

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

FORM 10-Q

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

For the quarterly period ended **March 31, 2002**

OR

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

<u>Commission File Number</u>	<u>Exact name of registrants as specified in their charters, State of Incorporation, address of principal executive offices and registrants' telephone number</u>	<u>IRS Employer Identification Number</u>
33-87902	ESI TRACTEBEL FUNDING CORP. (a Delaware corporation)	04-3255377
33-87902-02	NORTHEAST ENERGY ASSOCIATES, A LIMITED PARTNERSHIP (a Massachusetts limited partnership)	04-2955642
33-87902-01	NORTH JERSEY ENERGY ASSOCIATES, A LIMITED PARTNERSHIP (a New Jersey limited partnership)	04-2955646
333-52397	ESI TRACTEBEL ACQUISITION CORP. (a Delaware corporation)	65-0827005
333-52397-01	NORTHEAST ENERGY, LP (a Delaware limited partnership)	65-0811248

c/o FPL Energy, LLC
700 Universe Boulevard
Juno Beach, Florida 33408
(561) 691-7171

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of April 30, 2002, there were issued and outstanding 10,000 shares of ESI Tractebel Funding Corp.'s common stock.

As of April 30, 2002, there were issued and outstanding 20 shares of ESI Tractebel Acquisition Corp.'s common stock.

This combined Form 10-Q represents separate filings by ESI Tractebel Funding Corp., Northeast Energy Associates, a limited partnership, North Jersey Energy Associates, a limited partnership, ESI Tractebel Acquisition Corp. and Northeast Energy, LP. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Each registrant makes representations only as to itself and makes no representations whatsoever as to any other registrant.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (Reform Act), ESI Tractebel Funding Corp. (Funding Corp.), Northeast Energy Associates, a limited partnership (NEA) and North Jersey Energy Associates, a limited partnership (NJEA) (collectively, the Partnerships), ESI Tractebel Acquisition Corp. (Acquisition Corp.) and Northeast Energy, LP (NE LP) (all five entities collectively, the registrants) are hereby filing cautionary statements identifying important factors that could cause the registrants' actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of the registrants in this combined Form 10-Q, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the registrants' actual results to differ materially from those contained in forward-looking statements made by or on behalf of the registrants.

Any forward-looking statement speaks only as of the date on which such statement is made, and the registrants undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Some important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements include changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, as amended, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, as amended, acquisition, disposal, depreciation and amortization of assets and facilities, operation and construction of plant facilities, recovery of fuel and purchased power costs, and present or prospective competition.

The business and profitability of the registrants are also influenced by economic and geographic factors including political and economic risks, changes in and compliance with environmental and safety laws and policies, weather conditions (including natural disasters), population growth rates and demographic patterns, competition for retail and wholesale customers, availability, pricing and transportation of fuel and other energy commodities, market demand for energy, changes in tax rates or policies or in rates of inflation or in accounting standards, unanticipated delays or changes in costs for capital projects, unanticipated changes in operating expenses and capital expenditures, capital market conditions, competition for new energy development opportunities and legal and administrative proceedings (whether civil, such as environmental, or criminal) and settlements.

All such factors are difficult to predict, contain uncertainties which may materially affect actual results, and are beyond the control of the registrants.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

**NORTHEAST ENERGY, LP (A PARTNERSHIP) AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars)
(Unaudited)**

	<u>March 31, 2002</u>	<u>December 31, 2001</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 59,327	\$ 45,003
Accounts receivable	60,285	33,808
Due from related party	1,529	1,757
Spare parts inventories	12,068	10,787
Fuel inventories	4,747	7,132
Prepaid expenses and other current assets	7,176	188
Total current assets	<u>145,132</u>	<u>98,675</u>
Non-current assets:		
Deferred debt issuance costs (net of accumulated amortization of \$2,599 and \$2,443, respectively)	4,361	4,517
Cogeneration facilities and carbon dioxide facility (net of accumulated depreciation of \$92,776 and \$87,190, respectively)	427,954	433,518
Power purchase agreements (net of accumulated amortization of \$218,866 and \$205,538, respectively)	669,890	683,218
Other assets	95	96
Total non-current assets	<u>1,102,300</u>	<u>1,121,349</u>
TOTAL ASSETS	<u>\$ 1,247,432</u>	<u>\$ 1,220,024</u>
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities:		
Current portion of notes payable - the Funding Corp.	\$ 22,688	\$ 22,688
Current portion of notes payable - the Acquisition Corp.	8,800	8,800
Accounts payable	17,100	15,371
Accrued interest payable	13,874	-
Due to related parties	5,690	4,035
Other accrued expenses	15,945	19,708
Total current liabilities	<u>84,097</u>	<u>70,602</u>
Non-current liabilities:		
Deferred credit - fuel contracts	245,677	250,889
Notes payable - the Funding Corp.	376,032	376,032
Notes payable - the Acquisition Corp.	211,200	211,200
Energy bank and other liabilities	149,554	153,010
Lease payable	929	929
Total non-current liabilities	<u>983,392</u>	<u>992,060</u>
COMMITMENTS AND CONTINGENCIES		
Partners' equity:		
General partners	3,336	3,029
Limited partners	170,447	155,413
Accumulated other comprehensive income (loss)	6,160	(1,080)
Total partners' equity	<u>179,943</u>	<u>157,362</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY	<u>\$ 1,247,432</u>	<u>\$ 1,220,024</u>

