribution network, given his pressure and quality requirements, wishes to connect directly to the SNT to avoid the remuneration payment of the distribution network.

2.4.3.2.3 Retail distribution and commercialization of natural gas through pipe networks

The natural gas distribution activity through pipe networks consists of the conveyance of said fuel from the city gate regulating stations, or from a distribution system, to the connection of an end user, through medium and low pressure pipes, which are mostly of polyethylene.

In Colombia the distribution of natural gas is regulated according to the service modality: exclusive service areas (those given in concession according to the lower price obtained) and areas of non-exclusive service (tariff formulas – Regulated Freedom Regime). The latter applies to EPM.

For the non-exclusive service areas, by means of Resolution 011 of 2003, the CREG established the general criteria to remunerate the fuel gas distribution and commercialization activities and the general tariff formulas for the rendering of the domiciliary public utility of fuel gas distribution through pipe networks.

The activity of natural gas distribution through pipe networks is considered a natural monopoly regulated in price, quality and access. The regulatory regime that applies corresponds to a Price Cap determined based on the calculation of the average medium term costs, which are transferred to the demand using a tariff basket methodology applied based on the average charges approved by the regulator.

The calculation of the medium term average costs considers the base investment, the five-year expansion projection, the demand and efficient AOM expenses projection for a 20-year horizon and a tariff of return that remunerates the cost of the invested capital.

The tariff basket is structured based on six consumption ranges, and has a cap price equal to 110% of the average charge approved by the regulator and also a floor charge equal to the average cost of the medium pressure network. The cap charge is applied to the first consumption range, which includes the entire residential demand and the low consumption retail sector. Distribution and commercialization charges for each relevant distribution market are approved by the CREG through a specific regulation, at the request of distributors.

The commercialization charge (C_o) is a value in pesos per invoice (\$/invoice) that remunerates the costs of metering, billing, collection, customer service, commercialization margin and past due receivables risk, among others. Its definition takes into account annual efficient AOM expenses, depreciation of assets associated to the commercialization activity and a commercialization margin of 1.67%, applied on the gross annual income of the commercialization agent in the regulated market for the year corresponding to that in which the calculations of the efficient AOM expenses were made.

Annual efficient AOM expenses are determined using the DEA relative efficiency methodology, and the commercialization margin recognized is intended to remunerate an operating margin of the activity of 1.60% and a receivables risk premium of 0.07%.

The rights and responsibilities to be complied with among distributors, commercialization agents and users, the free access conditions to the distribution network and the safety and

minimum quality of the distribution service, are established in the code of fuel gas distribution by networks, issued by CREG Resolution 067 of 1995.

In addition, CREG Resolution 123 of 2013 established the Commercialization Regulation of the Natural Gas Utility that contains the set of provisions that regulate the rights and obligations of commercialization agents, as well as the rights and obligations of non-regulated users when they participate directly in the natural gas wholesale market.

2.4.3.3 Tariff structure

For the regulated market distribution-commercialization companies that serve the natural gas utility in non-exclusive service areas applied, for 2013 and previous years, the tariff formula established in CREG Resolution 011 of 2003. This tariff formula permits companies to transfer monthly the average maximum unit cost for natural gas purchases and transportation (G & T), in addition to its distribution and commercialization (D & C) costs.

For the non-regulated market a tariff formula is not approved since a monitored freedom regime operates. However, as in the case of the regulated market, the costs of the regulated transportation and distribution components are transferred, as well as the gas purchase and commercialization variables, the latter in accordance with the prices resulting from the negotiation between users and commercialization agents.

2.4.3.4 Subsidies and contributions regime

According to the legal framework in effect in Colombia, a subsidies and contributions regimes is applicable, in conformity with the principle of solidarity and income redistribution, which mandates that subscribers of level 1 and 2 be granted some subsidies to the cost of the utility and to level 5 and 6, industrial (according to the DIAN classification) and commercial sectors, be charged a contribution on the value of said cost to cover the subsidies granted to the former. Currently level 3 and 4 do not receive subsidies and are not charged contributions.

The provisions on the subject of subsidies and contributions are summarized as follows:

- The tariffs for subscribers of level 1 and 2 in the range of subsistence consumption (lower than 20 m³ /month), according to the provisions of Law 1117 of 2006, extended by Law 1428 of 2010, cannot have monthly increases in excess of the Consumer Price Index (CPI). This implies that when the unit cost for the service grows above inflation, the difference becomes higher subsidy for those users. The Law defined the maximum percentage of subsidy that can be granted to level 1 and 2 at 60% and 50%, respectively.
- It is important to emphasize that users of fuel gas that belong to level 3 and 4 are not subject to subsidy and at the same time they are exempt by law from the payment of contribution.
- level 5 and 6 contribute 20% of the service value.

- Commerce and industry contribute 8.9% on the service value, with the exception of the gas-based generation of electricity, the petrochemical industry and vehicle compressed natural gas (VCNG), whose contribution is 0%.
- Law 1450 of 2011, Law of the National Development Plan 2010-2014, established that as of 2012 industrial users of domiciliary natural gas will not be subject to the contribution charge referred to by Law 142 of 1994 and that the National Government will regulate the necessary conditions in order that the providers of domiciliary natural gas carry out an adequate control among the different types of users. Said regulation became effective by decree 4956 of December 30, 2011.
- Law 142 of 1994 established the obligation to create in the MME the Solidarity Fund for Subsidies and Redistribution of Income (FSSRI), which is funded with resources from the surpluses that commercialization companies generate, after offsetting subsidies and contributions in their own markets. If the resources of the fund are not sufficient to cover the total amount of the subsidies applied by the companies, initially the National Government covers the shortage through budget transfers to the account of the Ministry used for this purpose. In case that this is not possible the public utility companies may take the necessary measures in order that subscribers cover the total service cost.

2.4.3.5 Integration of the natural gas sector

Resolution 057 de 1996 determined the rules for capital stock participation in the natural gas sector, which impose limits to the sector's agents. In this respect, companies whose objective is to sell, commercialize or distribute natural gas, cannot be transporters or have any economic interest in a transportation company of the same product. For the purposes described, there is an economic interest of a transportation company in another which object is the production, sale, commercialization or distribution of the same product, in the following cases:

- When these companies, their parent companies, subordinates or related companies are part of an agreement to share profits or reduce costs or in any joint venture agreement with producing, commercialization or distributing companies of natural gas.
- When the producing company has over 25% of the corporate capital in the transportation company and 30% of the corporate capital in a distribution company.
- When the transportation will not be able to participate in the natural gas commercialization activity, save when they hold a capital stock participation in a natural gas distribution-commercialization company.

Additionally, Resolution 112 of 2007 released the participation limit of retail natural gas distribution and commercialization, which permits a distribution-commercialization agent participate up to 100% of these activities.

2.4.3.6 Quality of the natural gas service

The quality in the natural gas sector is assessed in two perspectives. The first one measures and assesses the quality of the service rendered; for this purpose the maximum time of equivalent duration of the service interruption to the users and the technical service response time are measured and evaluated in the case of events such as gas leaks fire, quality of flame and interruption. And the second evaluates the natural gas product quality, for which purpose the delivery pressure indexes in individual lines and the odorization of natural gas are specified.

Through Resolution 100 of 2003, the GREC established the criteria, indicators and targets to measure this quality and determined the responsibilities and compensations for the failure to meet these targets.

Note 3 Statutory audit

Empresas Públicas de Medellín E.S.P. has no obligation to have a statutory auditor, since it is an industrial and commercial company of the State, and since all the capital for its incorporation and operation is of a public nature. For this same reason, the entity is subject to full fiscal control by the General Controller's Office of Medellín.

Note 4 External audit

According to provisions of the Good Corporate Governance Code, as a control mechanism is established the external audit, which purpose is the examination of the accounting information in general and of the financial statements, as well as the issuing of an independent opinion in respect to the reasonableness of the financial statements to indicate the financial condition of the company at the closing of each fiscal period. The Audit Committee of the Board of Directors previously reviews the External Audit Plan and follows up the auditor's performance.

Through a request for public tenders, the firm Deloitte & Touche Ltda. was hired for the period from May 1, 2013 to April 30, 2014 to carry out the financial external audit to the individual financial statements of Empresas Públicas de Medellín E.S.P., to the consolidated financial statements of the EPM Group and to the financial reports of the projects that must be submitted to the InterAmerican Development Bank (IADB) and to the International Financial Corporation (IFC).

Note 5 Accounting practices

For the preparation and presentation of the financial statements, the company, as a public entity, complies with the Public Accounting Regime (RCP, for its initials in Spanish), established by the Nation's General Accounting Office (CGN, for its initials in Spanish), a public entity of the Republic of Colombia. The RCP is harmonized with rules and practices accepted internationally for the public sector. Local regulations contain international elements applicable to the local context and strategic for the interaction of the public sector in a globalized environment.

These financial statements and notes to the financial statements were translated into English, from statements originally issued in Spanish, for the convenience of readers.

The regulations in effect of the CGN that rule accounting matters are:

- Resolution 354 of 2007: adopted the RCP, established its structure and defined the scope of application.
- Resolution 355 of 2007: adopted the General Public Accounting Plan (PGCP, for its initials in Spanish), which contains the general public accounting regulations and the grounds to recognize and disclose the transactions, events and operations carried out.
- Resolution 356 of 2007: adopted the procedures manual of the public accounting regime consisting of the general catalogue of accounts, the accounting procedures and the accounting instructions manual.
- Resolution 357 of 2008: establishes the internal accounting control procedure and the remittance of the annual internal control evaluation report that must be sent to the CGN.

Also applicable are the regulations of the Superintendence of Domiciliary Public Utilities (SSPD, for its initials in Spanish), a technical entity created by the Constitution of Colombia to exercise the control, inspection and monitoring of the entities that provide domiciliary public utility services.

The unified system of costs and expenses by activities of EPM is ruled by Resolution 20051300033635 of December 28, 2005, issued by the SSPD, updated with Resolution 20101300021335 of 2010, which was derogated with Resolution 20131300001025 of 2013.

According with the regulations in effect, EPM adopts the accounting practices detailed below:

- a) **Functional currency:** the function currency of Colombia is the Colombian peso. Consequently, the operations carried out by EPM in other currencies are considered denominated in a "currency different from the peso" and are recording according to the exchange rates in effect on the dates of the operations. The Colombian economy is not hyperinflationary.

During the period, the differences between the historic exchange rate accounted for and the rate in effect on the date of the charge or payment are recorded as exchange difference gain or loss and are presented in the "net non-operating result" of the income statement. Excepted from this practice are investments abroad in controlled companies, which are recorded in the equity through the equity method.

- b) **Accounting estimates and judgments:** in the preparation of the financial statements estimates are used to quantify some of the assets, liabilities, income, expenses and commitments that are recorded in the accounting. Basically estimates refer to:

- Valuation of assets to determine the existence of losses by their impairment.
- Useful life of properties, plant and equipment and intangibles.
- Realization value to determine the inventories provision.
- Recoverability of accounts receivable to determine the receivables provision.
- Hypothesis used to calculate the reasonable value of properties, plant and equipment.
- Public utilities supplied to customers, corresponding to billing cycles with consumptions of December, but the invoices for which are issued in January of the following year. The records are made globally and at the respective tariffs of the specific income in consideration that the right to said income already exists.
- Some macroeconomic variables, particularly costs of the electric sector.
- Hypothesis used in the actuarial calculation of the retirement pension and seniority bonus calculations.
- Amount of liabilities associated to possible contingencies, which gives rise to recognition of provisions.
- Determination of reasonable value of investments that are not quoted in the public exchange market.

These estimates are made as a function of providing reasonable information that reflects the economic reality of the company as of the closing date. The end result of the operations referred to by those estimates may be different from the final values and originate future modifications according to their occurrence.

- c) **Materiality notion:** the recognition and disclosure of the economic events is made according to their relative importance. An economic event is material when because of its nature or amount, its knowledge or lack of knowledge, taking into account the circumstances, may significantly alter the economic decisions of users of information. When preparing the financial statements, the relative importance for disclosure purposes was determined on 5% basis applied to each group of accounts.
- d) **Classification of assets and liabilities:** assets and liabilities are classified according to the use to which they are intended or according their degree of realization, enforceability or assessment in terms of times and values. The values realizable or payable within a term not exceeding one year are considered current assets and liabilities.
- e) **Cash:** money in cash and in banks is considered cash. Funds that because of contractual or conventional reasons have a restricted availability are recorded separately.
- f) **Investments for liquidity administration:** correspond to the investments made to optimize the excess liquidity surpluses, that is, all funds that are not immediately intended to the performance of activities that constitute the company's corporate object. Investment of excess liquidity is made under the criteria of transparency, security, liquidity, profitability, under the guidelines of an adequate control and at market conditions with no speculative purposes in accordance with Decree from the General Management 1651 of 2007.

Considering the stipulations of Decree 1525 of 2008 from the Ministry of Finance and Public Credit, modified by Decrees 2805 and 4471 of 2009, 4686 of 2010, 1468 of 2012 and 600 and 1117 of 2013, transitory investments in EPM may be created in treasury securities (TES), Class B, fixed Rate or indexed to the UVR (Real Value Unit) and in term deposit certificates (CDT, for its initials in Spanish), in checking or savings account or in term deposits with banking institutions monitored by the Financial Superintendence of Colombia or in entities with special regimes, contemplated in section tenth of the financial system organizational structure and in collective investment portfolio of the monetary or open market, without pact of permanence, in entities with the second best rating in effect on strength or quality in the administration of portfolios and that comply with the investment regime provided for EPM.

The bank establishment subject to investment of excesses must have a rating in effect corresponding to the maximum category for short term, in accordance with the scales currently used by the rating agencies BRC Investor Services S.A. (BRC1+), Value and Risk Ratings S. A. (VrR1+) and Fitch Ratings (F1+) and receive as minimum the third best rating in effect for the long term (AA) used by the respective corporations.

Foreign currency excesses may be investment in international governments or financial institutions with a minimum rate of A+ for the long term and A-1+ for the short term, the same that in branches abroad of banking establishments monitored by the Financial Superintendence of Colombia, that have the maximum rating in effect for the long and short term according to the scale used by rating agencies that rate the Nation's foreign debt.

The portfolio of liquidity investments is valued daily at market prices, according to the provisions of the regulations in effect. Prices and benchmark rates used for the different categories of securities are: for local currency those published by the Stock Exchange of Colombia in its information for valuation page (Infovalmer), and for foreign currency those published in Bloomberg.

The purchase of investments, administration of fixed income liquidity, is recorded at purchase cost, which is the same reasonable value. The costs of these transactions are recognized as expenses when incurred. Subsequently to their initial recognition, they are valued at reasonable value taking into consideration the market value established in the stock exchange where said security is traded. Differences that arise between each valuation increase or decrease their cost, with debit or credit to the results accounts of financial income or expenses, according to the case.

g) **Equity investments:** consists of investment in controlled and uncontrolled entities.

- **Investments in controlled entities:** equity investments in controlled entities consist of investments made with the intention of exercising control or have the joint control. They are recognized at their historic cost and the equity investments in which EPM exercises major influence are included.

The historic cost is made up by the acquisition price or original amount, plus all the disbursements necessary made by EPM for the acquisition of the investment. These investments are not subject to exchange difference adjustment, since the equity method incorporates it, but are subject to adjustment to intrinsic value in order to

recognize at the time of the purchase the difference between the acquisition price and the intrinsic value of the shares, quotas or part of corporate interest. If as a result of the comparison the investment value is lower than the intrinsic value, the difference is recorded as appreciation. If, to the contrary, as a result of the comparison the value of the investment is higher than the intrinsic value, the difference is recorded as provision, affecting results. The adjustment to the intrinsic value is modified by new acquisitions.

- **Equity investments in uncontrolled entities:** they consist of the participative securities classified as of low or minimum tradability or without any trading, which do not permit EPM to control, share the control or exercise any major influence on the issuing entity. These investments have the characteristic of not being available for sale. They are updated by the cost method quarterly, based on the value in the stock exchange or their intrinsic value. If the intrinsic value or stock exchange trading value is higher than the adjusted cost, the difference is recognized as appreciation, affecting the equity as surplus. If the intrinsic value or stock exchange trading value is lower than the adjusted cost, the appreciation created is reduced until it is extinguished, and beyond that value provisions are recognized against results for the period as other non-operating expenses.
- h) **Debtors:** it constitutes the value of the rights in favor of EPM originated in the rendering of the public utilities services. Within this item are the utilities of electric power, water, basic sanitation, fuel gas and their respective subsidies. It also includes other items such as related parties, prepayment and advances for contractors and suppliers of goods and services, sale of goods, loans to employees, financing for the conversion to gas and for gas appliances, rendering of other information technology services, technical assistance and leases, among others.

One of the following conditions must be met for their recognition:

- That the service or good has been satisfactorily delivered.
- That there is a right on which the transfer of money or its compensation in kind may be legally demanded.
- The existence of a collection document, agreement, court ruling or other document legally issued that supports the right.

Doubtful accounts: as doubtful accounts are considered those that are over six month past due or when they are sent to legal collection, event that originates the reclassification of the respective amount from current account receivables to doubtful accounts. From this reclassification are exempted the debtors that are classified as official entities.

An administration provision is established for the protection of receivables, charged to the expense account of provision for debtors. When risks for the recovery of debtor balances are evidenced, the calculation of this provision corresponds to a technical evaluation that permits to determine the loss contingency or risks for eventual debtor's insolvency. Each month the collectability status is assessed using the cascade model; which requires a historic base of minimum 12 months to determine the non-collectability percentages.

When there are rights where recovery is not possible through legal process, coercive jurisdiction, or ordinary channels, the write-off of will apply to recognize the reduction of the account receivable in favor of EPM.

The account receivable write-off does not release EPM of the responsibility to continue with the collection efforts that will be relevant. The practice for the recognition of the receivable write-off, as it may correspond, a charge to the account of debtors provision and a credit to the account receivable from the customer or to doubtful accounts.

The value of the account receivable to be cancelled against the provision is recorded in memorandum accounts. In an eventual recovery, the balance of the memorandum account is reduced and an income for recovery is recorded.

- i) **Inventories:** as inventories are classified the goods acquired with the intention to sell them or consume them in the process of rendering public utility services. They include goods in stock that do not require transformation such as power, gas and water meters, supplies, materials such as parts and accessories for rendering services and goods in transit and held by third parties.

The goods acquired will be incorporated to inventories at the time of their receipt for their acquisition cost, added with all costs and expenses necessary to put them in usable or sale conditions. The weighted average method is used for their valuation. The consumption of materials and spares is recorded with credit to the account of inventory of materials for rendering of services, for the average cost, with charge to the respective expense, cost or investment account.

In order to reflect the value of the inventory in accordance with its economic reality, in EPM the inventories will be updated at their realization value, provided that this value is lower than the book value. In this case the provisions will be recognized for the difference; otherwise, provisions will be recovered when they exist, not exceeding the value created for this item. For the case of physical reductions, such as decreases, deterioration or obsolescence the inventory retirement will be made directly against expense.

Physical inventory counts are taken on a rotating basis throughout the year, in order to cover all articles catalogued in the inventories.

Inventories keep their inventory nature, regardless of the fact that because of exogenous factors proper of the economy or by natural situations inherent to the business conditions they have a slow turnover. Although they continue as inventories, this low turnover gives them a "immobilized good" characteristic in EPM.

- j) **Properties, plant and equipment:** represents the tangible goods acquired, constructed or in process of construction, with the intention of using them permanently in operating activities for the production and rendering of services, to lease them or to use them as administrative support of the organization, that are not intended for sale in the normal course of business and which useful life exceeds one year.

The historic value of these assets includes all disbursements and charges necessary to put them in usable conditions. All disbursements made by the company to increase the useful life of these assets, extend their productive capacity and operating efficiency, improve the quality of products and services, or allow a significant reduction of operating costs are capitalized as higher value of the asset.

Pursuant to the provisions of Resolution 356 of September 2007, issued by the CGN, the company updates the value of properties, plant and equipment by means of technical appraisals with the application of methodologies of recognized technical value, which consider among other criteria, their useful life, economic life and remaining life, the location, condition, productive capacity, market situation, degree of tradability, obsolescence and deterioration suffered by goods.

The update of properties, plant and equipment is made every three years from the latest update made and the recording is made in the respective accounting period. However, if prior to the completion of this term the value in books of properties, plant and equipment experiences significant changes in respect to the replacement cost, or the realization value, a new update is made, recording its effect in the respective accounting period.

Useful lives of fixed assets in EPM are defined taking into account technical criteria, in accordance with the characteristics proper of the asset, considering future economic benefits, the potential of the asset service, the capacity or physical performance expected of it, as well as the physical and environmental conditions.

They shall be defined taking into account technical criteria and in the terms that it is expected that they will bring economic benefits to the company, taking into account the following factors to determine them:

- The use of the asset or its physical wear and tear, which is estimated by reference to the capacity or physical yield expected of it.
- The expected natural deterioration caused by reasons other than its use that depends on operating aspects such as: number of work shifts in which the asset will be used, the repairs and maintenance program, among others.
- The geographic location of the asset.
- The legal limits or similar restrictions on the use of the asset.

In case there are no technical criteria, the useful lives established by the CGN may be taken as reference.

The average of general useful lives by type of asset used in 2013 is:

Type of assets	2013	2012
Constructions		
Dams, repeating stations	49	48
Buildings, houses, offices, stores, booths, camps, parking, garages, warehouses, sports facilities	30	30
Storage tanks	30	30
Plants, ducts and tunnels		
Generation plants	43	44
Treatment plants	48	49
Conduction plants	45	47
Substations and regulation stations	24	24
Water works and channeling	30	30
Pumping stations	27	27
Networks, lines and cables		
Distribution and air networks	22	22
Wastewater collection networks	35	32
Transmission lines and cables	33	33
Machinery and equipment		
Construction equipment, industrial machinery	7	7
Tools and accessories	7	7
Equipment for pumping stations	7	7
Control center equipment	13	12
Dredging machinery and equipment, cleaning equipment, other machinery and equipment	7	8
Medical and scientific equipment		
Research equipment	6	6
Laboratory, medical and scientific equipment	11	11
Furniture, fixtures and office equipment	7	7
Communications and computer equipment	5	5
Transportation traction and lifting equipment	5	5
Dining, kitchen, pantry and hotel equipment	7	7

The following are among the classifications:

Constructions in progress: Represents all disbursements made by the company in the process of construction, expansion, modernization, rehabilitation or replacement of networks, plants and equipment, among others, until they are in conditions to be used in performance of the operation to guarantee the expansion and sustainability of the infrastructure to provide the services offered through construction.

The value for which the constructions in progress are recognized is given by the total disbursements necessary and indispensable that are directly associated to the acquisition or construction of the good from the date of initiation of the performance until the date when the asset is ready for its use or operation.

Commissions, financial costs, interest and exchange difference of interest originated in loans obtained for financing of works under construction, are capitalized up to the time when they are in operating conditions.

Disbursements made to carry out the pre-feasibility and feasibility phases in projects shall not be capitalized, that is, they must be recorded in expense accounts. If during these phases fixed assets or intangibles are acquired, they shall be recorded in the corresponding accounts of property, plant and equipment or intangibles.

In the power generation business investments are made, mainly for the construction, rehabilitation or modernization of power generation plants as well as for the repowering and replacement of their equipment.

Investments in infrastructure for the expansion and replacement of transmission and distribution networks in different voltage levels are intended for the construction of general use networks in order to cover the needs arising from the growth of power demand to take care of the works aimed at the system's reliability. Additionally, to cover regulatory requirements, improvement of service quality level, shielding of networks to reduce fraudulent connections and the change of elements that show a high degree of deterioration.

In the gas distribution business, in turn, investments are made to address the non-residential market and the expansion beyond the Valle de Aburra through Compressed Natural Gas system in the municipalities where access with conventional gas pipelines is not yet possible.

In the Strategic Business Group of Water, investments are made intended to the modernization and replacement of waterworks and wastewater networks in the different circuits, expansion of conductions and acquisition of equipment for water treatment plants and pumping stations. In addition, replacement of equipment in waste water treatment plants, as well as the construction, replacement, optimization and expansion of secondary networks and collectors as part of the "Sanitation Program of the Medellin River and its affluent streams".

Movable goods in storage: correspond to the movable goods acquired in any modality, which are characterized as permanent because they will be used in the future in production or administration activities in EPM. While they maintain this condition they are not subject to depreciation, as provided in paragraph 171 of the General Public Accounting Plan.

Properties, plant and equipment not exploited: include assets that because of obsolescence, are not required for the operation of the business and those that are temporarily out of service, in rehabilitation process or waiting for a technical decision to be rehabilitated or retired. Movable good assets that are retired by obsolescence or because they are no longer required by the company, are taken to the reuse

warehouse where they are offered through public auctions (by internal regulations). This are retired at the time they are reintegrated, exception made of vehicles that are retired in the accounting when sold.

Buildings: represents the value of buildings and houses, offices, booths, parking, garages, warehouses, sports and recreational facilities, dams and storage tanks among others, acquired by the company for the performance of its functions and the referring of public utilities.

Plants, ducts and tunnels: represents the value of plants, ducts and tunnels acquired by the company for the generation, transmission and distribution of energy, distribution of gas, provision of water and sanitation.

In the operating infrastructure used by EPM in the power generation, transmission and distribution of power, natural gas, water supply and sanitation are, among others, the civil works and equipment of the generation, treatment, conduction plants, gas pipelines, power substations, channeling and pumping stations.

Networks, lines and cables: represents the value of the distribution networks of energy, waterworks, collection of wastewater, gas supply networks and power transmission and distribution lines used in the business operation.

Depreciation: It is calculated on the historic cost under the straight-line method. The base used is the useful life determined according to technical criteria, such as additions or improvements, technological advances, maintenance and repairs policies, obsolescence, physical exposure of the goods and other factors.

Deferred depreciation reflects the value obtained by the excess of the fiscal over the accounting depreciation expense, because the tax regulation provides the use of depreciation methods and useful lives different from those used for accounting purposes, which permits that for tax purposes an asset will be depreciated in a more accelerated manner.

- k) **Actuarial financial reserve:** it is the set of assets that have been intended by the public accounting entity according to legal provisions in effect or by its own initiative to take care of pension obligations. These assets are recorded in accounts associated to funds and the payments of retirement pension and pension bonds are paid against them.
- l) **Expenses paid in advance:** These are disbursements that are paid before receiving the good or service required. They are deferred during the period in which the services are received or the costs or expenses are accrued. Expenses paid in advance are measured for their original cost, as provided in the contractual agreements or the prices set and agreed with third parties.
- m) **Deferred charges:** are disbursements corresponding to the supply of goods or rendering of services received that, with reasonable certainty, will generate future benefits. The amortization is recognized during the periods in which it is expected to receive the benefits of the costs and expenses incurred, according to the feasibility

studies for their recovery, the estimated periods of consumption of goods or services or the effective periods of the respective agreement.

The balances of deferred assets must be appraised at their net recovery value. At the end of each year, it must be determined if the deferred charges will generate future benefits; otherwise, their value will be fully amortized.

- n) **Intangibles:** are those disbursements made for the acquisition or development of the set of incorporeal goods, or without physical appearance, such as rights, licenses and software, from which future benefits may be obtained. As intangibles will be recognized in the balance sheet accounts, among others, those goods that are intended to the performance of primary activities of the value chain, on which it is expected to obtain future economic benefits. These goods are recognized if they are:
- Identifiable: their value can be established.
 - Controllable: they can be transferred or their access can be restricted.
 - Generate future economic benefits or a service potential.
 - Their monetary measurement is reliable.

Intangibles are:

- **Goodwill:** corresponds to the additional amount that is paid in the purchase of shares or quotas of corporate interest, above their equity value, as recognition of attributes such as good name, qualified personnel, good credit reputation or the control of the economic entity.

In order to reflect the economic reality of the operation and its direct association with the economic benefits that are expected to be obtained from the investment, the goodwill must be amortized based on methodologies of recognized technical value, during the term in which, according to the technical study made for the acquisition, the investment is expected to be recovered. Nevertheless, the goodwill with indefinite useful life is not subject to amortization.

At the closing of each accounting period, EPM assesses the goodwill in order to verify if the conditions of generation of future economic benefits are maintained, taking into account the financial projects of each company.

- **Licenses and software:** are those right acquired by a company to exploit a determined invention, knowledge, trademark or technologies that have their corresponding intellectual property.

The updates of licenses, that form a part of the support and maintenance agreement entered into, are accounted for as a maintenance cost.

Software is understood as the set of computer programs, procedures, rules, documentation and associated data that form part of the operations of a computer system.

- **Intangibles generated internally:** For their recognition it is necessary to identify and separate the research phase and the development phase, where the

disbursements made in the research phase are recorded as cost or expense in the income statement in the period in which they are made, and disbursements made in the development phase may be, may be capitalized provided that each and all the characteristics for their recognition are evidenced.

- **Easements:** they are amortized in accordance with the provisions of the act that originated them; that is, if the contract is in perpetuity, they will not be amortized; if, to the contrary, is for a definite term, it will be amortized upon expiration of the term agreed in the contract.
- **Appreciations:** corresponds to the excess of the valuation value and the book value of the assets owned at the end of the period, in accordance with the regulations in effect. EPM calculates and records valuations for investments, properties, plant and equipment and other assets.

Surplus for appreciations: represents the value of the net increase of the book value of assets, determined as result of the update, in accordance with technical rules. In EPM the excess of the intrinsic value of investments compared to their book value and the excess of the realization value or replacement cost of goods over the book value are recognized as appreciation.

• **Investments:**

- Investments in controlled entities: they are the subject of adjustment to the intrinsic value, in order to recognize the difference between the acquisition price and the intrinsic value of shares, quotas or part of corporate interest, at the time of purchase.
- Equity investments in uncontrolled entities: they are updated by the cost method quarterly, based on the intrinsic or stock exchange value of the entity.

• **Properties, plant and equipment:** corresponds to the excess of the valuation value and the book value of assets owned at the end of the period, in accordance with the regulations in effect. EPM calculates and records provisions and appreciations for investments, properties, plant and equipment and other assets.

o) **Public credit operations:** correspond to the acts or contracts that, in accordance with legal provisions on public credit, are intended to provide to EPM the resources for the acquisition of goods or services with a term for their payment such as loans, issue and placement of bonds and public debt securities. They are recognized for the value disbursed. Bonds and securities must be recognized for their face value. Guarantees granted to secure the payment of the debt are recognized for the value of the payments corresponding to capital that could be made, which are recorded in memorandum accounts.

Public credit operations are classified as:

- According to the place where they are agreed:
 - Internal: operations in the national territory
 - External: operations outside Colombia

- According to the expiration:
 - Short term: the obligation expires in a term of one year.
 - Long term: its expiration is over one year.

Public credit operations agreed in foreign currency must be recognized at the Market's Representative exchange rate (TRM, for its initials in Spanish) on the date of the transaction. This value must be re-expressed monthly applying the TRM of the end of the month. In the case of operations made in different units of value or specific indexes, they must be recognized for the price of the unit on the date of the obligation and be re-expressed periodically, applying the price of the unit or the index of the date of the update. The higher or lower value obtained as a result of the re-expression is recognized in the period in profit and loss accounts.

- p) **Hedging operations:** they represent the value of financial operations that are entered into in order to cover the risk of liabilities and may be carried out to purchase or sell assets, such as foreign currency, securities or financial futures on exchange rates, interest rates, stock exchange indexes or any other underlying asset agreed, which will be calculated on a future date agreed.

They are recognized for the value agreed in the agreement. If made in currencies other than the Colombian peso, they are recognized at the TRM of the date of the transaction. Monthly they are re-expressed with the TRM certified by the Financial Superintendence of Colombia at the end of the month. The higher or lower value obtained as result of the re-expression is recognized in the period of in the profit and loss accounts.

- q) **Accounts payable:** includes the payment rights in favor of third parties originated in services received or purchase of goods, use of assets owned by third parties and other obligations incurred in favor of third parties. These obligations are recognized at the time that the service or good has been satisfactorily received and in accordance with the value agreed, complying with these conditions:
- That the good or service has been satisfactorily received and that its risks and benefits have been received.
 - That it is probable that from the payment of that obligation a disbursement of funds will derive that incorporate future benefits.
 - That the value may be determined in a reliable manner.
- r) **Taxes payable:** The tax structure in Colombia, the regulatory framework and the plurality of operations performed by EPM make the company to be subject to taxes, levies, rates and contributions of the national and territorial levels.

As taxes payable are recognized the rights in favor of the Nation, the department and the municipalities and other active subjects, upon compliance of the conditions provided in the corresponding regulations issued. The major taxes that correspond to EPM are the following:

Ordinary income tax: EPM is a taxpayer of the ordinary income tax regime, at the general rate of 25%. The income tax is recognized as a current expense in accordance with calculation adjustment made between the income for tax purposes and the

accounting profit or loss, affecting the item 'income tax' as an offsetting entry in the accounts payable called 'taxes payable'. In intermediate periods a current income tax estimate is recognized based on the forecast of fiscal results for the year, and thus during the year the provision account is used. The deferred tax is recognized separately from the income tax as expense or recovery.

Since 2013 EPM is also a taxpayer of the income tax for equity –CREE-. This tax was created by Law 1607 of 2012 and is defined as the contribution made by corporations, legal and similar persons who are taxpayers filers of the income and complementary tax, for the benefit of workers, generation of employment and social investment in the terms provided by said law. Article 21 and 22 of the mentioned law indicate the generating event and taxable base of the same and, in turn, article 23 defines the applicable rate, which will be of 9% for the years 2013 to 2015 while as of 2016 will be of 8%.

This tax has in turn an advance collection mechanism that is declared and paid monthly and that is calculated on the net income received by entities subject to this tax, for which these entities act as self-with holders, applying to that net income the rate associated to their main economic activity, in accordance with the provisions of the regulations in effect for this tax.

The deferred tax arises from the application of the income tax rate to the temporary differences between tax income and the accounting profit or loss. This tax is recognized to the extent that there is a favorable expectation that such differences will be reversed in the future. The applicable income tax rate is that in effect at the time that the mentioned differences are reversed.

If the temporary difference entails a higher income tax payment in the future, it is recognized as a deferred liability in the account of other liabilities, deferred taxes and its offsetting entry will be a lower value of the income tax expense of the current year; this entry is presented separately from the current tax.

If the temporary difference entails a lower income tax payment in the future, it is recognized as an asset in the account other assets and its offsetting entry will be a higher value of the income tax expense of the current year and it will be presented separately from the current tax.

Equity tax: pursuant to the provisions of Law 1370 of 2009, the equity tax must be paid to the National Government in eight installments that cover the years 2011, 2012, 2013 and 2014 and the base of which is the net equity that the entity had as of January 1, 2011. According to Article 9 of Decree Law 4825 of 2010, it corresponds to EPM pay 25% additional to 4.8% as surtax of the equity tax. Since 2011 this tax has been accounted for with the methodology established by the CGN debiting equity appreciation against the total liability of the tax payable for years 2011 to 2014, according to the indications contained in Concept 20119-158027.

Sales tax: EPM is a taxpayer of the common regime. This tax is generated by the sale of goods and services taxed, as well as by the exempt income derived from the exports of services. The utilities of energy, waterworks, sewage and domiciliary gas are excluded from the tax.

The sale tax that is not discountable is a higher value of the asset, cost or expense and is recognized at the time that the payment is made or the respective invoice is accrued.

Transfers of Law 99 of 1993: companies that generate hydroelectric power, which nominal installed power exceeds 10,000 kilowatts, will transfer to regional autonomous corporations (CAR, for its initials in Spanish) and to the municipalities and districts where the reservoir or hydrographic basin is located, 6% of the gross sales of power by its own generation, in accordance with the rate that may be indicated for block sales by the CREG. In the case of the thermal plants, the transfer is of 4%.

For the payment of the transfers, CREG Resolution 135 of 1996 established the rate for block sale of electric power at \$62.88/kWh (set in CREG Resolution 060 of 1995 and its modifications), which is increased annual as of January 1, 1997 with an index equivalent to the inflation target provided by the competent authority for each period.

FAZNI (Financial support fund for energizing not interconnected zones) **Contribution**, created in accordance with Article 81 of Law 633 of 2000: for every kWh shipped in the Wholesale Energy Exchange, ASIC, charges one peso (\$1) to the power generating agents. The CREG in Resolution 102 of December 2006, made adjustments in compliance with Article 1 of Law 1099 of 2006, which extended the term of this contribution until December 31, 2014, updating the peso (\$1) again as of January 1, 2007 with the Producer Price Index (PPI), calculated by the Central Bank.

FAER (Financial support fund for energizing rural interconnected zones) **Contribution**, created in by Article 105 of Law 788 of 2002 and regulated by Decree 3652 of December 7, 2003: EPM as owner of assets of the National Transmission System must contribute one peso (\$1.00), Colombian currency, for every kilowatt/hour dispatched in the Wholesale Power Exchange. This fund will be managed by the Ministry of Mines and Energy and will be intended to projects for the construction and installation of new rural electric infrastructure.

PRONE (Program for standardization of electric networks in subnormal neighborhoods) **Contribution**, created by means of laws 812 of 2003, 1112 of 2006 and 1151 of 2007: the Ministry of Mines and Energy manages the fund, having as taxpayers the users of the energy transportation; the taxable event is the transportation of energy, the taxable base is kWh, at a rate of \$1 per kWh transported. Colombian Government's objective with the funds of this program is the legalization of users, the optimization of the service and the reduction of non-technical losses through the installation or adaptation of distribution networks, the connection to the users' homes and the installation of the power meter.

Social Energy Fund (FOES), created by means of article 118 of Law 812 of 2003 as national special fund, funded with resources from the congestion income calculated by the ASIC, as proceeds of electric power exports to neighboring countries within the agreements of the Andean Community of Nations (ACN).

Subsidies and contributions: at the time of billing subsidies are recorded as an account receivable and contributions as an account payable, at the end of the period the subsidies and contributions are applied to each utility and an account receivable or payable is recorded according to the shortage or surplus that has been generated.

s) **Labor and social security obligations:** these are the commitments that EPM has acquired with its workers for the services provided through an employment relationship established in accordance with the labor legislation, pact or collective bargaining agreement.

t) **Estimated liabilities**

These are recognized when the following conditions are met:

- EPM has obtained a benefit from the good or service, but the supporting document has not been received from the supplier to be recognized as real.
- EPM has the obligation, according to the provisions of the law, to make payments or to give up resources in the future to take care of credits, on a date established by the parties.
- The value of the resources to be delivered or the payment may be reasonably estimated and very close to their actual value.

Contingencies: for the recognition of the contingencies associated to legal processes EPM follows the procedure established by the CGN in chapter V for "the recognition and disclosure of legal processes, arbitration awards, out of court conciliations and attachments decreed and executed on bank accounts". It is established therein that the processes with a rating of probable must be recorded as provision, while the processes with lower probability of loss must be recorded in memorandum account as potential obligations.

The situation or set of circumstances that generate uncertainty on possible losses and which final result will only become known when one or more events occur or cease to occur and that are not classified within the described procedure, are recognized taking into account the principle of prudence for the recording of expenses.

Pension obligations: pension obligations by EPM have two components, pension bonds and pensions, which in turn include the pension quota shares. Their calculation has its legal base on legal regulations in effect on pensions. For the purposes of the actuarial evaluation, the parameters established in Decree 2783 of 2001 of the National Government were followed.

Since 2010 the evaluation has been made taking into account the new mortality table of annuitants approved by the Financial Superintendence of Colombia in its Resolution 1555 of 2010, according to which the life expectations of annuitants (retirees) increased in respect to previous tables, which means a longer period of pension payment and therefore an increase in pension liabilities.

The pension adjustment rate as of December 31, 2013 was of 2.99% (as of December 31, 2012 was of 3.26%) according to paragraph 1, Article 1, of the

mentioned Decree 2783. Pension bonds were updated and capitalized according to Decree 1748 of October 12, 1995 and Article 6 of Decree 4937 of 2009 from the Ministry of Finance and Public Credit, which ordered to value the type T bonds (bonds not issued), at an interest rate of 4%, from the closing date to the date of update, which in 2009 form part of type B bonds, corresponding to the average premium and that was valued at a rate of 3%. The values already known of the bonds on the closing date, after deducting those paid during the year were taken as base.

In the calculation methodology were included the additional payments of June and December of each year, as well as the real value of the funeral allowance in the group of retirees of which EPM is in charge, in compliance with item b), Article 2 of Decree 1517 of August 4, 1998.

The pension liability is 100% amortized, in compliance with Resolution 356 of 2007; since 2009 pension payments are recorded affecting the liability account.

Pension Commutation: according to Minutes 1466 of December 4, 2006, EPM assumed in 2007 the pension liabilities of Empresa Antioqueña de Energía E.S.P. (EADE), liquidated.

The methodology used for the actuarial calculation of pensions and pension bonds of EADE follows the parameters and technical bases established by the competent authority and are the same ones used for measuring pension liabilities in EPM. These pension liabilities are amortized 100%.

Pursuant to the provisions of Decree 941 of 2002, which regulates Law 100, the respective trust funds were created to guarantee the payment of pension obligations derived from pension funds and pension quota shares that correspond to EPM, as well as the payment of pensions and from the pension commutation. The fund is forecasted in such a way that it will extinguish at the time of payment of the last pension payable by EPM (year 2065). With the creation of these funds the availability of resources to take care of the payment of the pension liabilities and pension bonds of the companies is guaranteed, at the same time that their financial management is independent.

- u) **Equity:** is made up by the accounts that represent the tax capital, reserves, profits from previous periods, results for the period, surplus and equity appreciation.

Reserves: in compliance with Decree 2336 of 1995, Article 1, a reserve was created by the application of the equity participation method. The reserve corresponds to the profits that are generated at the closing of the accounting period as a consequence of the application of special valuation systems at market prices and that have not been realized in the name of the company, in accordance with the rules of Article 27 (income realization) and other concurring regulations of the Tax Code.

Financial surpluses: in compliance with Municipal Agreement 12 of 1998, from the Council of Medellín, it was established in Article 5 that the base for assessment of the financial surpluses that are transferred to the Municipality of Medellín is the net profit. With this base, the Compes (Municipal Council for Economic and Social Policy)

determines the amount or percentage of the financial surpluses that will form part of the resources of the budget of the municipal budget.

Additionally, Municipal Agreement 69 of 1997, in its Article 13, mentions: "The percentage of EPM financial surpluses, in conformity with Article 97 of Decree 111 of 1996, cannot be transferred by a percentage over 30% to the Municipality of Medellin and will be intended by the latter exclusively to social investment and payment of city lighting".

Financial surpluses to be transferred to the Municipality of Medellin are recognized when the COMPES determines them, in compliance with legal formalisms, based on the financial statements of the previous year approved by the Board of Directors and sent by the General Manager of EPM to the Secretary of Finance of the Municipality, through a decrease in the profits of previous periods.

In those exceptional cases in which the Municipal Council approves extraordinary or additional financial surpluses, the recognition will be made with the document that gives rise to the obligation for EPM to transfer the financial surpluses, that is, when the certain amount is determined as well as the condition of method, place and time to make their transfer.

Equity appreciation: it records the value of inflation adjustments of the equity account balances made since 1992 to 2000, year in which the CGN eliminated them. According to regulations in effect, this balance cannot be distributed as profit until the company is liquidated or decapitalized.

- v) **Memorandum accounts:** debtor and creditor memorandum accounts represent the estimate of events or circumstances that may affect the financial, economic, social and environmental situation of the public accounting entity, as well as the value of goods, rights and obligations that require to be controlled. They also include the value originated in the differences arising between the public accounting information and that used for tax purposes.
- w) **Operating income:** is the cash flow received by EPM in the accounting period, originated in the performance of its main activity. The returns, discounts and rebates for these items are recorded in separate accounts as lower value of the income. For the recognition of revenues the following conditions must be fulfilled:
- That the service has been effectively rendered or the good has been delivered.
 - That the value of the service of good may be reasonable quantified.
 - That it is expected to receive the product of the service provided or good sold.
 - That the income is susceptible of increasing the net equity of EPM.
 - The income will not be recognized if there are any doubts about its realization.
- x) **Non-operating income:** represents the income obtained by EPM in operations other than the provision of the public utility, including also the income for entries of an extraordinary nature.

EPM will recognize as non-operating income those that are not framed within its main corporate object, on which the risks or benefits have been transferred or the service

has been effectively provided, that their value may be reasonably quantified and that it is probable to obtain the proceeds of the good or service delivered.

y) **Costs of rendering the services:** these are the disbursements necessary to provide the public utility service, without which it would not be possible to provide it or its quality would not be optimum. These costs are connected directly to the rendering of the service, at a difference of the expenses that are disbursements associated to administrative activities. For the recognition of costs it is necessary to fulfill the following:

- That the good or service subject of the costs has been satisfactorily received or is being received (for the case of services provided in several periods).
- That the risks and benefits of the good or service have been received.
- That the value of the cost may be reliably measured.
- It is probable that from the payment of the good or service received the outflow of resources that involve future benefits may be derived.
- That the good or service subject of the cost is related to the rendering of services or is an element necessary in those services.

z) **Expenses:** expenses are necessary disbursements, derived from the normal operation of the organization, that serve as support for the rendering of the service. EPM recognizes its expenses to the extent that the financial, economic, social and environmental events occur, in such a way that they will be systematically contemplated in the corresponding accounting period, regardless of the flow of monetary or financial resources. For this purpose it will be necessary to take into account that the recognition will be made when:

- The good or service subject of the expense has been satisfactorily received or is being received.
- That the risks and benefits of the good or service have been received.
- That the value of the expense may be reliably measured.
- It is probable that from the payment of the good or service received the outflow of resources that involve future benefits may be derived.