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated and Combined Financial Statements appearing in the combined Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (2001 Form 10-K) for NE LP and Subsidiaries.

NORTHEAST ENERGY, LP (A PARTNERSHIP) AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Thousands of Dollars)
(Unaudited)

	Three Months Ended March 31,	
	2002	2001
REVENUES	<u>\$ 102,397</u>	<u>\$ 92,549</u>
COSTS AND EXPENSES:		
Fuel	48,762	46,342
Operations and maintenance	3,021	3,630
Depreciation and amortization	18,914	18,873
General and administrative	<u>2,322</u>	<u>2,364</u>
Total costs and expenses	<u>73,019</u>	<u>71,209</u>
OPERATING INCOME	<u>29,378</u>	<u>21,340</u>
OTHER EXPENSE (INCOME):		
Amortization of debt issuance costs	156	157
Interest expense	17,520	18,616
Interest income	(178)	(431)
Change in fair value of derivatives	<u>(3,461)</u>	<u>18,081</u>
Total other expense - net	<u>14,037</u>	<u>36,423</u>
Income (loss) before cumulative effect of a change in accounting principle	15,341	(15,083)
Cumulative effect of adopting FAS 133 - "Accounting for Derivative Instruments and Hedging Activities"	<u>-</u>	<u>18,268</u>
NET INCOME	<u>\$ 15,341</u>	<u>\$ 3,185</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of Dollars)
(Unaudited)

	Three Months Ended March 31,	
	2002	2001
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 14,345</u>	<u>\$ 39,792</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	<u>(21)</u>	<u>(40)</u>
Net cash used in investing activities	<u>(21)</u>	<u>(40)</u>
Net increase in cash and cash equivalents	14,324	39,752
Cash and cash equivalents at beginning of period	45,003	35,360
Cash and cash equivalents at end of period	<u>\$ 59,327</u>	<u>\$ 75,112</u>

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated and Combined Financial Statements appearing in the 2001 Form 10-K for NE LP and Subsidiaries.

**NORTHEAST ENERGY ASSOCIATES, A LIMITED PARTNERSHIP AND
NORTH JERSEY ENERGY ASSOCIATES, A LIMITED PARTNERSHIP
CONDENSED COMBINED BALANCE SHEETS
(Thousands of Dollars)
(Unaudited)**

	<u>March 31, 2002</u>	<u>December 31, 2001</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 58,279	\$ 43,969
Accounts receivable	60,285	33,808
Due from related party	1,529	1,757
Spare parts inventories	12,068	10,787
Fuel inventories	4,747	7,132
Prepaid expenses and other current assets	7,175	176
Total current assets	<u>144,083</u>	<u>97,629</u>
Non-current assets:		
Cogeneration facilities and carbon dioxide facility (net of accumulated depreciation of \$92,776 and \$87,190, respectively)	427,954	433,518
Power purchase agreements (net of accumulated amortization of \$218,866 and \$205,538, respectively)	669,890	683,218
Other assets	95	96
Total non-current assets	<u>1,097,939</u>	<u>1,116,832</u>
TOTAL ASSETS	<u>\$ 1,242,022</u>	<u>\$ 1,214,461</u>
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities:		
Current portion of notes payable - the Funding Corp.	\$ 22,688	\$ 22,688
Accounts payable	17,100	15,371
Accrued interest payable	9,479	-
Due to related parties	5,690	4,035
Other accrued expenses	15,807	19,570
Total current liabilities	<u>70,764</u>	<u>61,664</u>
Non-current liabilities:		
Deferred credit - fuel contracts	245,677	250,889
Notes payable - the Funding Corp.	376,032	376,032
Energy bank and other liabilities	149,554	153,010
Lease payable	929	929
Total non-current liabilities	<u>772,192</u>	<u>780,860</u>
COMMITMENTS AND CONTINGENCIES		
Partners' equity:		
General partners	3,929	3,731
Limited partners	388,977	369,286
Accumulated other comprehensive income (loss)	6,160	(1,080)
Total partners' equity	<u>399,066</u>	<u>371,937</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY	<u>\$ 1,242,022</u>	<u>\$ 1,214,461</u>

This report should be read in conjunction with the Notes to Condensed Combined Financial Statements herein and the Notes to Consolidated and Combined Financial Statements appearing in the 2001 Form 10-K for NEA and NJEA.