Note 6 Reclassifications

In order to present the figures of both periods in a way that their comparability is propitiated, the following reclassifications were made in the presentation of the figures of the previous year:

- In the statement of financial, economic, social and environmental activity the refund of reliability charge for \$60,237 (2012 \$80,659) is presented as a lesser amount of income and not as a cost as it was presented until 2012, affecting the profitability indicators.
- In the statement of financial, economic, social and environmental activity the contributions to superintendence entities and regulation commissions for \$15,611 (2012 \$14,153) are presented as a cost and not an expense as presented until 2012.

- The estimated liabilities were classified in current portion for \$1,513 (2012 \$5,779) and noncurrent \$88,277 (2012 \$127,468), situation that affects the working capital and liquidity indicators.

Note 7 Significant changes in accounting practices

For 2013 the following changes in the practices were made:

- Methodology to determine the receivables provision: up to 2012 the methodology used to establish the receivables provision was the individual provision, as of 2013 the method of recognized technical value, cascade model is used.
- Methodology to value litigations and lawsuits: up to 2012 the value of litigations and lawsuits corresponded to the value of the claim or the amount expected to be paid, as of 2013 the value of litigations and lawsuits classified as long term is established as the present value of the estimated value to be paid using as discount rate the rate of the In the statement of financial, economic, social and environmental activity the government securities TES fixed rate.

Note 8 International Financial Reporting Standards (IFRS) Program

The International Financial Reporting Standards (IFRS) are a set of standards and interpretations of a technical nature, approved, issued and published by the International Accounting Standards Board IASB. These standards are established the criteria for the recognition, valuation, presentation and disclosure of financial information.

These standards are becoming the universal accounting language enforceable and accepted to make sure that in all countries the same financial language is spoken, with greater consistency in the accounting policies and comparability of the companies' financial information.

EPM undertook the adoption project of International Financial Standards IFRS since 2009, to respond to its growth strategy and facilitate the access to international capital markets.

In Colombia, the approval of Law 1314 of 2009, whereby accounting and financial reporting and information assurance principles and standards are regulated, has gained great importance. In December 2013, the CGN issued Resolution 743 whereby the Public Accounting Regime, the regulatory framework provided in the annex to National Decree 2784 of 2012 from the Ministry of Trade, Industry and Tourism of Colombia whereby the International Financial Reporting Standards are officially adopted in the country. According to these regulations, EPM belongs to Group 1 of preparers of financial information and therefore, it presented to the authorities in charge of monitoring the company the IFRS implementation plan and progress reports of 2013, as per the information requirements established in the different resolutions.

Note 9 Process of consolidation of accounting information

In 2009, with the international bond issue for USD 500 million, EPM acquired the commitment, with the investors and international banks, to present periodically the

consolidated financial statements of the EPM Group; this exercise was being carried out in EPM for administrative purposes, but with this issue the formal obligation was acquired.

EPM consolidates its financial information with the companies in which it holds an equity interest equal to or in excess of 50%, either directly or indirectly or has the administrative control.

The consolidated financial statements are issued quarterly and are present to the Board of Directors. After the Board of Directors is informed, they are published in the official EPM page together with their respective Notes.

Note 10 General Limitations and deficiencies of an operative or administrative type that have an accounting impact

During the period the accounting process was carried out normally and the procedures established for the handling of documents and accounting supports were established.

Note 11 Relevant facts of 2013

Hidroituango Project

In the extraordinary General Stockholders Meeting of EPM Ituango S.A. E.S.P. of January 11, 2013, it was decided to assign to EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. the contractual position that it had with HIDROELÉCTRICA ITUANGO S.A. in the contract BOOMT (Build, Operate, Own, Maintenance and Transfer), for the construction, operation, maintenance and transfer of the Ituango project to EPM.

The decisions made by in this meeting were the following:

- Assign in favor of EPM the contractual position that EPM Ituango has in the BOOMT contract for a value of \$18,520 and the remaining contracts that it has executed for the performance of the BOOMT, as well as the rights and obligation inherent to it.
- Sell to EPM the assets associated to the project at their accounting value based on the listing of assets as of December 31, 2012, plus the adjustment for the investments made from January 1st to 11, 2013.

By means of private document executed on January 19, 2013 EPM ITUANGO S.A. E.S.P. (In liquidation) assigned its contractual position as contractor in the BOOMT contract to EMPRESAS PUBLICAS DE MEDELLIN E.S.P. as well as the remaining contracts that form part of the project and consequently the assignee accepted to assume in their proceedings, substance and equity all legal actions, pretrial conciliations, police and administrative coverage, claims third party liability claims, in which EPM ITUANGO S.A. E.S.P. would be acting as defendant, plaintiff, party summoned or summoning to conciliation, and addressee of claims, related to the performance of the Ituango hydroelectric project, which may be currently underway.

In order to carry out the mentioned assignment, EPM ITUANGO S.A. E.S.P. (In liquidation), by means of private document of February 7, 2013, sold to EMPRESAS

PÚBLICAS DE MEDELLÍN E.S.P. all assets with which EPM ITUANGO S.A. E.S.P. was carrying out the BOOMT contract. It was indicated that as of that date EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. was the owner and therefore subject to the obligations and duties inherent to the condition as owner of each of the assets. The liquidation of EPM Ituango S.A. E.S.P. was registered at the Chamber of Commerce of Medellin on January 13, 2014, said company being fully extinguished.

Closing of negotiation EPM and Millicom

The boards of directors of UNE and EPM approved on October 1, 2013 the final documents of the negotiation that will permit the merger between UNE and Millicom. Upon signature of this framework agreement, it was presented for approval to the Colombian regulatory and governmental authorities, among them the Superintendence of Industry and Commerce, the Financial Superintendence of Colombia, the Superintendence of Corporations, the National Authority of Television and the Meeting Bondholders of UNE. According to the schedule provided, the final approval of the merger should be ready during the first half of 2014.

The process for the integration of UNE EPM Telecomunicaciones and Millicom was started on February 5, 2013, when both companies executed a non-binding memorandum of understanding. On May 9th a transcendental advance took place with the issuance of Agreement 17 of 2013 by the Council of Medellin, that authorized the transformation of UNE under a series of conditions that were complied with in full. On July 22nd both companies signed a new memorandum of understanding, this time of a binding nature, after completing the conversations related to the structure and terms for the integration of their operations.

Among the agreements reached the following are outstanding:

- EPM will have the majority shareholding in the merged company with a participation of 50% and 1 share of corporate capital. Millicom, in turn, will be the owner of the remaining shares and will assume the full consolidation of the financial statements and the administrative and operating control of the entity.
- As results of the negotiation, USD 1,989 million was recognized for UNE and his subsidiaries transaction, plus a control premium for \$150 million and USD 1,294 million in favor of Colombia Móvil.
- The EPM Group will remain with 50% plus 1 share of the entity.
- The Board of Directors of the Company is made up by seven representatives, three appointed by EPM and four by Millicom. EPM will be entitled to appoint the chairman of the Board of Directors and of the Audit Committee, while Millicom will appoint the company's teams of executives.
- UNE will be a mixed economy company with majority participation by EPM. To this extent the preservation of the labor rights of current employees will be guaranteed as well as the administrative and operating control by minority shareholders. UNE will maintain, in addition, the controls that correspond in the terms and under the conditions provided in the Political Constitution and the Law.

- The Company will continue to have its registered office in Medellin, will bill new headquarters for the integrated company and will continue being a source of employment for the region.

Once the regulatory authorities authorize the merger, EPM will abandon the equity method and the consolidation of UNE and its affiliates.

Specific notes

Notes related to valuation

Note 12 Conversion of values in foreign currency

The balances in cash, banks, accounts receivable, investments, suppliers and financial obligations in foreign currency were expressed in Colombian pesos based on the Market's Representative Exchange Rate (TRM, for its initials in Spanish) certified by the Financial Superintendence of Colombia. As of December 31st the values are:

Currency	2013	2012
US dollar (USD)	1,926.83	1,768.23
Euro (EUR)	2,655.08	2,331.23
Japanese yen (JPY)	18.32	20.46
Sterling pound (GBP)	3,191.31	2,874.26
Swiss franc (CHF)	2,166.57	1,931.76
Quetzal (Q)	245.73	223.76
Mexican peso (MXN)	147.11	135.91
Chilean peso (CLP)	3.66	3.69

Assets and liabilities in foreign currency as of December 31st and their equivalent in local currency were:

2013

Item	2013													
	USD	Millions \$	EUR	Millions \$	JPY	Millions \$	CHF	Millions \$	Q	Millions \$	MXN	Millions \$	CLP	Millions \$
Cash	54,367	104,756	-	-	-	-	-	-	-	-	-	-	-	-
Banks	59,312,813	114,286	1,552,941	4,123	3,925,409	72	-	-	-	-	-	-	-	-
Accounts receivable	385,722,562	743,222	5,565	15	-	-	-	-	-	-	-	-	-	-
Liquid investments for liquidity management	160,076,684	308,441	-	-	-	-	-	-	-	-	-	-	-	-
Investments	237,615,901	457,845	-	-	-	-	-	3,202,435,201	786,922	690,844,341	101,636	10,085,214,183	36,983	
Accounts payable	(36,873,610)	(71,049)	(862,610)	(2,290)	-	-	(171,931)	(372)	-	-	-	-	-	
Public credit transactions	(1,580,333,232)	(3,045,033)	-	-	-	-	-	-	-	-	-	-	-	
Liability/asset position, net	(774,424,516)	(1,387,533)	695,895	1,848	3,925,409	72	(171,931)	(372)	3,202,435,201	786,922	690,844,341	101,636	10,085,214,183	36,983

2012

Item	2012													
	USD	Millions \$	EUR	Millions \$	JPY	Millions \$	CHF	Millions \$	Q	Millions \$	MXN	Millions \$	CLP	Millions \$
Cash	25,710	45	-	-	-	-	-	-	-	-	-	-	-	-
Banks	150,633,064	266,354	161,756	377	3,984,226	82	-	-	-	-	-	-	-	-
Accounts receivable	112,541,144	198,999	3,978	9	-	-	-	-	-	-	-	-	-	-
Liquid investments for liquidity management	220,470,490	389,843	-	-	-	-	-	-	-	-	-	-	-	-
Investments	151,225,364	267,401	-	-	-	-	-	-	2,855,857,779	639,031	29,115,285	3,957	-	
Accounts payable	(12,961,214)	(22,918)	(324,415)	(756)	-	-	(1,720,068)	(3,323)	-	-	-	-	-	
Public credit transactions	(1,455,544,316)	(2,573,737)	-	-	-	-	-	-	-	-	-	-	-	
Liability/asset position, net	(833,609,758)	(1,474,013)	(158,681)	(370)	3,984,226	82	(1,720,068)	(3,323)	2,855,857,779	639,031	29,115,285	3,957	-	

Note 13 Cash

As of December 31, cash are comprised as follows:

Item		2013	2012
Cash		285	188
Banks and corporations	(1)	301,598	657,428
Total cash		301,883	657,615
(1) Restricted cash	(2)	95,153	46,232

* Amounts stated in millions of Colombian pesos

(2) Cash in banks includes the following accounts with special destination:

Fund	Destination	Financial Entity	2013	2012
Agreements				
IADB Credit 2120	Intended to the disbursement of the credit funds, which was granted for the construction of the wastewater treatment plant - PTAR in Bello. The resources that arrive at this account are requested via legalization, only duly legalized funds are released.	Bank of America New York	43,246	-
Municipality of Medellin - Water	Integral management of water for human consumption of the inhabitants of the Municipality of Medellin.	BBVA Banco Corpbanca Bancolombia Banco de Bogotá	5,124	8,599
Department of Antioquia Covenant	Join efforts for the institutional development, strengthening, transformation or creation of companies in order to ensure the rendering of public utilities in the municipalities of the Department.	Banco de Bogotá	2,974	-
Ministry of Mines and Energy - Special Promotion Quota Fun	Co-financing agreements for the construction, distribution and connection infrastructure to lower income subscribers in the municipalities of Amagá, Ciudad Bolívar, Don Matías, El Retiro, Entrerriós, La Ceja, La Unión, San Jerónimo, Santafé de Antioquia, San Pedro, Santa Rosa, Sonsón, Sopetrán, Valle de Aburrá and Yarumal.	Banco de Bogotá	2,415	-
Government of Antioquia - Gas without borders	Support the development of the expansion component through the construction of domiciliary gas connection within the framework of the program "Gas without borders" in the sub-regions of the Department of Antioquia.	IDEA	2,398	1,323
Municipality de Medellin - Moravia	Construction, repair and replacement of waterways and sewage networks and paving in the Municipality of Medellín of the streets affected by these works in the neighborhood of Moravia.	Banco de Bogotá	1,069	1,052
Municipality de Barbosa	Replacement and modernization of secondary waterways and sewage networks and their complementary works in the neighborhoods of Robles, Centro, La Bicentenario, Los Angeles and El Portón in the Municipality of Barbosa.	Banco de Bogotá	1,039	

Fund	Destination	Financial Entity	2013	2012
Agreements				
Ministry of Mines and Energy Trust	Manage the funds and make the payment of the agreement entered into with the Ministry of Mines and Energy FAER GGC 225 2012 (CT-2012-001774 in EPM), to extend and improve the electric power services in the zones of the National Interconnected System located in the Commercialization Market of the Network Operator.	Bancolombia	673	-
Rural Electrification Agreements	Construction and works supervision of domiciliary installations by EPM, to develop rural electrification programs in different municipalities of the Department of Antioquia.	Corficolombiana	369	-
Thermal district	Agreement with the Ministry of Environment and Sustainable Development for the performance of activities within the La Alpujarra thermal district.	Banco de Bogotá	290	-
Aldeas program	Take advantage of the wood that completes its maturity cycle in the forests planted by EPM around its reservoirs, to construct low-income homes in the municipalities of Antioquia out of Valle de Aburrá and deliver them to low income people, preferably who have been displaced.	Banco de Bogotá	260	411
Department of Antioquia and IDEA -Antioquia lighted	Carry the electric power service to rural homes in Municipalities of the Department of Antioquia.	Corficolombiana Banco de Bogotá	135	3,521
Municipality de Medellín - Land	Acquisition of pieces of land identified and characterized within the zones of protection of the hydrographic basins that supply the water systems of the Municipality of Medellín.	Helm Bank	47	456
National Royalty Fund - Gas	Construction of the compressed natural gas distribution infrastructure and subsidies for the connection of users of social economic level 1 and 2 of the municipalities of El Peñol and Guatapé.	BBVA	1	-
Conventional				
Sinpro Housing Fund	Contribute to the acquisition of homes and their improvement, of workers beneficiary of the labor agreements entered into between EPM and the labor unions.	Banco de Bogotá	15,501	18,730
Sintraemdes Housing Fund	Promote the wellbeing of its workers, through the availability of funds in order that they may take care of their urgent and unforeseen needs or those of their primary family group.	Banco de Bogotá	14,897	7,570
Sintraemdes Disaster Fund		Banco de Bogotá	912	724
Sinpro Disaster Fund		Banco de Bogotá	851	858
Sintraemdes Education Fund	Promote the wellbeing of workers in order that they may take care of their payment needs of school tuition, textbooks and supplies required to carry out their own studies or those of their family group.	Banco de Bogotá	796	743
Sinpro Education Fund		Banco de Bogotá	904	723
Motorcycle Repair Fund	Promote the wellbeing of official workers who perform their work in the regional market and use motorcycles owned by them for the performance of their work.	Banco de Bogotá	152	149
Motorcycle Replacement		Banco de Bogotá	61	47

Fund	Destination	Financial Entity	2013	2012
Guarantees				
Entidad Adaptada de Salud Fund	Control and Monitoring mechanism to the collection of contributions of the Contributive Regime of the General Social Security System for Healthcare.	Bancolombia	637	527
Fosyga Fund			4	74
International Energy Transactions	Resources to guarantee the international transactions of energy.	BBVA	358	122
Deposits Law 820	Corresponds to the guarantee required by the landlord to the tenant for the payment of public utilities. According to Article 15 of Law 820 of 2003 and Regulatory Decree 3130 of 2003.	Banco de Bogotá	40	603
Total restricted resources EPM			99,179	50,256

*Amounts stated in millions of Colombian pesos

Note 14 Investments for liquidity management

As of December 31 investments for liquidity management are comprised as follows:

Investments for liquidity management		2013		2012	
		Value	Average profitability	Value	Average profitability
Rights in securities funds and investments trusts	(1)	49,140	3.10%	70,562	5,20%
Treasury securities -TES	(2)	115,875	6.21%	127,979	6,42%
Term deposit certificates - CDT	(3)	283,771	3.37%	108,672	5,53%
Bonds and securities issued by financial entities	(4)	308,441	0,38% en USD	389,842	0,8% en USD
Total current investments for liquidity management		757,227		697,055	
Bonds and securities issued by financial entities	(5)	47		-	
Total Non-current investments or liquidity management		47		-	
Total investments for liquidity management		757,274		697,055	

- (1) Short-term investments made with EPM's own funds in investment funds. They are treated as a current account and are investments made to obtain a yield on cash surpluses.
- (2) Internal public debt securities issued by the National Government and administered by the Central Bank. These instruments are valued by price in case that they have been traded on the day of the valuation; otherwise, they are valued by margin. This includes mainly \$45,646 (2012 - \$28,604) of the Fondo Autoseguros (Self-Insurance Fund), fund created to handle insurance claims of vehicles owned by EPM and \$5,857 (2012 - \$6,575) of the Entidad Adaptada de Salud (EAS), entity created to guarantee the healthcare and provision of first level health services to employees of EPM in employment before the effectiveness of Law 100 of 1993.
- (3) Financial instruments for borrowing of savings; their interest rate is determined by the amount, term and market conditions at the time of creation. These instruments

are valued by market price. These investments included mainly \$22,040 (2012 - \$32,461) of the Fondo Autoseguros and \$9,142 (2012 - \$7,047) of the Empresa Adaptada de Salud (EAS).

- (4) These correspond to term deposit investments, entered into with international financial institutions with a minimum rating of A+ for the long term, and A-1+ for the long term and branches abroad of banking institutions monitored by the Financial Superintendence of Colombia with the maximum rating in effect for long and short term.
- (5) The Fondo de Capital Privado Emprendimiento e Innovación SP (Private Capital Enterprising and Innovation Fund) is a fund managed by Credicorp Capital Colombia, which started formal operations on April 12, 2013. Its investors are Empresas Públicas de Medellín E.S.P. and EPM Inversiones S.A., who made investment commitments for \$100,000 for a five year period.

The Fund is oriented towards the acquisition of participations in assets and rights of economic content whereby companies or business projects are structured – national or foreign – with the purpose of leveraging productive activities that require working capital, and/or the acquisition of fixed assets, and/or the development of new product lines provided that the policy and objective of the investment provided in the regulations are fulfilled. Said policy establishes that capital investments will be made in companies and projects that incorporate high contents of science and/or applied technology that seeks the innovation in the production of goods or services, or in processes, that in either case can be used in the rendering of public utilities and/or of information technologies and communications. At the closing, the funds are in a savings account to pay the operating costs.

Private capital enterprising and innovation fund SP	2013	2012
Initial balance	-	-
Contributions	1,216	-
Operating Expenses	(1,169)	-
End balance	47	-

* Amounts stated in millions of Colombian pesos

Note 15 Accounts receivable, net

As of December 31 accounts receivable are comprised as follows:

Accounts receivable		2013	2012
Rendering of public utilities			
Electric power service		582,410	535,443
Fuel gas service		98,596	93,449
Water service		47,509	47,684
Sewage draining service		51,868	54,711
Subsidy on public services	(1)	9,894	19,280
Advances payment	(2)	268,365	122,642
Doubtful accounts			
Electric power service		90,774	89,531
Fuel gas service		10,335	8,421
Water service		9,667	9,566
Advance		8,130	7,960
Others doubtful accounts		10,735	12,830
Rendering of services other than public utilities		4,740	9,307
Payments on behalf of third parties	(3)	23,497	-
Others debtors	(4)	79,307	45,976
Related parties	Note 40	156,078	45,865
Currents accounts receivable		1,451,905	1,102,665
Current part provision	(5)	(155,098)	(142,655)
Current accounts receivable, net		1,296,807	960,010
Rendering of public utilities			
Electric power service		103,987	96,144
Fuel gas service		164,430	147,017
Water service		26,220	27,425
Sewage draining service		16,602	17,773
Advances payment	(2)	5,759	7,659
Other accounts receivable			
Loans to employees		50,615	56,178
Payments on behalf of third parties	(3)	2,969	5,765
others		26,199	31,994
Related parties	Note 40	698,279	235,520
Non- Current accounts receivable		1,095,060	625,475
Accounts receivable, net		2,391,867	1,585,485

* Amounts stated in millions of Colombian pesos

- (1) Includes receivable related to electricity power service for 1,240 (2012 - \$11,912), gas services for \$6,638 (2012 - \$6,081), waterworks for \$1,277 (2012 - \$1,132) and sewage system for \$739 (2012 - 155).

- (2) Includes advance payments to suppliers for \$133,719 (2012 - \$86,864), VAT of temporary imports for \$21,732 (2012 - \$35,778) and balance in favor of income tax for \$112,914 (2012 - \$0).
- (3) Corresponds to payments to third parties for financing of works of installation of public utilities and to co-financing agreements signed with the Ministry of Mines and Energy – Special fund gas promotion installment, of which the following resources have been executed:

Payments on behalf of third parts	2013	2012
Agreement 106 - Valle de Aburrá and Eastern Antioquia-Subsidies	1,320	-
Agreement Special Fund Promotion Installment for the West	1,228	-
Agreement Special Fund Promotion Installment for Amagá	538	-
Agreement Municipality of Medellín - Gas subsidies	467	-
Agreement Special Fund Promotion Installment for Bolívar	437	-
Agreement Special Fund Promotion Installment for Urabá	164	-
Agreement 105 - North Antioquia - Subsidies	116	-
Agreement Municipality of Barbosa - Gas subsidies	20	-
Balance of agreements current portion	4,290	-
Land of Hidroituango project	16,338	-
Public utility facilities financing	2,869	-
Balance payment for account of third parties current portion	23,497	-
Aldeas Program	948	-
Agreement 105 - North Antioquia - Infrastructure	-	11
Agreement 105 - North Antioquia - Subsidies	-	109
Agreement 106 - Valle de Aburrá and Eastern Antioquia-Subsidies	-	1,062
Balance agreements non current portion	948	120
Public utility facilities financing	2,021	4,583
Balance payment for account of third parties non current portion	2,969	5,765
Total payment for account of third parties	26,466	5,765

The payment for the land of the Hidroituango project was made by virtue of the BOOMT contract, where EPM pays the land but there is owned by Hidroeléctrica Ituango S. A. E.S.P.

- (4) Includes quota shares of pensions receivable from other entities for \$17,860 (2012 - \$13,607), loans to employees for \$14,083 (2012 - \$0) and the agreements with the Metropolitan Area for \$1,566 (2012 - \$2,967) and with the EPM Foundation for the scholarship program for \$4,169 (2012 - \$4,351).

(5) The movement of the allowance for doubtful accounts was as follows:

Provision account receivable movements	2013	2012
Initial balance:	142,655	256,195
Provision for the year	27,365	3,564
Expenses from previous increase for purchase	-	(1,227)
Recovery of provision	(14,630)	-
Use of provision	(292)	(116,068)
Total provision for accounts	155,098	142,655

* Amounts stated in millions of Colombian pesos

During 2013 the methodology to determine the provision was changed [see note 7](#)

The Credit and Receivables Management Committee approved making a write-off of receivables in its meetings of June 4, 2013, Minutes 4 for \$274 and of June 26 2013 in Minutes 5 for \$15; also, Decree 1657 was applied for the pardoning of accounts receivable for public utilities for \$3.

Note 16 Inventories, net

As of December 31, inventories are comprised as follows:

Inventories		2013	2012
Materials for the rendering of services	(1)	101,404	102,250
Merchandise in stock	(2)	2,064	3,396
Merchandise in possession of third parties		850	2,277
Merchandise in transit		-	4,523
Total inventories		104,318	112,446

* Amounts stated in millions of Colombian pesos

- (1) Includes \$56,162 (2012 - \$52,746) of minor spare parts used for the repair of company assets and \$45,242 (2012 - \$49,504) of elements and accessories for the rendering of services.
- (2) The balance of \$1,872 (2012 - \$2,186) of this classification includes elements of food and groceries associated to the supply stores of Medellín, Guatapé y Guadalupe and \$192 (2012 - \$0) correspond to provision for workers. In 2012 \$1,209 corresponded to Vehicle Natural Gas purchased from the Company Línea Gas for commercialization, which was consumed entirely in 2013.

There is no inventory provision.

Note 17 Prepaid expenses

As of December 31, prepaid expenses are comprised as follows:

Item		2013	2012
Insurance, net	(1)	27,445	32,506
Maintenance	(2)	1,216	-
Total current prepaid expenses		28,661	32,506
Insurance, net	(3)	33,617	-
Total non- current prepaid expenses		33,617	-
Total prepaid expenses		62,278	32,506

* Amounts stated in millions of Colombian pesos

- (1) The current portion of insurance is made up by all risks policies for \$24,373 (2012 - \$30,375) effective up to May 2014, third party liability for \$1,183 (2012 - \$1,854) effective up to May 2014 and other insurance for \$1,889 (2012 - \$278) with effectiveness up to May and November 2014.
- (2) Correspond to payments made in advance for software support and maintenance.
- (3) Includes the policies of the Hidroituango project, all risks for \$32,665 and third party liability \$295, both with effectiveness until March 15, 2020. Their amortization has already been initiated.

Note 18 Investments, net

As of December 31, balances of investments are comprised as follows:

Valuation method	Ajusted cost		Revaluation		Total investments	
	2013	2012	2013	2012	2013	2012
Equity participation	4,703,253	5,466,597	2,568,996	2,538,955	7,272,249	8,005,552
Cost	413,543	413,203	1,799,996	1,593,294	2,213,539	2,006,497
Total investments	5,116,796	5,879,800	4,368,992	4,132,249	9,485,788	10,012,049

* Amounts stated in millions of Colombian pesos

The detail of investments according to the accounting procedure by which they are recorded is the following:

- Investments recorded under the equity method**

Company	Location	Corporate purpose	Direct participation percentage		Creation date
			2013	2012	
EPM Inversiones S. A.	Medellín	Capital investment in domestic or foreign societies organized as public utilities companies.	99.99%	99.99%	August 25, 2003
UNE EPM Telecomunicaciones S. A.	Medellín	Rendering of telecommunications services, information and communication technology services, information services and complementary activities.	99.99%	99.99%	June 29, 2006
EdateL S. A. E.S.P.	Medellín	Rendering of telecommunication, information and communications technologies services and information services as well as complementary	0.003%	0.003%	December 17, 1969
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	Manizales	Rendering of essential public utilities of electric power, mainly exploitation of electric power generation plants, transmission and sub transmission	24.44%	24.44%	September 9, 1950
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	Armenia	Rendering of public utilities of electric power; purchase, sale and distribution of electric power; these activities shall be conducted through the	19.26%	19.26%	December 22, 1988
Centrales Eléctricas del Norte de Santander S. A.	Cúcuta	Rendering of electric power utility, for which the following operations are performed, among others:	12.54%	12.54%	October 16, 1952
Electrificadora de Santander E.S.P. - ESSA	Bucaramanga	Rendering of residential public utilities of electric power and related complementary activities of generation, transmission, distribution and commercialization, as well as rendering of services related to public utilities activities, in accordance with the legal and regulatory framework.	0.27%	0.12%	September 16, 1950
Aguas Nacionales EPM S. A. E.S.P.	Medellín	Rendering of residential public utilities of water, sewage draining, sanitation, and treatment and use of waste material and related complementary activities and engineering services pertaining to those public utilities.	99.96%	99.96%	November 29, 2002
Aguas de Malambo S. A. E.S.P.	Malambo	Ensure the rendering of residential public utilities of water, draining and sanitation within the jurisdiction of the Municipality of Malambo in the Department of Atlántico.	84.00%	78.33%	November 20, 2010
Aguas de Urabá S. A. E.S.P.	Apartadó	Ensure the rendering of residential public utilities of water, draining and sanitation and compensate for the underdevelopment of infrastructure for those services in associate municipalities.	59.27%	59.27%	January 18, 2006
Empresas Públicas de Oriente S. A. E.S.P.	Rionegro	Rendering of public utilities of water and draining services for rural areas and sub urban areas of the Municipalities of Envigado, Rionegro and El Retiro, in the so called Valle de San Nicolás.	56.00%	56.00%	November 12, 2009
Empresa de Aguas del Oriente Antioqueño S. A. E.S.P.	El Retiro	Rendering of residential public utilities of water and draining, as well as other complementary activities related to each of those public utilities.	56.00%	56.00%	November 22, 1999
Regional de Occidente S. A. E.S.P.	San Jerónimo	Rendering of residential public utilities of water, draining and sanitation, as well as other complementary activities related to each of those public utilities and treatment and use of waste material.	59.98%	59.98%	December 26, 2006

Hidroecológica del Teribe S. A. - HET		Panama City	Finance the construction of the Bonyic Hydroelectric project to meet the growing demand of electric power in the Isthmus of Panama.	99.99%	97.09%	November 11, 1994
Panama Distribution Group S. A.		Panama City	Capital investments in partnerships.	100.00%	100.00%	October 30, 1998
Distribución Eléctrica Centroamericana DOS S. A. - DECA II		Gutameia City	Capital investments in companies dedicated to distribution and commercialization of electric power and to provide telecommunication services.	99.99%	99.99%	March 12, 1999
Maxseguros EPM Ltd.		Bermudas	Negotiation, contracting and handling of reinsurance for policies covering equity.	100.00%	100.00%	April 23, 2008
Gestión de Empresas Eléctricas S. A. - GESA		Gutameia City	Provide advisory and consultancy services to companies of electric power distribution, generation and transportation.	99.98%	99.98%	December 17, 2004
EPM Capital México S. A. de C.V.		Mexico City	Develop infrastructure projects of any kind, including but not limited to projects related to electric power, public lighting, gas, telecommunications, sanitation, treatment plants for potable water, draining, sewage treatment plants, wells, buildings, as well as the operation, studies and services in all fields and branches in connection with the above.	90.00%	90.00%	May 4, 2012
Acquired companies						
EPM Chile S. A.	(1)	Santiago de Chile	Develop infrastructure projects of any kind, including but not limited to projects related to electric power, public lighting, gas, Telecommunications, sanitation, treatment plants for potable water, draining, sewage treatment plants, wells; render electric power services, water and cleanness; participate in all kind of competitity ,tenders, of kind private or public .	99.99%	N.A.	Febrero 22, 2013
Empresas Varias de Medellín S. A. E.S.P. -	(2)	Medellín	Rendering of cleannen public utilitie en el marco de la gestión integral de los residuos sólidos.	99.90%	N.A.	Enero 11, 1964
Liquidated companies						
EPM Ituango S. A. E.S.P. en Liquidación	(3)	Medellín	Financiacion, construction, operation, maintenance and commercial explotation of Ituango Hydroelectric power station and the Hydroelectric Society Ituango S.A. E.S.P. upon termination of the contracts subscribed with the latter.	N.A.	99.41%	Marzo 31, 2011
CENS Inversiones S. A.	(4)	Cúcuta	Capital investment in companies organized as public utility service companies in the electric power sector, regardless of the type or nature of those public utilities, and entities whose corporate purpose relates to the complementary activities included in Act 142 of 1994, or in any complementary regulation, rescinding, developing or amending the above.	N.A.	12.54%	Agosto 24, 2012
ESSA Capital S. A. en Liquidación	(5)	Bucaramanga	Make capital investments in corporations organized as public utilities in the sector of energy, whatever the type or nature of such utilities, as well as those entities which object are the complementary activities pointed out in Law 142 of 1994 or in the regulations that complement it, derogate it, develop it or modify it.	N.A.	0.12%	Febrero 20, 2013
Espíritu Santo Energy S. de R.L.	(6)	Panama City	Organize, carry out and promote the purchase, sale and distribution of electric power in block; additionally, the company's object will be to provide the public utility service of electric power	N.A.	N.A.	Marzo 27, 2009
Espíritu Santo Colombia S. A. S. - E.S.P.		Medellín	Providing the public utility service of electric power generation and distribution.	N.A.	N.A.	Mayo 28, 2009

- (1) Company incorporated in February 2013 with contributions from EPM and EPM Inversiones. Affiliate that in March of 2013 acquired 100% of the Chilean companies Parque Eólico La Cebada S.A. and Parque Eólico Los Cururos Ltda., which carry out the construction of an Eolic Park of 109.6 megawatts in the region of Coquimbo, North of Chile.
- (2) On November 1, 2013 EPM acquired 99.90% of the shares.
- (3) On March 12, 2013 the dissolution of this company was registered in the Chamber of Commerce of Medellin. In an extraordinary meeting held on November 29, 2013, the general stockholders of EPM Ituango S.A. in Liquidation approved the final liquidation account and the distribution of the remnants. On January 15, 2014 the commercial registration in the Chamber of Commerce of Medellin was cancelled.
- (4) Company created in August 2012 by the spin-off of Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS). On August 9, 2013 its liquidation was registered in the Chamber of Commerce of Cucuta.
- (5) Company created in February 2013 by the spin-off of Electrificadora de Santander S.A. E.S.P. (ESSA). On August 1, 2013 its dissolution was registered in the Chamber of Commerce of Bucaramanga. In an extraordinary meeting of August 29, 2013, the general stockholders of ESSA Capital S.A. in Liquidation approved the liquidation inventory and the advance distribution of the remnants.
- (6) Company acquired in January 2013 and liquidated by decision of the general meeting of partners in a session held on October 2, 2013.

The value of investments recorded by the equity method, with detail of the adjusted cost, revaluation and associated provisions was:

2013

Company	Cost	Provision	Total cost	Revaluation	Net
Domestic investments					
UNE EPM Telecomunicaciones S. A.	250,841	-	250,841	2,359,848	2,610,689
EPM Inversiones S. A.	1,759,902	-	1,759,902	223	1,760,125
Aguas Nacionales EPM S. A. E.S.P.	1,039,307	(116)	1,039,191	-	1,039,191
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	131,750	-	131,750	73,169	204,919
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	30,780	-	30,780	35,866	66,646
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	31,433	-	31,433	30,236	61,669
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	18,345	-	18,345	10,692	29,037
Aguas de Urabá S. A. E.S.P.	24,626	-	24,626	73	24,699
Aguas de Malambo S. A. E.S.P.	18,082	(187)	17,895	-	17,895
Regional de Occidente S. A. E.S.P.	8,000	-	8,000	109	8,109
Empresas Públicas de Oriente S. A. E.S.P.	3,086	-	3,086	-	3,086
Electrificadora de Santander S. A. E.S.P. - ESSA	2,820	(405)	2,415	-	2,415
Aguas del Oriente Antioqueño S. A. E.S.P.	1,638	(46)	1,592	-	1,592
Edatel S. A. E.S.P.	10	(1)	9	-	9
Foreign investments					
Distribución Eléctrica Centroamericana DOS S. A. - DECA II	778,599	-	778,599	58,648	837,247
Hidroecológica del Teribe S. A. - HET	257,861	(2,490)	255,371	-	255,371
Panama Distribution Group S. A. - PDG	152,359	-	152,359	-	152,359
EPM Capital México S. A. de C. V.	101,636	-	101,636	132	101,768
Max Seguros Ltd.	50,668	(552)	50,116	-	50,116
EPM Chile S. A.	36,984	(1)	36,983	-	36,983
Gestión de Empresas Eléctricas S. A. - GESA	8,324	-	8,324	-	8,324
Total investments by the equity method	4,707,051	(3,798)	4,703,253	2,568,996	7,272,249

* Amounts stated in millions of Colombian pesos

2012

Company	Cost	Provision	Total cost	Reappraisal	Net
Domestic investments					
UNE EPM Telecomunicaciones S. A.	509,161	-	509,161	2,359,848	2,869,009
EPM Inversiones S. A.	1,836,901	-	1,836,901	224	1,837,125
Aguas Nacionales EPM S. A. E.S.P.	1,042,224	(109)	1,042,115	-	1,042,115
EPM Ituango S. A. E.S.P.	935,900	-	935,900	-	935,900
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	127,771	-	127,771	73,169	200,940
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	29,485	-	29,485	27,567	57,052
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	18,186	-	18,186	10,692	28,878
Aguas de Urabá S. A. E.S.P.	24,969	-	24,969	73	25,042
Aguas de Malambo S. A. E.S.P.	14,820	(50)	14,770	-	14,770
CENS Inversiones S. A.	4,061	-	4,061	8,625	12,686
Regional de Occidente S. A. E.S.P.	6,676	-	6,676	109	6,785
Empresas Públicas de Oriente S. A. E.S.P.	3,015	-	3,015	-	3,015
Aguas del Oriente Antioqueño S. A. E.S.P.	1,610	(46)	1,564	-	1,564
Electrificadora de Santander S. A. E.S.P. - ESSA	1,556	(207)	1,349	-	1,349
Edatel S. A. E.S.P.	10	(1)	9	-	9
Foreign investments					
Distribución Eléctrica Centroamericana DOS S. A. - DECA II	630,427	-	630,427	58,648	689,075
Panama Distribution Group S. A. - PDG	139,512	-	139,512	-	139,512
Hidroecológica del Teribe S. A. - HET	93,596	(5,309)	88,287	-	88,287
Max Seguros Ltd.	40,166	(552)	39,614	-	39,614
Gestión de Empresas Eléctricas S. A. - GESA	8,868	-	8,868	-	8,868
EPM Capital México S. A. de C. V.	3,957	-	3,957	-	3,957
Total investments by the equity method	5,472,871	(6,274)	5,466,597	2,538,955	8,005,552

* Amounts stated in millions of Colombian pesos

The main financial information of the investments under which the equity method was applied, that represented the base for calculation was:

2013

Domestic investments	Net income	Assets	Liabilities	Equity
Electric power				
EPM Inversiones S. A.	238,972	1,760,626	502	1,760,124
Electrificadora de Santander S. A. E.S.P. - ESSA	58,468	1,338,590	461,668	876,922
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	76,353	1,050,995	212,514	838,481
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	47,152	856,498	364,565	491,933
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	15,367	224,063	73,272	150,791
Solid waste management				
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	(3,714)	173,523	106,811	66,712
Water				
Aguas Nacionales EPM S. A. E.S.P.	10,037	1,081,435	41,805	1,039,630
Aguas de Urabá S. A. E.S.P.	(680)	71,800	30,126	41,674
Aguas de Malambo S. A. E.S.P.	(5,110)	24,915	3,613	21,302
Regional de Occidente S. A. E.S.P.	431	22,642	9,120	13,522
Empresas Públicas del Oriente S. A. E.S.P.	127	11,326	5,814	5,512
Aguas del Oriente Antioqueño S. A. E.S.P.	51	3,167	324	2,843
Telecommunications				
UNE EPM Telecomunicaciones S. A.	45,201	5,105,888	2,495,196	2,610,692

* Amounts stated in millions of Colombian pesos

Foreign investments	Net income	Assets	Liabilities	Equity
Electric power				
Distribución Eléctrica Centroamericana DOS S. A. - DECA II	126,789	2,062,094	1,224,847	837,247
Hidroecológica del Teribe S. A. - HET	(1,653)	519,740	264,344	255,396
Panamá Distribution Group	29,554	957,368	805,009	152,359
Max Seguros Ltd.	6,775	94,383	44,268	50,115
Gestión de Empresas Eléctricas S. A. - GESA	4,879	10,030	1,705	8,325
EPM Chile S. A.	(21,290)	409,549	372,565	36,984
EPM Capital México S. A. de C.V.	2,259	659,377	546,301	113,076

* Amounts stated in millions of Colombian pesos

Domestic investments	Net income	Assets	Liabilities	Equity
Electric power				
EPM Inversiones S. A.	114,277	1,843,900	6,775	1,837,125
Electrificadora de Santander S. A. E.S.P. - ESSA	58,708	1,405,438	298,633	1,106,805
EPM Ituango S. A. E.S.P.	14,994	1,007,140	65,690	941,450
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	66,748	1,050,654	228,455	822,199
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	37,079	800,500	345,396	455,104
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	14,953	212,070	62,105	149,965
CENS Inversiones S. A.	1,192	101,816	624	101,192
Water				
Aguas Nacionales EPM S. A. E.S.P.	33,000	1,102,901	60,353	1,042,548
Aguas de Urabá S. A. E.S.P.	(918)	68,146	25,894	42,252
Aguas de Malambo S. A. E.S.P.	(2,239)	20,874	2,017	18,857
Regional de Occidente S. A. E.S.P.	531	14,651	3,338	11,313
Empresas Públicas del Oriente S. A. E.S.P.	(255)	5,847	462	5,385
Aguas del Oriente Antioqueño S. A. E.S.P.	77	2,959	166	2,793
Telecommunications				
UNE EPM Telecomunicaciones S. A.	(203,213)	4,548,353	1,679,341	2,869,012

* Amounts stated in millions of Colombian pesos

Foreign investments	Net Income	Assets	Liabilities	Equity
Electric power				
Distribución Eléctrica Centroamericana DOS S. A. - DECA II	124,202	1,835,639	1,146,564	689,075
Panamá Distribution Group	28,493	860,589	721,138	139,451
Hidroecológica del Teribe S. A. - HET	(1,239)	291,526	200,590	90,936
Max Seguros Ltd.	4,695	82,006	42,392	39,614
Gestión de Empresas Eléctricas S. A. - GESA	6,337	10,585	1,715	8,870
EPM Capital México S. A. de C.V.	18	4,404	-	4,404

* Amounts stated in millions of Colombian pesos

The effect of applying the equity method represented net income for \$478,258 (2012 - \$145,508) and an increase of the surplus by the equity method for \$93,534 (2012 - reduction \$434,311). The following is the detail:

Company	Income participation method		Equity method for other equity items	
	2013	2012	2013	2012
Domestic investments				
UNE EPM Telecomunicaciones S. A.	45,201	(203,213)	36,479	62,660
EPM Inversiones S. A.	238,972	114,277	(92,966)	(365,966)
Aguas Nacionales S. A. E.S.P.	10,031	32,986	-	-
EPM Ituango S. A. E.S.P.	19,602	14,906	-	-
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	18,660	16,313	436	12,785
Centrales Eléctricas del Norte de Santander S.A E.S.P. - CENS	5,910	4,648	-	-
CENS Inversiones S. A.	145	149	-	-
Electrificadora de Santander S. A. -ESSA	161	72	3	-
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	2,959	2,879	(301)	5,396
Aguas de Urabá S. A. E.S.P.	(403)	(544)	60	-
Aguas del Oriente Antioqueño S. A. E.S.P.	29	43	-	-
Regional de Occidente S. A. E.S.P.	258	318	1,066	-
Empresas Públicas de Oriente S.A E.S.P.	71	(143)	-	-
Aguas de Malambo S. A. E.S.P.	(4,292)	(1,754)	-	-
ESSA Capital S. A.	1	-	-	-
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	(3,710)	-	-	-
Foreign investments				
Distribución Eléctrica Centroamericana DOS S. A. - DECA II	126,788	124,202	120,561	(124,526)
Panama Distribution Group S. A. - PDG	29,554	28,639	12,519	(13,622)
Max Seguros Ltd.	6,775	4,708	3,768	(853)
Gestión de Empresas Eléctricas S. A. - GESA	4,878	6,336	616	(644)
EPM Capital México S. A. de C.V.	2,034	16	896	(109)
Generadores Hidroeléctricos S. A. - Genhidro	-	1,726	-	(590)
Hidronorte S. A.	-	149	-	(34)
Espíritu Santo Energy S. de R.L.	(2,424)	-	-	-
Hidroecológica del Teribe S. A. - HET	(1,653)	(1,205)	11,290	(8,808)
EPM Chile S. A.	(21,289)	-	(893)	-
Total effect application of equity method	478,258	145,508	93,534	(434,311)

* Amounts stated in millions of Colombian pesos

- Investments recorded under the cost method**

The values of investments recorded under the cost method, with detail of the adjusted cost, the revaluation and the associated provisions, as of December 31st are:

2013

Company	Cost	Provision	Total cost	Revaluation	Net
Interconexión Eléctrica S. A. E.S.P. - ISA	187,035	-	187,035	837,676	1,024,711
Isagen S. A. E.S.P.	191,213	-	191,213	955,907	1,147,120
Hidroeléctrica Ituango S. A. E.S.P.	28,025	-	28,025	6,314	34,339
Reforestadora Industrial de Antioquia - RÍA	5,076	(125)	4,951	-	4,951
Electrificadora del Caribe S. A. E.S.P.	1,398	(308)	1,090	-	1,090
Gestión Energética S. A. E.S.P.	12,686	(12,055)	631	-	631
Concentra S. A.	84	(4)	80	-	80
Terpel del Centro S. A.	28	-	28	42	70
Emgesa S. A. E.S.P.	25	-	25	19	44
Banco Davivienda S. A.	7	-	7	22	29
Fiduciaria Bancolombia S. A.	12	-	12	4	16
Briquetas de Antioquia S. A. - Bricarbón	0	-	-	-	-
Hidroeléctrica Río Aures S. A.	446	-	446	12	458
Hidrosogamoso S. A.	94	(94)	-	-	-
Total cost method	426,129	(12,586)	413,543	1,799,996	2,213,539

* Amounts stated in millions of Colombian pesos

2012

Company	Cost	Provision	Total cost	Revaluation	Net
Interconexión Eléctrica S. A. E.S.P. - ISA	187,035	-	187,035	893,979	1,081,014
Isagen S. A. E.S.P.	191,213	-	191,213	692,951	884,164
Hidroeléctrica Ituango S. A. E.S.P.	28,025	-	28,025	6,202	34,227
Reforestadora Industrial de Antioquia - RÍA	5,076	(129)	4,947	-	4,947
Electrificadora del Caribe S. A. E.S.P.	1,398	(340)	1,058	-	1,058
Gestión Energética S. A. E.S.P.	12,686	(12,092)	594	-	594
Empresas de Obras Sanitarias de Pasto S. A. E.S.P. - EMPOPASTO	183	-	183	82	265
Concentra S. A.	84	(9)	75	-	75
Terpel del Centro S. A.	29	-	29	38	67
Emgesa S. A. E.S.P.	25	-	25	18	43
Banco Davivienda S. A.	7	-	7	20	27
Fiduciaria Bancolombia S. A.	12	-	12	4	16
Briquetas de Antioquia S. A. - Bricarbón	509	(509)	-	-	-
Hidroeléctrica Río Aures S. A.	446	(446)	-	-	-
Hidrosogamoso S. A.	94	(94)	-	-	-
Total cost method	426,822	(13,619)	413,203	1,593,294	2,006,497

* Amounts stated in millions of Colombian pesos

The main financial information of investments recorded under the cost method was the following:

2013

Company	Net income	Assets	Liabilities	Equity
Interconexión Eléctrica S. A. E.S.P. - ISA	433,048	10,233,090	2,818,975	7,414,115
Isagen S. A. E.S.P.	391,483	7,286,515	3,453,641	3,832,874
Hidroeléctrica Ituango S. A. E.S.P.	834	92,436	18,005	74,431
Reforestadora Industrial de Antioquia - RÍA	67	77,203	3,480	73,723

* Amounts stated in millions of Colombian pesos

(*) The financial information of Isagen S.A. E.S.P., is as of November, 2013.