**NORTHEAST ENERGY ASSOCIATES, A LIMITED PARTNERSHIP AND
NORTH JERSEY ENERGY ASSOCIATES, A LIMITED PARTNERSHIP**

**CONDENSED COMBINED STATEMENTS OF OPERATIONS
(Thousands of Dollars)
(Unaudited)**

	Three Months Ended March 31,	
	2002	2001
REVENUES	\$ 102,397	\$ 92,549
COSTS AND EXPENSES:		
Fuel	48,762	46,342
Operations and maintenance	3,021	3,630
Depreciation and amortization	18,914	18,873
General and administrative	2,322	2,364
Total costs and expenses	73,019	71,209
OPERATING INCOME	29,378	21,340
OTHER EXPENSE (INCOME):		
Interest expense	13,125	14,221
Interest income	(175)	(427)
Change in fair value of derivatives	(3,461)	18,081
Total other expense - net	9,489	31,875
Income before cumulative effect of a change in accounting principle	19,889	(10,535)
Cumulative effect of adopting FAS 133 - "Accounting for Derivative Instruments and Hedging Activities"	-	18,268
NET INCOME	\$ 19,889	\$ 7,733

**CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(Thousands of Dollars)
(Unaudited)**

	Three Months Ended March 31,	
	2002	2001
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 14,331	\$ 39,784
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(21)	(40)
Net cash used in investing activities	(21)	(40)
Net increase in cash and cash equivalents	14,310	39,744
Cash and cash equivalents at beginning of period	43,969	34,471
Cash and cash equivalents at end of period	\$ 58,279	\$ 74,215

This report should be read in conjunction with the Notes to Condensed Combined Financial Statements herein and the Notes to Consolidated and Combined Financial Statements appearing in the 2001 Form 10-K for NEA and NJEA.

ESI TRACTEBEL FUNDING CORP.

CONDENSED BALANCE SHEETS
(Thousands of Dollars)
(Unaudited)

	<u>March 31,</u> <u>2002</u>	<u>December 31,</u> <u>2001</u>
ASSETS		
Current assets:		
Cash	\$ 1	\$ 1
Interest receivable from the Partnerships	9,479	-
Current portion of notes receivable from the Partnerships	<u>22,688</u>	<u>22,688</u>
Total current assets	32,168	22,689
Notes receivable from the Partnerships	<u>376,032</u>	<u>376,032</u>
TOTAL ASSETS	<u>\$ 408,200</u>	<u>\$ 398,721</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt securities payable	\$ 22,688	\$ 22,688
Accrued interest	<u>9,479</u>	<u>-</u>
Total current liabilities	32,167	22,688
Debt securities payable	376,032	376,032
COMMITMENTS AND CONTINGENCIES		
Stockholders' equity:		
Common stock, no par value, 10,000 shares authorized, issued and outstanding	<u>1</u>	<u>1</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 408,200</u>	<u>\$ 398,721</u>

CONDENSED STATEMENTS OF OPERATIONS
(Thousands of Dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	<u>2002</u>	<u>2001</u>
Interest income	\$ 9,479	\$ 9,940
Interest expense	<u>(9,479)</u>	<u>(9,940)</u>
NET INCOME	<u>\$ -</u>	<u>\$ -</u>

These reports should be read in conjunction with the Notes to Condensed Financial Statements herein and the Notes to Financial Statements appearing in the 2001 Form 10-K for the Funding Corp.

ESI TRACTEBEL ACQUISITION CORP.

CONDENSED BALANCE SHEETS
(Thousands of Dollars)
(Unaudited)

	<u>March 31,</u> <u>2002</u>	<u>December 31,</u> <u>2001</u>
ASSETS		
Current assets:		
Interest receivable from NE LP	\$ 4,395	\$ -
Current portion of note receivable from NE LP	8,800	8,800
Total current assets	<u>13,195</u>	<u>8,800</u>
Non-current assets:		
Due from NE LP	152	152
Note receivable from NE LP	211,200	211,200
Total non-current assets	<u>211,352</u>	<u>211,352</u>
TOTAL ASSETS	<u>\$ 224,547</u>	<u>\$ 220,152</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt securities payable	\$ 8,800	\$ 8,800
Income taxes payable	20	19
Accrued interest	4,395	-
Total current liabilities	<u>13,215</u>	<u>8,819</u>
Non-current liabilities:		
Deferred credit - interest rate hedge	94	98
Debt securities payable	211,200	211,200
Total non-current liabilities	<u>211,294</u>	<u>211,298</u>
TOTAL LIABILITIES	224,509	220,117
COMMITMENTS AND CONTINGENCIES		
Stockholders' equity:		
Common stock, \$.10 par value, 100 shares authorized, 20 shares issued	-	-
Retained earnings	38	35
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 224,547</u>	<u>\$ 220,152</u>