2012

Company	Net income	Assets	Liabilities	Equity
Interconexión Eléctrica S. A. E.S.P. - ISA	272,938	8,912,304	2,792,599	6,119,705
Isagen S. A. E.S.P.	407,957	6,200,731	2,714,065	3,486,666
Hidroeléctrica Ituango S. A. E.S.P.	1,030	90,960	17,438	73,522
Reforestadora Industrial de Antioquia - RÍA	205	76,245	3,950	72,295

* Amounts stated in millions of Colombian pesos

Financial information is as of November, 2012.

The following capitalizations or investments acquisition, both in investments in controlled and non-controlled companies were performed:

Item	2013	2012
Controlled		
Domestic investments		
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	34,490	-
Aguas de Malambo S. A. E.S.P.	7,555	12,439
Electrificadora de Santander S. A. E.S.P. - ESSA	1,352	1,485
Foreign investments		
Hidroecológica del Teribe S. A. - HET	154,625	-
EPM Capital México S. A. de C.V.	94,762	4,051
EPM Chile S. A.	59,166	-
Espíritu Santo Energy S. de R.L.	6,583	-
Max Seguros Ltd.	-	26,000
Distribución Eléctrica Centroamericana DOS S. A. - DECA II	-	30,227
Subtotal non-controlled	358,533	74,202

* Amounts stated in millions of Colombian pesos

EPM made the capitalization of the company Hidroecológica del Teribe – HET for an amount equivalent to \$154,654, resources intended in its entirety to support the constructive process and the investments necessary for the completion and operation of the Bonyic hydroelectric project in the year 2014.

Under the local accounting standards of Panama, IFRS, HET recognized an impairment an expense in its financial statements; however, according to the regulations of the CGN it must be adapted to Colombian principles and, therefore, the recognition of this expense is not applicable.

The movement of the investments provision, both for controlled and non-controlled companies is:

Item	2013	2012
Initial balance	19,893	19,731
Increase for the year	342	377
Provision expense in previous years	(3,852)	(215)
Final balance	16,383	19,893

* Amounts stated in millions of Colombian pesos

Note 19 Properties, plant and equipment, net value

As of December 31, the components of property, plant and equipment are comprised as follows:

Concept		2013	2012
Property, plant and equipment			
Constructions in process			
Hidroeléctrica Ituango		1,514,134	-
Electric power transmission networks		269,464	176,811
Water infrastructure plan		57,960	48,307
Modernization and replacement of electric power generation		43,255	68,893
Sanitation plan for the Medellin river		36,824	21,718
Expansion of natural gas distribution network		18,906	13,508
Articulate life plan		5,475	-
Nanotechnology		5,437	5,437
Institutional		4,243	4,175
Innovation Block- Route N-		-	39,156
Project Porce III		-	17,410
Subtotal Constructions in process	(1)	1,955,698	395,415

Concept		2013	2012
Plants, pipelines and tunnels		5,636,076	5,480,063
Transmission networks, lines and cables		3,637,394	3,390,417
Buildings		2,745,119	2,675,581
Machinery and equipment		195,399	188,442
Communications and computing equipment		141,578	130,975
Land		135,179	167,483
Unexploited property, plant and equipment		90,544	69,193
Transportation, traction and lifting equipment		90,391	90,935
Furniture and fixtures		59,800	59,243
Medical and scientific equipment		27,639	26,821
Movable assets in the warehouse		13,469	13,359
Property, plant and equipment in process		5,667	19,846
Investment properties		9,146	9,146
Property, plant and equipment in maintenance		7,949	6,042
Machinery, plant and equipment in assembly		5,622	11,080
Dining and Kitchen equipment		1,222	1,100
Provision for protection of property, plant and equipment	(2)	(24,237)	(23,940)
Subtotal, property, plant and equipment		14,735,668	12,711,201
Accumulated depreciation			
Plants, pipelines and tunnels		(3,853,998)	(3,582,805)
Transmission networks, lines and cables		(1,516,923)	(1,335,772)
Buildings		(653,802)	(542,215)
Machinery and equipment		(130,567)	(119,184)
Communications and computing equipment		(102,116)	(90,721)
Transportation equipment		(76,628)	(68,800)
Furniture and fixtures		(52,925)	(50,882)
Medical and scientific equipment		(15,985)	(15,328)
Dining and Kitchen equipment		(723)	(608)
Subtotal Accumulated depreciation	(3)	(6,403,667)	(5,806,315)
Deferred depreciation		2,205,054	1,916,560
Total depreciation		(4,198,613)	(3,889,755)
Total Property, plant and equipment, net		10,537,055	8,821,446

* Amounts stated in millions of Colombian pesos

- (1) An increase of \$1,560,283 (2012 - \$102,419) in respect to the previous year, explained especially by the incorporation of the Hydroelectric Project Ituango to the balance sheet of EPM, which initial value was \$883,597, see note 11, and the execution of charges for this same project intended to the construction of access roads and camps, the initiation of the excavation of the spillway and of the vault of the main cavern of the power house, the completion of the excavation of the tunnel of access to the power house, and of the deviation tunnels for \$676,686 (2012 - \$102,419).

The transfers to operation by investment program of constructions in progress were the following:

Tranfers to constructions in process	2013	2012
Electric power distribution networks	113,163	84,330
Rural electrification	89,811	67,076
Generation and replacement	53,505	2,924
Buildings Construction	46,034	-
Infrastructure plan	45,227	46,645
Expansion of natural gas	33,640	44,510
Medellin driver sanitation plan	31,780	62,453
Porce III	17,941	94,624
Mansarovar	7,149	580
Electric power transmission networks	209	18,457
Total transfer to constructions in process	438,459	421,599

* Amounts stated in millions of Colombian pesos

(2) The movement of the provision during the year is detailed below:

Provision for property, plant and equipment movement	2013	2012
Initial balance	23,940	32,044
Provision	1,801	7,275
Provision recovery	(2,338)	(15,196)
Provision expense previous years	834	(183)
Final balance	24,237	23,940

* Amounts stated in millions of Colombian pesos

(3) The movement of the depreciation during the year is detailed below:

Depreciation movement	2013	2012
Initial balance	5,806,315	5,206,474
Period depreciation cost	307,936	299,730
Period depreciation expense	16,912	14,124
Expenses from previous years	3,670	19
Withdrawals for sales	(1,308)	(1,129)
Other withdrawals	(10,797)	(12,786)
Other decreases	(7,555)	1,881
Deffered depreciation movement	288,494	298,002
Final balance	6,403,667	5,806,315

* Amounts stated in millions of Colombian pesos

Note 20 Actuarial financial reserve

The actuarial financial reserve as of December 31 is made up by:

Concept		2013	2012
Autonomous equity for retirement pensions	(1)	241,794	280,411
Autonomous equity pension bonds	(2)	307,942	304,154
Total actuarial financial reserve		549,736	584,565

* Amounts stated in millions of Colombian pesos

- (1) In 2010 the autonomous equity trust was created with Fiduciaria Davivienda S. A. for the management of the resources intended to the payment of pension both of EPM and those derived from the pension commutation of EADE.

The autonomous equity trust was created for the amount of \$322,000; with this figure plus the returns that are expected to be obtained, it will be possible to cover up to 2056 the total pension payments according to the actuarial study of Volrisk Consultores Actuariales S.A.S.

The movement of the retirement pension fund is shown below:

Autonomous equity for retirement pensions	2013	2012
Saldo inicial	280,411	291,387
Pensions paid	(44,282)	(41,147)
Financial yields	5,665	30,171
Final balance	241,794	280,411

* Amounts stated in millions of Colombian pesos

- (2) An autonomous equity trust was created with the Consortium EPM 2008 (made up by BBVA Fiduciaria S.A. with the participation of 40%, BBVA Horizonte with a participation of 40% and Fiduciaria Corficolombiana with a participation of 20%) to guarantee the coverage of the obligations generated by the pension bonds, pension quota shares and the payment of substitution indemnification derived from the risks regulated by the general pension system. The autonomous equity trust started to be capitalized through the payment of five annual installments as of May 2003 and was fully created in 2008, year in which the transfer of the funds was made to BBVA Fiduciaria S.A. an addition of \$18,250 was made to include the pension commutation bonds of EADE.

The value of the autonomous equity trust is projected in such a way that it will extinguish at the time of the last pension bond payment due by EPM in 2065; therefore with its creation is guaranteed the availability of funds to cover the pension liability of bonds and their financial management is made independent. According to the actuarial study of Volrisk Consultores Actuariales S. A. S.

This trust generates returns during the term of the term of effectiveness of the agreement, based on the valuation at market prices of the funds managed in that

fund, before deduction of costs and expenses to be made by it. No contributions were made in the periods.

The movement of the pension bonds equity is reflected below:

Autonomous equity pension bonds	2013	2012
Initial balance	304,154	280,444
bonds paid	(3,439)	(6,126)
Financial yields	7,227	29,836
Final balance	307,942	304,154

* Amounts stated in millions of Colombian pesos

Note 21 Other assets, net

The balance of other assets as of December 31st corresponds to:

Other assets		2013	2012
Deferred charges	(1)	307,682	255,306
leaseholds works and improvements	(2)	120,657	112,707
goods delivered to third parties	(3)	3,573	4,068
Intangibles, net	(4)	656,689	641,620
Autonomous equity trusts	(5)	89,850	84,795
Goods , culture and art		29	27
Total other assets		1,178,480	1,098,523

* Amounts stated in millions of Colombian pesos

(1) Detail of the balance of deferred charges as of December 31st:

Item		2013	2012
Deferred tax asset	(1.1)	283,079	227,108
Discounts in bonds	(1.2)	17,554	20,422
Premium for the legal stability contracts	(1.3)	7,049	7,544
Other		-	232
Total deferred charges		307,682	255,306

* Amounts stated in millions of Colombian pesos

(1.1) The detail of this item is the following:

Item	2013	2012
Deferred tax asset previous year	227,108	113,621
Increase of provision in the year	55,971	113,487
Total deferred tax asset	283,079	227,108

* Amounts stated in millions of Colombian pesos

In 2013 the deferred tax debit has been generated mainly by the provisions of receivables and litigations and lawsuits, the actuarial calculation, the exchange difference on investments abroad and the goodwill.

- (1.2) Corresponds to the discount granted by the issue of international bonds (coupon of 7.625%), by the credit of USD 500 million. The premium will be amortized up to its expiration date in July 2019.
- (1.3) Corresponds to the premium paid to the Nation for the legal stability agreement for the power generation activity of EPM. It was executed in a term of twenty years and its value was equivalent to 0.5% of the value of the investments made in the unproductive period and 1% in the operating phase. The initial value amounted to \$9,894. The amortization for 2013 was \$495 (2012 - \$495).
- (2) The movement of the balance of leaseholds works and improvements as of December 31st is:

Item	2013	2012
Initial balance	112,707	118,176
Increases	21,661	10,798
Translates	1,350	5,379
Reclasifications	(1,701)	(2,459)
Withdrawals	-	(417)
Amortization cost	(11,109)	(15,633)
Amortization expense	(2,251)	(3,137)
Total	120,657	112,707

* Amounts stated in millions of Colombian pesos

- (3) The goods delivered to third parties as of December 31st correspond to:

Item	2013	2012
Goods given as loan for use	1,831	1,836
Goods given for administration	6,639	6,641
Provision	(4)	(4)
Amortization	(4,893)	(4,405)
Total goods given for third parties	3,573	4,068

* Amounts stated in millions of Colombian pesos

(4) The detail of intangibles as of December 31st is:

Item		2013	2012
Goodwill	(4.1)	679,600	647,400
Software, licenses and rights		106,126	97,722
Subtotal intangibles		785,726	745,122
Less amortization of goodwill		(47,894)	(28,001)
Less amortization, others		(81,143)	(75,501)
Subtotal amortizations	(4.2)	(129,037)	(103,502)
Total intangibles		656,689	641,620

* Amounts stated in millions of Colombian pesos

(4.1) The composition of the goodwill as of December 31st is the following:

2013

Company	Acquisition year	Amortization period	Cost	Amortization	Net value
Hidroeléctrica del Teribe S. A. - HET	2003	1 año	6,032	(6,032)	-
Distribución Eléctrica Centroamericana II S. A. - DECA II	2010	38 años	336,140	(23,992)	312,148
Gestión de Empresas Eléctricas S. A - GESA	2010	46 años	17,678	(1,189)	16,489
EPM Ituango S. A. E.S.P.	2011	42 años	177,667	-	177,667
Panama Distribution Group	2011	18 años	109,883	(16,681)	93,202
Espíritu Santo Energy S. de R.L.	2013	15 años	32,200	-	32,200
Total goodwill			679,600	(47,894)	631,706

* Amounts stated in millions of Colombian pesos

2012

Company	Acquisition year	Amortization period	Cost	Amortization	Net value
Hidroeléctrica del Teribe S. A. - HET	2003	3 years	6,032	-	6,032
Distribución Eléctrica Centroamericana II S. A. - DECA II	2010	46 years	336,140	(15,958)	320,182
Gestión de Empresas Eléctricas S. A - GESA	2010	46 years	17,678	(764)	16,914
EPM Ituango S. A. E.S.P.	2011	50 years	177,667	-	177,667
Panama Distribution Group	2011	18 years	109,883	(11,279)	98,604
Total goodwill			647,400	(28,001)	619,399

* Amounts stated in millions of Colombian pesos

In compliance with the accounting regulations, EPM in December 2013 evaluated the conditions of generation of future economic benefits that supported the HET goodwill and decided to amortize it in full. The goodwill of EPM Ituango S. A. E.S.P. and Espíritu Santo Energy S. de R.L. will start their amortization once the hydroelectric plants start to operate.

(4.2) The movement of the amortization is detailed below:

Amortization movement	2013	2012
Initial balance	103,502	168,133
Intangibles amortization costs	5,357	12,293
Intangibles amortization expenses	285	195
Intangibles amortization financial expense	20,769	16,757
Other decreases	(876)	(93,876)
End balance	129,037	103,502

* Amounts stated in millions of Colombian pesos

(5) Autonomous Equity Trusts

(5.1) Consists of the EPM-UNE Social Financing program that seeks to improve the quality of life of its customers by offering them credit facilities for the purchase of gas appliances, computer, audio and video equipment or make home improvements. During 2013 contributions were received from the agreement signed with the IADB for \$367. In 2012 the contributions from the IADB corresponded to the credit granted to UNE and EPM.

The movement of the trust during the year is reflected below:

Autonomous equity for social financing	2013	2012
Initial balance	83,868	61,895
Contributions	367	17,730
Financial yields	4,294	4,243
End balance	88,529	83,868

* Amounts stated in millions of Colombian pesos

(5.2) The UPME, under public bid UPME-01-2008, selected EPM to make the design, acquisition of supplies, construction, start up, operation and maintenance of the Nueva Esperanza substation and the associated transmission lines, which has an estimated cost of \$167,463.

The purpose of the trust agreement is the creation of autonomous equity trust with the goods in the trust to be managed by the trust company, in its capacity as speaker of the trust, in order to hire the audit of the project and secure the payments that correspond to the auditor by virtue of the project audit agreement.

The Ministry of Mines and Energy – MME authorized a new postponement of the project's startup date to May 10, 2015, following the request by EPM by the archeological findings that came up in the land where the substation will be constructed, the archeological rescue will be made up to October 1, 2014. This implied increasing the contributions to cover the additional costs by \$1,082.

The movement of the autonomous equity trust during the year is reflected below:

Autonomous equity for Nueva Esperanza project	2013	2012
Initial balance	927	862
Contributions	1,082	795
Payments	(705)	(757)
Financial yields	17	27
End balance	1,321	927

* Amounts stated in millions of Colombian pesos

Note 22 Revaluation of assets

As of December 31, revaluation of assets is comprised as follows:

Concept		2013	2012
Equity participation investments		2,568,996	2,538,955
Cost method investments	(1)	1,799,996	1,593,294
Property, plant and equipment	(2)	6,465,473	6,216,303
Other assets		52,955	53,481
Total revaluation of assets		10,887,420	10,402,033

* Amounts stated in millions of Colombian pesos

- (1) The variation of the appreciation corresponds to a combined effect of the reduction of the stock exchange value of the ISA shares \$9,100/share (2012 - \$9,600/share) and increase in those of Isagen \$3,250 /share (2012 - \$2,505 /share).
- (2) As of December 31 comprise:

Technical appraisals have been made by homogeneous groups of assets in the following periods:

Account	Last year technical appraisal
Lands	2012
Buildings	2013
Plants, pipelines and tunnels	2011
Transmission networks, lines and cables	2012
Machinery and equipment	2012
Medical and scientific equipment	2013
Transportation, traction and lifting equipment	2013
Communications and computing equipment	2013
Goods given for third parties	2012

Adjustments were also made to the provision accounts of some assets that should have recorded individually the provision against the respective expense. This is due to the fact that the appraisal was made individually to each one of the assets and not by homogeneous group. The groups of assets were the following:

- Buildings
- Transportation, traction and lifting equipment
- Medical and scientific equipment
- Communications and computer equipment

Note 23 Public credit transactions

As of December 31st, financial obligations are as follows:

Public credit transaction		2013	2012
Short term domestic public debt			
Local market Bond	(1)	151,600	-
Banco Davivienda S. A.	(2)	38,571	-
Banco Bilbao Vizcaya Argentaria Colombia S. A.- BBVA	(2)	25,714	-
Banco Corpbanca S. A.	(2)	10,286	-
Helm Bank S. A.	(2)	5,000	-
Short tem foreign public debt			
International Finance Corporation - IFC	(3)	178,168	-
loans , Interamerican Development Bank - BID	(4)	105,309	94,668
Bank of Tokyo	(5)	32,117	29,473
Total current public credit transactions		546,765	124,141
Long term domestic public debt			
Local market bond	(1)	1,511,390	1,295,710
Banco Davivienda S. A.	(2)	231,429	270,000
Banco Bilbao Vizcaya Argentaria Colombia S. A.- BBVA	(2)	154,286	180,000
Banco Corpbanca S. A.	(2)	61,714	72,000
Helm Bank S. A.	(2)	30,000	35,000
Long term foreign public debt			
Bank of New York - Bonos globales pesos	(6)	1,250,000	1,250,000
Bank of New York - Bonos internacionales	(7)	963,415	884,115
Créditos Banco Interamericano de Desarrollo - BID	(4)	606,980	653,669
International Financial Corporation - IFC	(3)	494,296	617,112
French Development agency- AFD	(8)	375,732	-
Bank of Tokyo	(5)	289,017	294,700
Total non currents public credit transactions		5,968,259	5,552,306
Total public credit transactions		6,515,024	5,676,447

* Amounts stated in millions of Colombian pesos

(1) Corresponds to bond issues in the local market, carried out between November 2010, December 2011 and December 2013 with the following characteristics:

Subserie	Amount allocated (COP) a 2013	Amount allocated (COP) a 2011	Amount allocated (COP) a 2010
A5a IPC 5 years	193,480	151,600	151,600
A10a IPC 10 years	409,220	313,010	313,010
A15a IPC 15 years	198,400	198,400	198,400
B3a DTF 3 Years	-	-	204,290
C10a Tasa Fija 10 years	132,700	132,700	132,700
A6a IPC 6 years	112,700	112,700	112,700
A12a IPC 12 years	119,900	119,900	119,900
A20a IPC 20 years	496,590	267,400	267,400
TOTAL	1,662,990	1,295,710	1,500,000

* Amounts stated in millions of Colombian pesos

- (2) In October 2010 a loan was obtained under the "club deal" modality for \$557,000, funds intended to the company's general investment plan, both for acquisitions of companies in the local and international market, and for the own investment plan in infrastructure. The term of the operation is of 10 years with 3 years of grade.
- (3) Type AB loan with International Finance Corporation –IFC– as leader and 15 commercial banks in the tranche B, for USD 349 million, for the financing of the Antioquia Lighted program and expansion and replacement plans of water system and sewage networks and power transmission grids. The agreement was signed in December 2011.

From this credit derive two financial covenants, as follows

- (Debt/EBITDA): EPM will not permit that the Total Financial Debt/EBITDA indicator exceeds 3.5 to 1 times.
 - (EBITDA /Interest Expense Net): EPM will not permit that the indicator EBITDA /Interest Expense Net will be lower than 3.0 to 1 times.
- (4) This item corresponds to the credits BID 792, 800, 1664, 2217 and 2120, which financed investment projects. As support to the Nation's Guarantee granted for credits 792, 800, 1664 and 2120, EPM signed counter guarantee agreements with the Nation at the time of closing the credit operations.

Financial covenants derive from credit 1664, as follows:

- (Total Debt/EBITDA) of EPM Group must be lower than or equal to 3.5.
 - (Long term debt/Assets) of EPM Group shall not exceed 1.5 times its assets.
- (5) Loans with banks Tokyo-Mitsubishi and Bilbao Vizcaya Argentaria (BBVA) Tokyo office, with guarantee from JBIC for USD 200 million, for financing Porc III,

which agreement was signed in September 2008 and disbursed in its entirety in January 2009. From this credit financial covenants result, as follows:

- (Debt/ EBITDA): EPM will not allow that the Total Financial Debt /EBITDA indicator exceed from 2.9 to 1 times.
- (Debt / Equity): EPM will not allow that the Total Long Term Debt / Equity exceeds from 1.5 to 1 times.

(6) In January 2011 EPM issued global bonds in pesos in the international capital market for an amount of \$1,250,000, intended to the general investment plan. The issue, which received an investment grade rating of Baa3 by Moody's and BBB- by Fitch Ratings, was placed at a yield of 8.5% with a final expiration on February 1, 2021 and coupon of 8.375%.

(7) In July 2009 global bonds were issued in pesos in the international capital market, for an amount of \$500,000, intended to financing of Porce III. The issue that received an investment degree rating of Baa3 by Moody's and BB+ by Fitch Ratings, was placed with a yield of 7.875% with expiration on July 29, 2019 and coupon of 7.625%.

(8) Promotion loan with French Development Agency – AFD – for the financing of growth and expansion projects, related to Energy and Gas Generation, Transmission and Distribution business. The contract was signed in August 2012. The first disbursement was made in June 2013. From this credit financial covenants arise, as follows:

- Total debt to EBITDA ratio of the EPM Group must be lower than or equal to 3.5.
- Interest Coverage ratio must be higher than 3 times.

As of December 31st the public credit operations were negotiated with at the following interest rates:

Concept	Interes rates 2013	2013	Interes rates 2012	2012
International Bonds (USD)	7.625%	963,415	7.625%	884,115
Global International Bonds in pesos	8.375%	1,250,000	8.375%	1,250,000
Local Bonds	0%#PC+ 3,25% a 7,12%#DFT	1,662,990	80%#PC+ 3.25% a 7.12%#DFT +	1,295,710
Multilateral Banking loans - BID	+ TV + spread de 1.05% a	712,289	+ TV + spread de 1.05% a	748,337
Loan Bank of Tokyo	Libor + 0.95%	321,134	Libor + 0.95%	324,173
Loan International Financial Corporation - IFC	Libor + 1.875% a 2.15%	672,464	Libor + 1.875% a 2.15%	617,112
Loan French Development Agency AFD	4.32%	375,732	N.A.	-
Local Banking loans	DTF + 2.7%	557,000	DTF + 3.4%	557,000
Total financial obligations		6,515,024		5,676,447

* Amounts stated in millions of Colombian pesos

The detail of the expirations of public credit operations as of December 31st in the original currency and its equivalent in Colombian pesos, corresponds to:

2013

Year	US dollars (Thousands)	Colombian pesos(millions)	Equivalent in million pesos
2014	163,789	231,171	546,765
2015	137,434	79,571	344,383
2016	156,279	192,271	493,395
2017	99,613	79,571	271,508
2018	97,390	353,861	541,516
2019 forward	925,828	2,533,543	4,317,457
Total	1,580,333	3,469,988	6,515,024

* Amounts stated in millions of Colombian pesos

2012

Year	US dollars (Thousands)	Colombian pesos(millions)	Equivalent in million pesos
2014	163,789	231,171	520,788
2015	137,434	79,571	322,586
2016	140,029	192,271	439,875
2017	83,363	79,571	226,976
2018 forward	860,718	2,520,126	4,042,081
Total	1,385,333	3,102,710	5,552,306

* Cifras en millones de pesos colombianos

Note 24 Hedging operations

The balance as of December 31st of hedging operations is broken down as follows:

Concept		2013	2012
Obligations in derivate contracts		133,940	141,166
Rights in derivate contracts (DB)		(101,137)	(96,665)
Total current hedging operations	(1)	32,803	44,501
Obligations in derivate contracts		141,029	274,969
Rights in derivate contracts (DB)		(105,394)	(189,531)
Total non current hedging operatios	(2)	35,635	85,438
Total hedging operations		68,438	129,939

* Amounts stated in millions of Colombian pesos

- (1) Operations with derivative instruments as of December 31st in their current portion is summarized in:

Concept	Entity	2013		
		Right	Obligation	Hedging
Swap dollar- peso	Citibank 1664	69,022	103,202	(34,180)
Cross Currency Swap	JP Morgan Tramo JBIC	8,029	7,442	587
	BBVA -JBIC	12,846	12,405	441
	Bancolombia -JBIC	11,240	10,891	349
Total current portion		101,137	133,940	(32,803)

* Amounts stated in millions of Colombian pesos

Concept	Entity	2012		
		Right	Obligation	Hedging
Swap dólar-peso	Citibank 1664	67,193	110,428	(43,235)
Cross Currency Swap	JP Morgan Tramo JBIC	7,368	7,442	(74)
	BBVA -JBIC	11,789	12,405	(616)
	Bancolombia -JBIC	10,315	10,891	(576)
Total current portion		96,665	141,166	(44,501)

* Amounts stated in millions of Colombian pesos

- (2) Long term hedging operations as of December 31st, consist of:

Concept	Entity	2013		
		Right	Obligation	Hedging
Swap dólar-peso	Citibank	73,279	110,291	(37,012)
Cross currency Swap	JP Morgan Tramo V JBIC	8,029	7,442	587
	BBVA - JBIC	12,846	12,405	441
	Bancolombia -JBIC	11,240	10,891	349
Total non current portion		105,394	141,029	(35,635)

* Amounts stated in millions of Colombian pesos

Concept	Entity	2012		
		Right	Obligation	Hedging
Swap dólar-peso	Citibank	130,588	213,492	(82,904)
Cross Currency Swap	JP Morgan Tramo V JBIC	14,736	14,885	(149)
	BBVA - JBIC	23,578	24,810	(1,232)
	Bancolombia -JBIC	20,629	21,782	(1,153)
Total non current portion		189,531	274,969	(85,438)

* Amounts stated in millions of Colombian pesos

The detail of the expirations of hedging operations as of December 31st is as follows:

2013

Expiration	Right	Obligation	Total net
2014	101,137	133,940	(32,803)
2015	49,516	56,755	(7,239)
2016	55,878	84,274	(28,396)
Total	206,531	274,969	(68,438)

* Amounts stated in millions of Colombian pesos

2012

Expiration	Right	Obligation	Total net
2014	92,812	133,940	(41,128)
2015	45,440	56,754	(11,314)
2016	51,279	84,275	(32,996)
Total	189,531	274,969	(85,438)

* Amounts stated in millions of Colombian pesos

Note 25 Accounts payable

As of December 31st, the balance of accounts payable is comprised as follows:

Accounts payable		2013	2012
Local suppliers	(1)	400,259	153,140
Foreign Suppliers		21,630	18,792
Interests payable		173,423	171,735
Creditors	(2)	280,091	156,797
Resources received for management	(3)	21,708	-
Other accounts payable		3,785	6,501
Related parties	Note 40	28,152	22,074
Current accounts payable		929,048	529,039
Interests payable		2,350	-
Resources received for management	(3)	13,010	16,298
Other received deposits		345	351
Non current accounts payable		15,705	16,649
Total accounts payable		944,753	545,688

* Amounts stated in millions of Colombian pesos

- (1) Includes \$157,732 (2012 - \$33,844) of payments associated to investment, of which \$102,632 (2012 -\$0) are of the Ituango project and \$252,307 (2012 - \$135,264) of purchases associated to the business operations.
- (2) Includes \$101,064 (2012 - \$50,000) of surpluses payable to the Municipality of Medellin and \$7,716 (2012 - \$10,891) of payments associated to the employee's social security.
- (3) Resources received through agreement of the Municipality of Medellín \$21,856 (2012 - \$10,073) and Government of Antioquia \$7,130 (2012 - \$3,137) among others for the execution of different common benefit programs.

Note 26 Taxes payable

As of December 31st, the balance of taxes payable is comprised as follows:

Concept		2013	2012
Income Tax	(1)	-	215,415
Income Tax for equity - CREE	(2)	61,579	-
Income Withholdings		35,703	24,465
Tax on Equity	(3)	69,133	69,133
Industry and commerce tax		24,108	22,737
Sales tax on temporary imports	(4)	20,728	13,951
Other taxes, levies and contributions	(5)	21,861	25,317
Total current taxes payable		233,112	371,018
Tax on Equity	(3)	-	69,133
Sales tax on temporary imports	(4)	-	20,580
Total non current taxes payable		-	89,713
Total taxes payable		233,112	460,731

* Amounts stated in millions of Colombian pesos

(1) The calculation of the income tax provision for the tax year is:

Provisions for tax obligations	2013	2012
Income tax		
Current tax	268,456	512,466
Less:		
Discount for investment on regional water systems	3,022	4,975
VAT deductible from income	21,009	5,304
Income withholdings and advance	314,652	207,774
Tax discount dividends from abroad	41,397	77,820
Other tax discounts	1,290	1,178
Total income taxes	(112,914)	215,415

* Amounts stated in millions of Colombian pesos

The balance in favor is reflected in accounts receivable, see note 15.

(2) The calculation of the provision for the income tax for equity – CREE for tax year 2013 is:

Provisions for tax obligations	2013	2012
Income tax for equity - CREE		-
Current tax -CREE	120,786	-
Lesss:		-
Income withholdings and advance	59,207	-
Total income taxes	61,579	-

* Amounts stated in millions of Colombian pesos

The reconciliation between the surplus from the period before taxes and the net taxable income is detailed below:

Concept	2013	2012
Accounting profit before taxes	2,036,890	2,167,325
Plus:		
Dividends received	767,192	353,385
Accounting depreciation and amortization	324,849	313,854
Exchange difference investments abroad	157,861	-
Accounting actuarial calculation	46,424	35,603
Non deductible provisions	25,016	91,909
Other entries	21,940	25,840
Linear yield autonomous equity trusts	21,173	5,831
Deffered monetary indexation	11,736	11,736
Receivable provision for tax purposes	13,797	-
Amortizations not applicable of projects	8,454	-
Profit in sale of shares	176	381
Subtotal items that are added	1,398,618	838,539
Less:		
Depreciation and amortization for tax purposes	732,166	758,751
Revenues not constituting taxable income	675,761	182,988
Equity method in investments	478,258	145,507
Deduction of real productive fixed assets	268,247	61,484
Taxing actuarial calculation	74,403	64,615
Income not taxed - recovery of provisions	73,259	11,287
Income previous years	11,472	32,392
Accounting profit in sale of assets	8,488	133,240
Deduction for disabled persons and others	3,242	2,606
Profit for valuation of investments	-	17,261
Subtotal item that are subtracted	2,325,296	1,410,131
Net income	1,110,212	1,595,733
Less exempt income	36,391	42,805
Net taxable income	1,073,821	1,552,928
Income tax rate	25%	33%
Income tax for equity - CREE tax rate	9%	
Current income tax	268,456	512,466
Current income tax for equity - CREE tax (2.1)	120,786	-
Tax discounts	(45,708)	(83,735)
Deferred tax liability	95,203	98,341
Deferred tax asset	(55,971)	(113,487)
Tax provision charged to results	382,766	413,585

* Amounts stated in millions of Colombian pesos

(2.1) The calculation of the income tax for equity – CREE is the following:

Description	2013	2012
Subtotal net taxable Income tax for equity - CREE	1,073,824	1,552,928
Plus: Special deduction of income producing assets	268,246	-
Net taxable income tax for equity - CREE	1,342,070	-
Tax rate	9%	-
Provision income tax for equity - CREE	120,786	-

* Amounts stated in millions of Colombian pesos

Tax regulations currently in force applicable to the company provide that:

a) As a general rule taxable income is taxed at the rate of 25% corresponding to the income and complementary tax and at 9% for Income tax for equity – CREE, exception made the taxpayers who by express provision are applied special rates. Until 2012 the income tax rate was 33%. For 2013 the effective income tax rate is of 19% (2012 – 18%) impacted mainly by the recognition of the exchange difference generated by the equity investments from abroad.

In addition, during 2013 higher special deductions are applied for investments in income producing assets, mainly of the Ituango project and lower exempt income of the pension autonomous equity funds for the lower profitability of the TES (Treasury Bonds). On the other hand, lower discounts are generated by the investments in regional waterworks and sewage companies, because in respect to the years 2011 and 2012 the company made lower capitalizations in these companies.

EPM does not claim the audit benefit because it is incompatible with the benefit of the special deduction for acquisition of real productive fixed assets, applicable to the generation business that has the legal stability agreement.

b) The base to determine the income tax cannot be lower than 3% of its net equity in the last day of the immediately preceding taxable period. The Company is excluded from calculating the tax under the presumptive income tax.

c) As of tax year 2007 the integral inflation adjustments was eliminated for tax purposes, and the capital gains tax was reactivated for legal persons on the total taxable capital gains obtained by the taxpayers during the year. The sole rate applicable on the taxable capital gains up to 2012 was of 33%. Article 109 of Law 1607 of December 2012, established the new rate for the capital gains tax of corporations at 10%, as of tax year 2013.

d) As of tax year 2007 and only for tax purposes, taxpayers may adjust annually the cost of movable and immovable goods that have a fixed asset nature. The adjustment percentage will be that set by the National Tax and Customs Direction, by mean of a resolution.

e) Up to the taxable year 2010 and for those taxpayers who had a legal stability agreement signed prior to December 31, 2012, the special deduction for effective investments in real productive fixed assets equivalent to 30% of the investment value is

applicable to them, and its use does not generate taxable profit in the name of partners or shareholders. The taxpayers who had acquired depreciable fixed assets as of January 1, 2007 and use the deduction established herein, will only be able to depreciate those assets by the straight line method and will not be entitled to the audit benefit, even with the compliance of the assumptions established in tax regulations to access said right. On the deduction claimed in previous years, if the good subject of the benefit is ceased to be used in the income producing activity, is sold or is retired before the term of its useful life, it is required to incorporate an income for recovery of deductions proportional to the remaining useful life at the time of the abandonment or sale. Law 1607 of 2012 derogated the regulation that permitted to sign legal stability agreements, as of tax year 2013.

f) As of December 31, 2013, the company does not have balances of tax losses pending compensation.

g) For 2013, Law 1607 of December 2012 reduced the income tax rate to 25% and created the income tax for equity CREE, which for 2013, 2014 and 2015 will have a rate of 9%. As of tax year 2016 the rate of this tax will be of 8%. Save some special reductions, as well as the offset of losses and excesses of presumptive income, benefits not applicable to the CREE, the base of this tax will be the same taxable base used for the income tax. Excepted from the income tax for equity CREE, are nonprofit entities and the companies that are classified as free trade zone users.

h) As indicated by Law 1607 of December 2012, in its article 25, as of July 1, 2013 will be exonerated from the payment of payroll contributions in favor of the SENA (National Training Service, for its initials in Spanish) and ICBF (Colombian Institute of Family Welfare, for its initials in Spanish), the legal and similar persons taxpayers of the income and complementary tax, corresponding to the workers who earn, individually considered, up to ten (10) minimum monthly legal salaries in effect. This exoneration does not apply to those taxpayers not subject to the CREE.

Legal stability – equity tax

As indicated before, EPM entered into with the Nation legal stability agreement EJ-04 of 2008, which also protects the power generation activity against adverse changes in the equity tax regulations and, for this reason, the company had the expectations of not paying said tax beyond that which was in effect between the years 2007 and 2010.

With the issuance of Law 1370 of 2009, a new method for accrual of the equity tax was provided in 2011, payable between 2011 and 2014, but in December 2010, the National Tax and Customs Direction –DIAN, issued concept 0987997 where it indicated, among other aspects, that: “The new equity tax, created by Law 1370 of 2009 and that is accrued on January 1, 2011, does apply to the taxpayers who claimed the special regime of the legal stability set forth in Law 963 of 2005”, opinion that was ratified by the Ministry of Mines and Energy (MME), in its capacity as party to the mentioned agreement.

With the pronouncements by the DIAN and the MME, the EPM administration decided to file the equity tax return for the period of 2011 including the tax on the power generation activity, in order to protect itself against eventual litigations with the tax authority and, particularly, of eventual tax penalties. As of this date and because it is a contractual but not tax difference, the administration has an external advisor who represents the company

in the controversy in defense of its interest; the value of the claim is \$200,874, equivalent to the tax paid for the generation business.

Transfer pricing

Due to the operations that EPM performs with its related parties abroad, it is subject to the regulations that in respect to transfer pricing were introduced in Colombia with laws 788 of 2002 and 863 of 2003. As of this date EPM has not completed the technical study for the operations carried out with related parties abroad during 2013; however, the administration has reviewed and considers that the operations had a behavior similar to those made during 2012, and thus it is anticipated that there will not be an impact of importance in the income tax return for the period 2013.

Reconciliation between the accounting equity and the net tax equity

The major entries that make up the reconciliation between the accounting equity and the net tax equity as of the closing date were:

Concept	2013	2012
Accounting equity	22,259,331	21,260,843
Plus:	4412611	4492586
Tax inflation adjustments to properties, plant and equipment and intangibles	2,698,117	2,703,012
Deferred tax credit	766,313	671,110
Goodwill addition	394,390	388,358
Tax inflation adjustment to investments	145,331	145,331
Adjustment for investments abroad	121,490	163
Provision for litigations and lawsuit	86,531	105,470
Provision for investments, inventories, properties, plant and equipment and seniority bonus	82,559	74,132
Actuarial calculation for tax amortization	57,904	85,883
Excess of receivables provision	35,766	29,178
Charge for deferred monetary indexation	18,014	24,019
Other adjustments	6,096	-
Other provisions for contingencies (Porce)	100	27,777
Provision for income and industry and commerce tax	-	238,153
Less:	17,962,153	17,349,785
Appreciation of properties, plant and equipment	6,518,428	6,269,784
Appreciation of investments	4,368,992	4,132,249
Adjustments for tax inflation of accumulated depreciation and amortization	2,517,917	2,398,278
Excess of tax over accounting depreciation	2,201,652	1,916,560
Equity method	1,516,762	1,709,883
Deferred income debit	283,079	227,108
Reclassification of goodwill Deca II - PDG	268,369	268,369
Accounts receivable for unrealized dividends	117,596	4

Exchange difference associated to project indebtedness	116,136	117,108
Credit for deferred monetary indexation	53,222	70,963
Real liability for income	-	215,415
Minor adjustment for exchange difference investment abroad	-	24,064
Net fiscal equity	8,709,789	8,403,644

* Amounts stated in millions of Colombian pesos

- (3) The value of the equity tax including the surtax was of \$276,532. It was accrued on January 1, 2011 and will be paid in eight equal installments (two annual installments) during four years. The company recorded the total amount of the equity tax with charge to the equity appreciation account. The tax paid for EPM as of 2013 amounted to \$207,399 (2012 - \$138,266), leaving a balance payable for \$69,133 (2012 - \$138,266).
- (4) Value corresponding to the VAT that it is estimated to be paid in a five-year term, for equipment acquired for the hydroelectric project Porce III under the modality of long term temporary investment of heavy machinery for the basic industry. At the end of the fifth year the import modality will be changed to ordinary, thus arising the obligation to assess and pay the VAT (articles 142 to 145 of Decree 2685 of 1999). This VAT started to be paid as of 2013.
- (5) It includes mainly \$16,577 (2012 - \$15,629) of contributions to the municipalities and regional corporations by Law 199 and \$2,241 (2012 - \$5,520) of import customs duties.

Note 27 Labor obligations

The balance of labor obligations as of December 31st was:

Concept		2013	2012
Severance	(1)	20,391	19,216
Vacations premium	(2)	16,984	15,326
Vacations		8,545	7,766
Interest on severance		5,915	5,574
Payroll payable		4,809	3,507
Seniority bonus	(3)	3,394	3,446
Other salaries and fringe benefits		1,235	1,594
Total current labor obligations		61,273	56,429
Severance	(1)	29,229	27,522
Seniority Premium	(3)	24,109	26,848
Total non current labor obligations		53,338	54,370
Total labor obligations		114,611	110,799

* Amounts stated in millions of Colombian pesos

- (1) The current portion corresponds to the severance of employees that have chosen to be covered by Law 59 of 1990 and that will be transferred to the severance

funds before February 14, 2014. The non-current portion corresponds to the severance of employees of the previous regime.

- (2) Corresponds to the bonus that is delivered to the employees that take vacations, equivalent to 32 days of ordinary salary for each year of service and proportionately for a fraction thereof.
- (3) Corresponds to the estimate, to present value, of the future payment corresponding to the seniority bonus. In EPM official workers are entitled to this bonus every time that they complete 5 years of service with the company, continuous or discontinuous. The estimated value is determined by an actuary, taking into account the average salary increase, discount rate of 5.77% and the mortality rates approved by the Superintendence in Resolution 1555 of 2010.

Note 28 Pension obligations and pension commutation

The pension obligations of EPM, pensions and bonds, are amortized 100%. As of December 31st corresponded to:

Concept	2013	2012
Pension liabilities		
Pension actuarial calculation	18,432	36,074
Actuarial calculation of pension bonds	23,639	27,609
Total pension liabilities EPM	42,071	63,683
Pension commutation EADE		
Pension obligation	3,780	9,859
Bonds	452	1,549
Total pension commutation	4,232	11,408
Total current portion of pension obligations and commutation	46,303	75,091
Pension liabilities		
Pension actuarial calculation	314,265	296,181
Actuarial calculation of pension bonds	372,026	358,829
Total pension liabilities EPM	686,291	655,010
Pension commutation EADE		
Pension obligation	65,554	59,291
Bonds	24,614	22,361
Total pension commutation	90,168	81,652
Total non current portion of pension obligations and commutation	776,459	736,662
Total pension obligations and pension commutation	822,762	811,753

* Amounts stated in millions of Colombian pesos

The movement of the pension liability and the pension commutation during the period was:

Concept	Pensions	Bonds	Total actuarial calculation
Pension liability EPM			
Balance at December 31, 2011	346,731	373,615	720,346
Payments During year 2012	(31,225)	(6,031)	(37,256)
Calculity Increased 2012	16,749	18,854	35,603
Saldo a diciembre de 2012	332,255	386,438	718,693
Payments During year 2013	(33,395)	(3,360)	(36,755)
Calculity Increased 2013	33,836	12,588	46,424
Balance at December 2013	332,696	395,666	728,362
Pension commutation			
Balance at December 2011	68,955	27,186	96,141
Payments durin year 2012	(7,876)	(94)	(7,970)
Increase (decrease) computation in 2012 ,	8,071	(3,182)	4,889
Balance at december 2012	69,150	23,910	93,060
Payments during year 2013	(8,661)	(80)	(8,741)
Increased computation 2013 2013	8,845	1,236	10,081
Balance at December 2013	69,334	25,066	94,400
Total pension liabilities and pension commutation 40	402,030	420,732	822,762

* Amounts stated in millions of Colombian pesos

The major factors in the actuarial calculations corresponding to retirement as of December 31st were:

Concept	2013
Number of people covered EPM	2,113
Number of people covered EADE	543
Technical interest rate	4.80%
Pension readjustment rate *	2.99%

- * This rate corresponds to the weighted average of inflation of 2010, 2011 and 2012, as follows: 3 points for 2013, 2 points for 2011 and 1 point for 2010, according to the provisions in Paragraph 1 of Article 1 of Decree 2783 of December 20, 2001.

Note 29 Estimated liabilities

As of December 31, the estimated liabilities balance is comprised as follows:

Concept		2013	2012
Provision for contingencies			
Civil and administrative litigations	(1)	11,398	496
Tax Processes	(2)	862	5,283
Labor Lawsuits	(3)	1,765	
Total provision for contingencies		14,025	5,779
Other provisions	(4)	5,731	-
Estimated liabilities current portion		19,756	5,779
Provision for contingencies			
Civil and administrative litigations	(1)	36,982	58,077
Tax Processes	(2)	26,870	30,623
Labor Lawsuits	(3)	8,654	10,991
other contingencies	(5)	100	27,777
Total provision for contingencies		72,606	127,468
Other provisions	(4)	8,701	7,822
Estimated liabilities non current portion		81,307	135,290
Total estimated liabilities		101,063	141,069

* Amounts stated in millions of Colombian pesos

As of December 31st, civil, administrative, labor and tax litigations consist of:

Third	Claim	2013	2012
Manuel Márquez and others	Riogrande II Project, indemnification to the community for not having acquired the mining reserves.	7,728	10,065
José Alberto Ruiz Betancur	Injuries for primary power lines that go by close to a residence in Copacabana.	5,546	7,269
Pacific Stratus Energy Colombia	Terminate by mutual consent the agreement corresponding to the commercial offer presented by EPM to Pacific Stratus Energy Colombia USD 3,500,000	-	6,189
Concretos y Asfaltos S.A	Indemnification for damages for USD 3,298,054	6,325	5,832
Miscellaneous	Other processes	28,781	29,218
Total civil and administrative contingencies (1)		48,380	58,573
Municipality of Tuta	Discussion of the industry and commerce tax by the commercialization activity in the municipality for the generator.	17,547	21,702
Municipality of Yumbo	Discussion of the industry and commerce tax by the commercialization activity in the municipality for the generator.	3,940	8,726
Municipality of Caloto	Discussion of the industry and commerce tax by the commercialization activity in the municipality for the generator.	3,095	3,704
Miscellaneous	Other processes	3,150	1,774
Total tax contingencies (2)		27,732	35,906
Juan Felipe Cardona	Indemnification of work accident	1,168	1,300
Miscellaneous - Egal Employees	Employer solidarity process	841	850
Miscellaneous	Other small claims proceedings \$500.	8,410	8,841
Total Labor contingencies (3)		10,419	10,991

* Amounts stated in millions of Colombian pesos

In 2013 the valuation methodology for contingencies was changed, see [note 7](#)

- (4) Includes provision for catastrophic diseases \$7,202 (2012 - \$5,758), technical reserve of the adapted healthcare entity \$2,666 (2012 - \$1,532) and provision for life insurance to employees \$3,832 (2012 - \$0)
- (5) Corresponds to the estimated value that would be paid for withdrawing from the agreement that had been signed with different contractors for the execution of the Porce IV hydroelectric project, of which the indefinite suspension was declared in December 2010. During 2013 conciliations were made with most suppliers, leaving pending one process to be conciliated for \$100.

For the period the movement of the contingencies provision was:

Provision for contingencies	2013	2012
Initial balance	231,278	91,741
Provision expense	144,283	91,629
Other provisions	12,637	7,822
Expense from previous periods	(59,142)	(25,910)
Financial expense	(22,661)	-
Payments	126,207	(24,213)
End balance	432,602	141,069

* Amounts stated in millions of Colombian pesos

Recoveries correspond to the change of valuation methodology \$16,620 (2012 - \$0) and to processes that have changed of probability of occurrence or have been abandoned \$42,522 (2012 - \$25,910).

Note 30 Other liabilities

As of December 31, other liabilities balance is comprised as follows:

Concept		2013	2012
Collections in favor of third parties			
Collection of third party receivables		12,192	7,380
Cleaning and sanitation rate		9,556	14,912
Public lighting		8,615	7,602
Taxes		7,436	4,229
Other collections		405	4,296
Related parties	Note 40	5,056	1,585
Total Collections in favor of third parties	(1)	43,260	40,004

Income received in advance			
Sales		4,334	4,821
Leases		90	1,142
Sale of gas service		1,855	-
Sale of electric power service	(2)	8,608	15,440
other income received in advance		566	1,678
Total revenues received in advance		15,453	23,081
Total other current liabilities		58,713	63,085
Deferred tax liability	(3)	766,313	671,110
Revenues Received in advance		964	-
other non currents liabilities		10	10
Total other non-current liabilities		767,287	671,120
Total other liabilities		826,000	734,205

* Amounts stated in millions of Colombian pesos

- (1) Receivables collection agreement entered into with entities such as the Municipality of Medellín, Empresas Varias de Medellín, among others.
- (2) Corresponds to the resources received in advance for the long-term agreements associated to the commercialization of energy.
- (3) The movement of the deferred income tax credit as of December 31st was:

Item	2013	2012
Deferred tax liability previous year	671,110	572,770
Provision increase during year	95,203	98,340
Total Deferred tax liability	766,313	671,110

* Amounts stated in millions of Colombian pesos

EPM recognizes deferred tax credit for the excess of fiscal over accounting depreciation and for the exchange difference capitalized in the tax rule which accounting effect was affectation to the results of the 2011 period.

Note 31 Reserves

As of December 31, the reserves balances are comprised as follows:

- * The Board of Directors meeting held on March 5, 2013 approved:
 - Creation of a reserve for \$208,601 (2012 - \$130,121) on the surpluses of 2012, to comply with Article 130 of the Tax Code.

- Creation of a reserve for \$350,492 (2012 - \$292,753) on the surpluses of 2012, in order to comply with Decree 2336 of 1995, for the profits incorporated to the results in the application of the equity method.
- Releasing the reserves created for \$299,562 (2012 - \$66,766 for the surpluses realized).

Note 32 Surpluses

Based on the determination of the COMPES in the meeting of April 30, 2013, ordinary financial surpluses were transferred to the Municipality of Medellín for \$526,122 (2012 - \$458,095) and extraordinary financial surpluses for \$708,435 (2012 - \$331, 746) as defined by Decree 1202 of June 26, 2013 issued by the Major of Medellín and Agreement 74 of 2013) and Minutes the COMPES meeting of December 23, 2013.

The total financial surpluses paid in 2013 was of \$1,183,493 (2012 - \$839,841), which includes the third installment of the scholarship fund for \$50,000.

Note 33 Memorandum accounts

The memorandum accounts consist of:

Memorandum accounts - debtor

As of December 31, memorandum accounts – debtor is comprised as follows:

Item		2013	2012
Contingent Rights	(1)	209,580	137,989
Tax Debit	(2)	5,011,386	4,938,511
Control Debit	(3)	278,415	266,647
Total debit memorandum accounts		5,499,381	5,343,147

* Amounts stated in millions of Colombian pesos

Memorandum accounts - creditor

As of December 31, memorandum accounts – creditor is comprised as follows:

Item		2012	2012
Contingent liabilities			
Litigations and Claims	(4)	944,249	751,270
Endorsements	(5)	68,196	63,823
Other contingent liabilities	(6)	43,158	79,805
Total Contingent liabilities		1,055,603	894,898
Tax Credit	(7)	18,189,718	17,779,820
Control Credit	(8)	1,041,061	802,980
Total credit memorandum accounts		20,286,382	19,477,698

* Amounts stated in millions of Colombian pesos

- (1) The accounts of contingent rights correspond to litigations in civil processes in which EPM brings suit against third parties for \$78,416 (2013 - \$16,665), \$91,672 (2012 - \$66,686) of the value recorded by the affiliate EPM Aguas Nacionales S.A. E.S.P. as capitalization of the Bello Plant project, in accordance with the contractual obligations acquired with the InterAmerican Development Bank for disbursement of USD450 million for the construction of the Bello Wastewater Treatment Plan and \$39,492 (2012 - \$54,638) of the trust that supports the contingent obligations of EADE at the time of liquidation.
- (2) Debtor tax memorandum accounts refer to the differences between accounting and tax regulations. They include mainly the difference in the depreciation, inflation adjustments to property, plant and equipment, shares and contributions and addition to tax goodwill. In general, differences in asset, cost and deduction accounts.
- (3) Includes mainly the rights in favor of the company, includes written-off receivables for \$158,290 (2012 - \$158,186), the self-insurance fund for \$68,106 (2012 - \$61,828), loans of the EPM housing fund through the Sintraemsdes and Sinproepm labor unions for \$3,381 (2012 - \$4,642).
- (4) The main processes in contingent credit memorandum accounts are:

Third	Claim	2013	2012
C.I. Cultivos Manzanares S.A.	Damages caused by the inundation and flooding suffered by the landed property La Vega de Manzanares, where export flowers and foliage are produced, in the sector Caney of the village of Porce Municipality of Santa Rosa de Osos.	145,202	-
Daza Giraldo Paula Andrea	Liability of EPM and other entities for the harm and damages caused to the plaintiffs for the landslides in Calle Vieja of the neighborhood La Gabriela of Bello on December 5, 2010 and that they will be sentenced to pay equity damages.	139,340	-
Sociedad Minera Peláez and Hermanos S.C.S, José Alirio Zamora Ardila	That EPM and other entities will be declared responsible for the harm and damages caused to the plaintiffs for the landslides in Calle Vieja of the neighborhood La Gabriela of Bello on December 5, 2010 and that they will be sentenced to pay equity damages.	138,411	-
Municipality of Bello	Capital gains paid in 2009 for the change of activity, plant property of the wastewater treatment plant of Bello.	71,166	89,527
Compañía Minera La Cuelga	Indemnification of all economic damage caused to Compañía Minera La Cuelga, which originates in the works of construction, filling of reservoir and start up of the Porce III hydroelectric project.	23,283	34,898
CSS Constructores S. A.	Indemnification of damages caused by the loss of the right that the Consortium had to be awarded the public works contract in the bidding process PC-00913 construction of dam and works associated to the Porce III hydroelectric project.	22,853	28,475
Alos transportadores	EPM is ordered to enable and classify Alos Transporte within the contracting process PC-2009-0480 rendering of land transportation service of people.	15,576	19,952
Miscellaneous	Other minor processes.	388,418	578,418
Total memorandum accounts - creditor		944,249	751,270

* Amounts stated in millions of Colombian pesos

In 2013 the methodology for valuation of processes was changed, see [note 7](#)

(5) Counter-guarantee to the National Government related to the credits granted by the IADB. The value of the guarantee corresponds to the pledging of operating income

equivalent to 120% of the debt service of the following six-month period of IADB credits.

- (6) Corresponds to \$43,158 (2012 - \$79,805) of disbursements made by the IADB of the credit 2110/OC-CO River Medellin Sanitation Program II Phase, under the modality of advance, pending legalization, equivalent to USD 22 million (2012 USD 45 million).
- (7) Creditor tax memorandum accounts are made up by the differences between accounting and tax regulations. They refer especially to the recording of appreciations of assets and investments, to the accumulated depreciation of properties, plant and equipment and their corresponding adjustment for inflation, to the income for equity method not realized, and to the deferred monetary indexation. In general, differences in liability and income accounts.
- (8) Includes goods received from third parties \$40,142 (2012 - \$36,974) and the following credits pending disbursement:
- IADB USD \$351.4 million for the Medellin River Sanitation program – Bella Wastewater Treatment Plant, twenty-five (25) year term.
 - AFD USD \$143.2 million for growth and expansion projects in the Energy Generation, Transmission and Distribution businesses. Term of 15 years.

Statement of financial, economic, social and environmental activity

Note 34 Operating income, net

As of December 31, Operating income, is comprised as follows:

Concept		2013	2012
Sale of goods and services			
sale of services			
Electric power service	(1)	4,050,520	4,013,513
Fuel gas service	(2)	539,795	441,482
Sanitation service	(3)	352,689	343,307
Water service	(4)	318,642	305,051
Other service	(5)	69,814	51,390
Related parties	Note 40	224,972	240,970
Total sale of services		5,556,432	5,395,713
Sale of goods	(6)	36,920	38,916
Related parties		-	287
Total sale of services and goods		5,593,352	5,434,916
Returns			
For sale of electric power	(7)	(60,237)	(80,659)
For other services		(2)	-
For sale of goods		(13)	(10)
Total returns and discounts		(60,252)	(80,669)
Total net income		5,533,100	5,354,247

* Amounts stated in Millions of Colombian pesos

(1) Energy services include the services of generation, transmission and distribution:

Generation of energy: Includes long term contracts for \$1,021,901 (2012 - \$1,073,537) and sales in exchange for \$300,606 (2012 - \$158,144).

Transmission and distribution of energy: includes sales to the regulated market for \$1,824,441 (2012 - \$1,772,054) and use of networks for \$259,466 (2012 - \$338,704).

(2) Includes sales to the regulated market for \$217,717 (2012 - \$160,737), to the non-regulated market for \$126,073 (2012 - \$90,539) and sales to other markets \$51,780 (2012 - \$25,283).

(3) Consists of income for discharges \$307,002 (2012 - \$286,364) and fixed charge \$41,809 (2012 - \$37,697).

(4) Consists of income for consumption \$206,367 (2012 - \$204,427) and fixed charge \$93,982 (2012 - \$90,365).

(5) Includes income for commissions for third party collections \$25,078 (2012 - \$33,271), leasing of electric infrastructure \$21,876 (2012 - \$7,108) and income of the healthcare adapted entity \$13,732 (2012 - \$12,168).

(6) Corresponds to sales for the supply service that EPM provides to its officers and their family group.

(7) As of 2013 the recording of the return for reliability charge was changed, [see note 6.](#)

Note 35 Service rendering costs

As of December 31, costs for rendering of services, is comprised as follows:

Concept		2013	2012
Commercial operations costs	(1)	1,477,040	1,272,840
General costs	(2)	406,272	296,625
Personal services	(3)	264,734	267,500
Taxes, levies and contributions	(4)	123,748	117,265
Orders and contracts	(5)	115,052	185,310
Direct inputs consumption	(6)	68,053	85,940
Cost of sale of goods		36,835	39,897
Related parties	Note 40	113,943	90,160
Total service rendering costs		2,605,677	2,355,537

* Amounts stated in millions of Colombian pesos

- (1) Includes energy purchases for \$730,642 (2012 - \$532,508), payment of use of networks and ducts for \$577,678 (2012 - \$523,954) and restrictions for \$39,947 (2012 - \$97,281).
- (2) Includes connection services and suspension of public utilities \$109,360 (2012 - \$89,309), costs associated to billing, distribution and collection for \$50,302 (2012 - \$59,415), materials for rendering the service \$77,124 (2012 - \$68,554), insurance \$36,018 (2012 - \$33,879) and fees \$23,212 (2012 - \$18,559).
- (3) The salary increase of 2013 was of 3.94% (2012 - 4.73%).
- (4) Consists of contributions for Law 99 of \$55,413 (2012 - \$57,613), Fazni for \$15,983 (2012 - \$17,713), contributions to surveillance \$15,611 (2012 - \$14,143) and charge of pollution of natural resources for \$8,329 (2012 - \$5,895).
- (5) Includes maintenance and repairs of lines, networks and ducts for \$76,158 (2012 - \$59,481) and maintenance and repairs of buildings \$18,545 (2012 - \$17,285).
- (6) Includes purchases of fuel for generation of the thermal plant La Sierra for \$56,943 (2012 - \$77,347) and chemical products for the treatment of drinking water \$11,110 (2012 - \$8,592).

Note 36 Depreciation, provisions and amortization

As of December 31, depreciation, provisions and amortization are comprised as follows:

Concept		2013	2012
Depreciation			
Depreciation of transmission networks and lines		113,353	107,391
Depreciation of plants, pipelines and tunnels		133,093	127,108
Depreciation of buildings		36,074	38,864
Depreciation of machinery and equipment		8,384	9,637
Other depreciation		17,032	16,730
Total depreciation costs	Note 19	307,936	299,730
Amortization improvements to third parties property	Note 21 2	11,109	15,633
Amortization of intangibles	Note 21 4.2	5,357	12,293
Amortization of stability legal contract	Note 21 1.3	495	495
Amortization of goods given to third parties		488	5,527
Total amortization costs		17,449	33,948
Total costs of depreciation and amortization		325,385	333,678
Depreciation			
Depreciation of communication and computing equipment		8,021	6,560
Depreciation of machinery and equipment		3,373	2,566
Depreciation of Buildings		2,247	2,301
Depreciation furniture and fixtures		2,160	1,849
Other depreciations		1,111	848
Total depreciation expenses	Note 19	16,912	14,124
Actuarial Computation			
Update of bonds and pension payment quotas		29,491	18,854
Update of retirement pensions		16,933	16,749
Update of pension commutation EADE		10,081	4,889
Total actuarial computation expense	Note 28	56,505	40,492
Provisions			
Provision for receivable	Note 15	27,365	3,564
Other provisions	Note 29	5,949	7,821
Provision for property, plant and equipment	Note 19	1,801	7,275
Provision on inventories	Note 16	-	631
Provision for goods given to third parties	Note 21 3	-	4
Total provision expenses		35,115	19,295
Amortization			
Amortization of intangibles	Note 21 4.2	285	195
Goods given to third parties		-	20
Amortization of studies		-	35,702
Total amortization expenses		285	35,917
Total depreciation, provisions and amortization expenses		108,817	109,828
Total depreciation, provisions and amortization		434,202	443,506

* Amounts stated in millions of Colombian pesos

Note 37 Administration expenses

As of December 31, administration expenses are comprised as follows:

Concept		2013	2012
Personal services	(1)	267,807	237,705
General expenses	(2)	252,575	208,610
Taxes, levies and contributions	(3)	67,898	63,263
Related parties	Note 40	18,315	16,345
Total administrative expenses		606,595	525,923

* Amounts stated in millions of Colombian pesos

- (1) Includes salaries for \$102,522 (2012 - \$94,657), bonus for \$34,302 (2012 - \$22,156), severance and interest on severance for \$20,496 (2012 - \$14,580), among others.
- (2) Includes fees for \$59,660 (2012 - \$43,902), payment of rent of the EPM Building to the Municipality of Medellín for \$31,726 (2012 - \$30,580) which has a term of 50 years as of 2001, purchase and maintenance of administrative software for \$37,082 (2012 - \$29,154), and maintenance of facilities for \$34,599 (2012 - \$31,216).
- (3) Includes tax on financial transactions \$27,404 (2012 - \$23,313), industry and commerce tax \$22,676 (2012 - \$23,034) supervision and oversight charge \$14,810 (2012 - \$14,896).

Note 38 Non-operating income, net

As of December 31, non-operating income is comprised as follows:

Concept		2013	2012
Profit by equity participation method for investments	Note 18	478,258	145,508
Financial			
Dividends	(1)	47,620	47,966
Interest and yields		36,285	44,160
Profit for valuation of investments		34,564	79,157
Surcharge on delayed payment		9,690	11,448
Other financial income		1,805	2,023
Adjustments on exchange differences		-	137,103
Extraordinary			
Recovers	(2)	84,966	24,784
Compensations		10,856	10,441
Uses		4,884	10,163
Other extraordinary income	(3)	17,638	4,032
Adjustment previous years		1,838	(10,536)
Other income			
Leases		6,051	4,053
Profit for sale of assets	(4)	9,416	90
Other income		4,610	964
Related parties	Note 40	28,866	147,998
Total non-operating income, net		777,347	659,354

* Amounts stated in millions of Colombian pesos

(1) Dividends from uncontrolled companies was:

Concept	2013	2012
Isagen S.A. E.S.P.	24,460	27,178
ISA S.A. E.S.P.	21,170	20,156
Hidroituango S.A. E.S.P.	-	618
EPM Ituango S.A. E.S.P.	1,978	-
Others	12	14
Total	47,620	47,966

* Amounts stated in millions of Colombian pesos

(2) Includes recovery of provisions as follows: receivables for \$14,630 (2012 - \$0), litigations and lawsuits for \$56,065 (2012 - \$0) generated by change of methodology (see note 7), properties, plant and equipment for \$2,338 (2012 - \$15,196) and investments \$2,819 (2012 - \$0) and \$876 goodwill.

- (3) Includes \$17,638 (2012 - \$0) for reimbursement of funds of the trust created in the name of EPM to cover contingencies at the time of liquidation of EADE, [see note 33 2](#).
- (4) Includes \$8,834 of profit in sales and liquidations of CENS Inversiones and ESSA Capital.

Note 39 Non-operating expenses

As of December 31, non-operating expenses are comprised as follows:

Concept		2013	2012
Interests			
Domestic public credit transactions		144,625	165,360
Foreign public credit transactions		220,816	199,340
Derivate transactions		15,023	24,250
Other interests		146	252
Financial expenses			
Adjustments on exchange differences	(1)	156,472	-
Discount on international bonds amortization		2,868	2,868
Administration and issuance of securities		914	702
Loss for investments valuation		1,428	-
Commissions and others		5,930	12,134
Provision and amortizations			
Provision for contingencies	Note 29	26,327	91,629
Provision for protection of investments	(2)	342	377
Amortization of goodwill	Note 21 4.2	20,769	16,757
Others- non operating expense	(3)	21,959	44,985
Adjustment from previous year	(4)	9,464	(38,588)
Related parties	Note 40	-	1,244
Total non-operating expenses, net		627,083	521,310

* Amounts stated in millions of Colombian pesos

- (1) During 2013 there was a devaluation of the peso in respect to the US dollar of 8.97% (2012 – revaluation 8.98%).
- (2) Provision for protection of investments was made in:

Concept	2013	2012
Controlled		
Aguas de Malambo S. A. E.S.P.	137	-
Aguas Nacionales EPM S. A. E.S.P.	7	-
Hidroecológica del Teribe S. A. - HET	-	50
Electrificadora de Santander S. A. E.S.P. - ESSA	198	207
Subtotal controlled	342	257
Non - Controlled		
Gestión Energética S. A. E.S.P.	-	110
Concentra Inteligencia de Energía S. A.	-	10
Subtotal non- controlled	-	120
Total provisions	342	377

* Amounts stated in millions of Colombian pesos

- (3) Includes contributions to the EPM Foundation for \$9,168 (2012 - \$14,147), for the programs, Library Network, Spaces for Culture, Park of Los Deseos, Music House, Seeking Christmas, among others.
- (4) Includes lower value of \$4,382 (2012 - \$1,227) of receivables provision, provision for property, plant and equipment for \$-1,502 (2012 -\$-15,474) and \$5,874 (2012 - \$8,732) recovery of income tax. It also includes physical reductions of materials and parts of inventories by obsolescence and technological change for \$1,450 (2012 - \$0). Additionally, in 2012 it includes recoveries of provision for litigations and lawsuits \$26,260.

Note 40 Transactions with related parties

EPM had the following transactions directly and indirectly with its related parties:

Assets

The balance of assets of EPM associated to its related parties as of December 31st corresponds to:

Company	Receivables			Total
	Service rendering	Public utilities	Other receivables	
Aguas de Malambo S. A. E.S.P.	6	-	90	96
Aguas de Urabá S. A. E.S.P.	234	20	117	371
Aguas Nacionales EPM S. A. E.S.P.	323	-	12	335
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	489	3,530	40	4,059
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	273	10,484	128	10,885
Edatel S. A. E.S.P.	-	247	333	580
Electrificadora de Santander S. A. E.S.P. - ESSA	449	14,464	485	15,398
Empresa de Aguas de Oriente Antioqueño S. A. E.S.P.	4	5	-	9
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	125	3,957	42	4,124
Empresas Publicas del Oriente S. A. E.S.P.	1	-	-	1
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	35	-	541	576
Emtelco S. A.	-	141	1	142
Epm Inversiones S. A.	2	-	-	2
EPM Ituango S. A. E.S.P. en liquidación	-	-	359	359
Maxseguros EPM Ltda.	19	-	-	19
Regional de Occidente S. A. E.S.P.	111	4	49	164
UNE EPM Telecomunicaciones S. A.	520	3	118,435	118,958
Current portion	2,591	32,855	120,632	156,078
EPM Capital México S. A. de C.V.	-	-	98,516	98,516
EPM Chile S. A.	-	-	351,249	351,249
Hidroecológica del Teribe S. A. - HET	-	-	239,051	239,051
UNE EPM Telecomunicaciones S. A.	-	-	9,463	9,463
Non-current portion	-	-	698,279	698,279
Total general (see note 15)	2,591	32,855	818,911	854,357

* Amounts stated in millions of Colombian pesos

The balances of public utilities with CHEC, CENS, ESSA and EDEQ are associated to operations of sale of energy.

The balance of other debtors includes mainly dividends receivable from UNE for \$117,596 and loans to related parties with the following conditions:

Related part	Amount	Term	Rate
EPM Chile S.A.	203	20 years	Libor + 3.5%
Hidrocológica del Teribe S. A. - HET	52	15 years	Construction: Libor + 3.75% Operation: Libor + 3.25%
Hidrocológica del Teribe S. A. - HET	65	15 years	Construction: Libor + 4.15% Operation: Libor + 3.25%
EPM Capital México S.A. de C.V.	51	2 years	Libor + 1.5%

* Amounts stated in millions of Colombian pesos

2012

Company	Receivables			Total
	Service rendering	Public utilities	other receivables	
Aguas de Malambo S. A. E.S.P.	-	-	36	36
Aguas de Urabá S. A. E.S.P.	394	-	194	588
Aguas Nacionales EPM S. A. E.S.P.	132	-	9	141
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	129	4,444	101	4,674
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	98	6,580	90	6,768
Edatel S. A. E.S.P.	-	-	247	247
Electrificadora de Santander S. A. E.S.P. - ESSA	972	7,792	164	8,928
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	152	9,725	27	9,904
EPM Ituango S. A. E.S.P.	-	134	6,907	7,041
Hidrocológica del Teribe S. A. - HET	-	-	1,344	1,344
Regional de Occidente S. A. E.S.P.	58	-	9	67
UNE EPM Telecomunicaciones S. A.	2,061	-	4,066	6,127
Current portion	3,996	28,675	13,194	45,865
Hidrocológica del Teribe S. A. - HET	-	-	184,856	184,856
UNE EPM Telecomunicaciones S. A.	-	-	50,664	50,664
Non-current portion	-	-	235,520	235,520
Total general (see note 15)	3,996	28,675	248,714	281,385

* Amounts stated in millions of Colombian pesos

Liabilities

As of December 31st, the balance of liabilities EPM associated to its related parties corresponds to the follow:

2013

Company	Accounts payable		Other liabilities	Total
	Acquisition of goods and services	Creditors	Collection in favor of third parts	
Aguas de Urabá S. A. E.S.P.	-	-	928	928
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	2,782	-	-	2,782
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	608	-	-	608
Edatel S. A. E.S.P.	-	460	13	473
Electrificadora de Santander S. A. E.S.P. - ESSA	2,780	-	-	2,780
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	1,401	-	-	1,401
Empresa Eléctrica de Guatemala S. A. - EEGSA	361	-	-	361
Empresas Públicas de Oriente S. A. E.S.P.	-	114	-	114
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	-	2,597	3,776	6,373
Emtelco S. A.	-	3,908	-	3,908
Regional de Occidente S. A. E.S.P.	-	-	206	206
UNE EPM Telecomunicaciones S. A.	1,848	11,293	133	13,274
Total general (see notes 27 and 30)	9,780	18,372	5,056	33,208

* Amounts stated in millions of Colombian pesos

The balances of creditors correspond to service agreements of the line of customer service and marketing with Emtelco and information technology services with UNE.

2012

Company	Accounts payable		Other liabilities	Total
	Acquisition of goods and services	Creditors	Collection in favor of third parts	
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	7,051	-	-	7,051
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	546	-	-	546
Edatel S. A. E.S.P.	36	10	-	46
Electrificadora de Santander S. A. E.S.P. - ESSA	2,637	-	-	2,637
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	3,648	-	-	3,648
Empresas Públicas de Oriente S. A. E.S.P.	-	1	-	1
Emtelco S. A.	-	1,659	-	1,659
Regional de Occidente S. A. E.S.P.	-	-	229	229
UNE EPM Telecomunicaciones S. A.	2,050	4,436	1,356	7,842
Total general (See notes 27 and 30)	15,968	6,106	1,585	23,659

* Amounts stated in millions of Colombian pesos

Income

The income during the year connected to related parties correspond to:

Operation income

2013

Company	Sale of goods	Electric power service	Water service	Sanitation service	Fuel gas service	Other services	Total
Electrificadora de Santander S. A. E.S.P. - ESSA	-	79,118	-	-	-	1,205	80,323
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	-	57,354	-	-	-	766	58,120
UNE EPM Telecomunicaciones S. A.	311	24,017	36	-	61	5,899	30,324
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	-	16,765	-	-	2,875	1,140	20,780
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	-	19,154	-	-	-	644	19,798
Edatel S. A. E.S.P.	-	3,750	22	34	-	1,231	5,037
Aguas de Urabá S. A. E.S.P.	-	2,205	-	-	-	2,283	4,488
Aguas Nacionales EPM S. A. E.S.P.	-	-	-	-	-	2,594	2,594
Emtelco S. A.	-	1,415	129	-	-	-	1,544
Empresa Telefónica de Pereira S. A. - ETP	-	890	-	-	-	-	890
Regional de Occidente E.S.P.	-	48	-	-	-	577	625
Max Seguros Ltd.	-	-	-	-	-	197	197
Empresa de Aguas del Oriente Antioqueño S. A. E.S.P.	-	62	-	-	-	42	104
Aguas de Malambo S. A. E.S.P.	-	-	-	-	-	93	93
EPM Inversiones S. A.	-	-	-	-	-	38	38
Empresas Públicas de Oriente S. A. E.S.P.	-	1	-	-	-	10	11
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	-	-	-	-	6	-	6
Total general (see note 34)	311	204,779	187	34	2,942	16,719	224,972

* Amounts stated in millions of Colombian pesos

2012

Company	Sale of goods	Electric power service	Water service	sanitation service	Fuel gas service	Other services	Other operating ordinary income	Total
Electrificadora de Santander S. A. E.S.P. - ESSA	-	51,702	-	-	-	(12)	-	51,690
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	-	45,978	-	-	-	713	-	46,691
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	-	43,145	-	-	-	1,002	-	44,147
UNE EPM Telecomunicaciones S. A.	287	11,128	48	67	105	21,310	1,712	34,657
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	-	29,054	-	-	13	837	-	29,904
EPM Ituango S. A. E.S.P.	-	136	-	-	-	19,599	-	19,735
Edatel S. A. E.S.P.	-	3,729	33	48	1	-	1,256	5,067
Aguas de Urabá S. A. E.S.P.	-	1,620	-	148	-	1,991	-	3,759
Aguas Nacionales EPM S. A. E.S.P.	-	-	-	-	-	2,426	-	2,426
Emtelco S. A.	-	1,040	277	-	-	-	201	1,518
Empresa Telefónica de Pereira S. A.	-	937	-	-	-	-	-	937
Regional de Occidente E.S.P.	-	23	-	-	-	368	-	391
Max Seguros Ltd.	-	-	-	-	-	209	-	209
Empresa de Aguas del Oriente Antioqueño S. A. E.S.P.	-	42	-	-	-	51	-	93
EPM Inversiones S. A.	-	-	-	-	-	26	-	26
Empresas Públicas de Oriente S. A. E.S.P.	-	1	-	-	-	7	-	8
Total general (see note 34)	287	188,535	358	263	119	48,527	3,169	241,258

* Amounts stated in millions of Colombian pesos

Others income

2013

Company	Financial		Other ordinary income			Total
	Surcharge on delayed payment	Interests and yields	Profit from sale of assets	Leases	Others	
Hidroecológica del Teribe S. A. - HET	-	9,775	-	-	21	9,796
EPM Chile S. A.	-	7,230	-	-	-	7,230
UNE EPM Telecomunicaciones S. A.	5	463	-	1,720	1,898	4,086
Empresa Eléctrica de Guatemala S. A. - EEGSA	-	-	-	-	1,218	1,218
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	-	-	-	-	995	995
Aguas de Urabá S. A. E.S.P.	-	-	-	-	994	994
Emtelco S. A.	-	-	-	217	491	708
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	-	-	-	-	630	630
Aguas Nacionales EPM S. A. E.S.P.	-	352	-	35	200	587
Electrificadora de Santander S. A. E.S.P. - ESSA	-	-	-	-	586	586
EPM Capital México S. A. de C.V.	-	538	-	-	-	538
Aguas de Malambo S. A. E.S.P.	-	-	-	48	292	340
Regional de Occidente S. A. E.S.P.	-	-	-	-	330	330
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	-	-	-	-	305	305
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	-	-	-	-	219	219
Espíritu Santo Colombia S. A.S E.S.P.	-	-	87	-	-	87
Gestión de Empresas Eléctricas S. A. - GESA	-	-	-	-	76	76
Empresas Públicas de Oriente S. A. E.S.P.	-	-	-	-	52	52
EPM Inversiones S. A.	-	-	-	20	31	51
Edatel S. A. E.S.P.	-	-	-	35	-	35
Empresa de Aguas del Oriente Antioqueño S. A. E.S.P.	-	-	-	-	3	3
Total general (See note 38)	5	18,358	87	2,075	8,341	28,866

* Amounts stated in millions of Colombian pesos

The financial returns are those accrued in the year for loans outstanding with these companies.

2012

Company	Financial		Other ordinary income		Extraordinaries		Total
	Surcharge on delayed payment	Interests and yields	Profit from sale of assets	Others	Recoveries	Other extraordinary income	
Aguas Nacionales EPM S. A. E.S.P.	-	-	133,596	71	47	-	133,714
Hidroecológica del Teribe S. A. - HET	-	6,315	-	61	-	-	6,376
UNE EPM Telecomunicaciones S. A.	3	1,938	-	814	1,604	-	4,359
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	-	-	-	818	-	-	818
Electrificadora de Santander S. A. E.S.P. - ESSA	-	-	-	675	47	-	722
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	-	-	-	667	-	-	667
Emtelco S. A.	-	-	-	314	213	7	534
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	-	-	-	294	-	-	294
Aguas de Urabá S. A. E.S.P.	-	-	-	18	201	-	219
Aguas de Malambo S. A. E.S.P.	-	-	-	60	96	-	156
EPM Inversiones S. A.	-	-	-	102	-	-	102
Regional de Occidente S. A. E.S.P.	-	-	-	8	24	-	32
Empresas Públicas de Oriente S. A. E.S.P.	-	-	-	2	2	-	4
Max Seguros Ltd.	-	-	-	-	1	-	1
Total general (see note 38)	3	8,253	133,596	3,904	2,235	7	147,998

* Amounts stated in millions of Colombian pesos

Costs

2013

Company	General	Personal services	Commercial operation cost	Orders and contracts	Total
Aguas de Urabá S. A. E.S.P.	3	-	-	-	3
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	274	-	31,881	-	32,155
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	1	-	7,373	-	7,374
EdateL S. A. E.S.P.	985	-	-	505	1,490
Electrificadora de Santander S. A. E.S.P. - ESSA	1	-	32,719	-	32,720
Empresa de Aguas del Oriente Antioqueño S. A. E.S.P.	2	-	-	-	2
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	1	-	14,161	-	14,162
Empresas Públicas de Oriente S. A. E.S.P.	1	-	-	132	133
Empresas Varias de Medellín S. A. E.S.P. - EMVARIAS	173	-	-	-	173
Emtelco S. A.	50	39	-	18,975	19,064
Regional de Occidente S. A. E.S.P.	3	-	-	-	3
UNE EPM Telecomunicaciones S. A.	6,664	-	-	-	6,664
Total general (see note 35)	8,158	39	86,134	19,612	113,943

* Amounts stated in millions of Colombian pesos

The balances of the commercial operation with CHEC, CENS, ESSA and EDEQ are associated to operations of purchase, transmission and distribution of electric power.

The balances of orders and contracts with EMTELCO are associated to rendering services contracts of the client line of attention and marketing.

2012

Company	General	Personal services	Commercial operation cost	Orders and contracts	Taxes paybles	Total
Aguas de Urabá S. A. E.S.P.	2	-	-	-	-	2
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	5	-	29,166	7	80	29,258
Centrales Eléctricas del Norte de Santander S. A. E.S.P. - CENS	1	-	7,237	-	-	7,238
Edatel S. A. E.S.P.	858	-	-	642	-	1,500
Electrificadora de Santander S. A. E.S.P. - ESSA	2	-	22,654	-	-	22,656
Empresa de Aguas del Oriente Antioqueño S. A. E.S.P.	1	-	-	-	-	1
Empresa de Energía del Quindío S. A. E.S.P. - EDEQ	2	-	8,959	81	-	9,042
Empresas Públicas de Oriente S. A. E.S.P.	5	-	-	-	-	5
Emtelco S. A.	7,264	207	-	9,736	-	17,207
Regional de Occidente S. A. E.S.P.	3	-	-	-	-	3
UNE EPM Telecomunicaciones S. A.	3,203	-	-	-	45	3,248
Total general (see note 35)	11,346	207	68,016	10,466	125	90,160

* Amounts stated in millions of Colombian pesos

Expenses

2013

Company	Administration expenses		
	General	Personal services	Total
Centrales Eléctricas del Norte de Santander E.S.P. - CENS	0	93	93
Edatel S. A. E.S.P.	2	0	2
Electrificadora de Santander E.S.P. - ESSA	0	95	95
Emtelco S. A.	189	0	189
UNE EPM Telecomunicaciones S. A.	17,931	5	17,936
Total general (see note 37)	18,122	193	18,315

* Amounts stated in millions of Colombian pesos

The balance with UNE corresponds to the information technology services.

2012

Company	Administration expenses		Non- operational expenses			Total
	General	Personal services	Interests	Adjusment from previous period	Other non-operational expenses	
UNE EPM Telecomunicaciones S. A.	16,076	-	-	32	61	16,169
Aguas Nacionales EPM S. A. E.S.P.	-	-	1,133	3	-	1,136
Emtelco S. A.	251	-	-	-	-	251
Central Hidroeléctrica de Caldas S. A. E.S.P. - CHEC	-	17	-	-	-	17
Edatel S. A. E.S.P.	1	-	-	15	-	16
Total general (see notes 37 and 39)	16,328	17	1,133	50	61	17,589

* Amounts stated in millions of Colombian pesos

Note 41 Transactions with related parties

As of December 31st, transactions with related parties were as follows:

Entity	December 2013			December 2012		
	Accounts receivable	Accounts payable	Other liabilities	Accounts receivable	Accounts payable	Other liabilities
Area Metropolitana del Valle de Aburra	1,566	-	-	2,593	512	-
Caja Nacional de Previsión Social - En liquidación	-	-	-	8,815	-	-
Comision de Regulacion de Energia y Gas - CREG	-	1,586	-	-	-	-
Corporación Autónoma Regional de las Cuencas de los Ríos Negro y Nare	34	2,240	-	-	2,603	-
Corporación Autónoma Regional del Centro de Antioquia	-	5,451	-	-	4,845	-
Corporación Ruta N Medellín	1,700	737	-	-	-	-
Departamento de Antioquia	210	9,437	-	4,667	5	3
Dirección de Impuestos y Aduanas Nacionales	-	92,102	813	-	143,829	813
Ecopetrol S. A.	171	3,874	27	175	3,760	27
Electrificadora del Huila S. A. E. S. P.	661	394	3	978	451	-
Electrificadora del Meta S. A. E. S. P.	7,420	326	26	12,012	606	-
Electrificadora del Tolima S. A. E. S. P. - En liquidación	1,180	-	24	1,180	-	24
Enviaseo E. S. P.	-	10	1,310	-	-	-
Empresa de Energia del Casanare S. A. E. S. P. - ENERCA	112	156	-	4,063	186	-
Empresa de Energia Eléctrica de Arauca	111	99	-	1,646	100	-
Empresas Municipales de Cali E.I.C.E. E. S. P.	7,827	2,790	94	7,733	742	-
Empresa de Vivienda de Antioquia -VIVA	1,820	-	-	-	-	-
Empresa Urrá S. A. E. S. P.	-	1,394	-	-	-	-
Fundación Empresas Públicas de Medellín	5,675	4,506	-	4,351	43	-
Generadora y Comercializadora de Energía del Caribe S. A. E. S. P.	483	-	-	10,172	-	-
Isagen S. A.	3,311	20,118	-	4,715	8,041	-
Ministerio de Minas y Energía	58,052	2,611	-	69,586	-	-
Municipio de Amalfi	13	1,191	-	511	922	34
Municipio de Arboletes	13	34	-	1,176	40	-
Municipio de Barbosa - Antioquia	68	1,598	-	1,051	494	-
Municipio de Bello	495	2,169	1	69	2,268	-
Municipio de Envigado	208	1,388	-	113	1,429	-
Municipio de Itagüí	937	1,269	7	898	1,028	6
Municipio de Medellín	6,209	159,912	4,429	15,733	59,920	1,980
Municipio de Necoclí	72	76	-	2,401	79	1
Municipio de San Rafael	437	891	-	491	885	280
Municipio de Turbo	116	213	-	1,440	219	-
Municipio de Yolombó	421	333	-	867	375	-
Municipio de Yondó	1,405	31	-	92	28	-
Transportadora de Gas Internacional S. A. E. S. P. - TGI	-	8,926	-	-	5,798	-
Universidad de Antioquia	5,290	1,462	2,356	6,479	1,070	1,431
Universidad de Nacional	373	1,663	-	216	140	-
XM Expertos en Mercado S. A. E. S. P.	30,731	37,704	-	-	-	-
Otros	11,451	19,480	1,724	27,139	18,837	83
TOTAL	148,572	386,171	10,814	191,362	259,255	4,682

* Amounts stated in millions of Colombian pesos

Entity	December 2013			December 2012		
	Income for sale of services and goods	Other income	Expenses and costs	Income for sale of services and goods	Other income	Expenses and costs
Area Metropolitana del Valle de Aburrá	-	-	7,777	1	48	5,903
Centrales Eléctricas de Nariño S. A. E.S.P.	2,217	-	5,452	2,351	-	5,940
Comisión de Regulación de Energía y Gas	-	-	-	-	-	3,223
Corporación Autónoma Regional del Centro de Antioquia	-	-	11,921	-	-	20,835
Departamento de Antioquia	-	-	-	2,474	-	441
Ecopetrol S. A.	796	-	16,999	807	676	105,354
Electrificadora del Huila S. A. E. S. P.	13,592	-	4,862	5,793	-	4,982
Electrificadora del Meta S. A. E. S. P.	54,690	-	3,949	37,327	-	2,473
Empresa de Energía de Cundinamarca S. A. E.S.P	2,230	-	2,730	2,216	-	2,818
Empresa de Energía de Pereira S. A. E. S. P.	2,007	-	1,401	1,988	-	1,346
Empresa de Energía del Casanare - Enerca S. A. E. S. P.	1,299	-	2,060	19,311	-	2,055
Empresa de Energía Eléctrica de Arauca	19,938	-	1,002	7,396	-	1,373
Empresa Distribuidora del Pacífico S. A. E. S. P.	25,800	-	2,572	632	-	2,879
Empresas Municipales de Cali E.I.C.E. E. S. P.	183,314	4	7,704	51,536	10	5,189
Empresas Municipales de Cartago E. S. P.	15,242	-	87	-	-	-
Empresas Varias de Medellín	-	-	-	6,153	-	26
Generadora y Comercializadora De Energia del Caribe S. A. E. S. P.	3,497	-	-	58,093	-	-
Instituto Colombiano de Bienestar Familiar	-	-	-	138	-	3,392
Isagen S. A.	24,705	20	57,267	37,892	22	42,394
Municipio de Amalfi	134	28	4,715	9	14	3,200
Municipio de Bello	287	770	2,895	1,055	-	2,825
Municipio de Carolina del Príncipe	-	-	-	9	5	2,797
Municipio de Itagüí	1,630	602	1,959	1,570	140	1,794
Municipio de Medellín	12,153	58	64,184	10,008	223	57,794
Municipio de Santa Rosa De Osos	-	-	-	52	-	2,809
Superintendencia de Servicios Públicos Domiciliarios	-	-	5,649	-	-	9,624
Transportadora de Gas Internacional S. A. E. S. P.	-	-	17,196	17	-	55,589
Universidad de Antioquia	5,479	218	5,307	3,404	17	3,464
XM Compañía de Expertos en Mercados S. A. E. S. P.	335,535	-	13,471	-	-	12,039
Otros	34,493	5,578	67,082	18,104	1,151	51,937
Total general	739,038	7,278	308,241	268,336	2,306	414,495

* Amounts stated in millions of Colombian pesos