CONDENSED STATEMENTS OF OPERATIONS
(Thousands of Dollars)
(Unaudited)

	<u>Three Months Ended</u> <u>March 31,</u>	
	<u>2002</u>	<u>2001</u>
Interest income	\$ 4,395	\$ 4,395
Interest expense	(4,391)	(4,391)
Income before income taxes	4	4
Income tax expense	(1)	(1)
NET INCOME	<u>\$ 3</u>	<u>\$ 3</u>

These reports should be read in conjunction with the Notes to Condensed Financial Statements herein and the Notes to Financial Statements appearing in the 2001 Form 10-K for the Acquisition Corp.

**NORTHEAST ENERGY, LP (A PARTNERSHIP) AND SUBSIDIARIES
NORTHEAST ENERGY ASSOCIATES, A LIMITED PARTNERSHIP AND
NORTH JERSEY ENERGY ASSOCIATES, A LIMITED PARTNERSHIP
ESI TRACTEBEL FUNDING CORP.
ESI TRACTEBEL ACQUISITION CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)**

The accompanying condensed consolidated financial statements, condensed combined financial statements and condensed financial statements should be read in conjunction with the 2001 Form 10-K for the registrants. In the opinion of the registrants' management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. The Funding Corp. and the Acquisition Corp. had no cash transactions for the three months ended March 31, 2002 and 2001 and therefore have not presented a statement of cash flows. The results of operations for an interim period may not give a true indication of results for the year.

1. Combined Statement of Partners' Equity

NEA's and NJEA's general partner (GP) and limited partner (LP) equity balances are comprised of the following:

	NEA			NJEA			Combined		
	GP	LP	Total	GP	LP	Total	GP	LP	Total
	(Thousands of Dollars)								
Balances, December 31, 2001	\$ 1,325	\$ 131,237	\$ 132,562	\$ 2,406	\$ 238,049	\$ 240,455	\$ 3,731	\$ 369,286	\$ 373,017 ^(a)
Balances, March 31, 2002	\$ 1,418	\$ 140,531	\$ 141,949	\$ 2,511	\$ 248,446	\$ 250,957	\$ 3,929	\$ 388,977	\$ 392,906 ^(b)

^(a) Exclusive of accumulated other comprehensive (loss) of (\$1,080).

^(b) Exclusive of accumulated other comprehensive income of \$6,160.

2. Accounting for Derivative Instruments and Hedging Activities

In December 2001, the Financial Accounting Standards Board released final guidance regarding when certain contracts for the purchase and sale of power and certain fuel supply contracts can be excluded from the provisions of FAS 133, with an effective date beginning April 1, 2002. Management has performed an evaluation of the effects of the final guidance and determined there will be no impact to NE LP's and the Partnerships' financial statements.

In January 2001, NE LP and the Partnerships recorded an unrealized \$18.3 million gain as the cumulative effect of adopting FAS 133, representing the effect of those derivative instruments for which hedge accounting was not applied. For those contracts where hedge accounting was applied, the adoption of the new rules resulted in a gain of approximately \$4.3 million to other comprehensive income for NE LP and the Partnerships for the twelve months ended December 31, 2001.

Accumulated other comprehensive income is separately displayed in NE LP's and the Partnerships' balance sheets. Included in NE LP's and the Partnerships' accumulated other comprehensive income at March 31, 2002 is approximately \$6.2 million of net unrealized gains associated with cash flow hedges of forecasted fuel purchases through December 2002, all of which are expected to be reclassified into earnings within the next twelve months. NE LP and the Partnerships reclassified a net gain of approximately \$122 thousand into earnings from accumulated other comprehensive income for the three months ended March 31, 2002. The effective portion of the net gain/loss on cash flow hedges (excluding the cumulative effect adjustment) included within other comprehensive income was a net gain of approximately \$7.1 million and a net loss of approximately \$873 thousand for the three months ended March 31, 2002 and 2001, respectively.

3. Comprehensive Income

Comprehensive income below includes net income and net unrealized gains on cash flow hedges of forecasted fuel purchases for both NE LP and the Partnerships of approximately \$7.2 million and \$3.5 million for the periods ended March 31, 2002 and 2001, respectively.

Three Months Ended	
March 31,	
2002	2001
(Thousands of Dollars)	

NE LP	\$ 22,581	\$ 6,653
The Partnerships	\$ 27,129	\$ 11,201

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

This discussion should be read in conjunction with the Notes to Condensed Consolidated Financial Statements, Notes to Condensed Combined Financial Statements and Notes to Condensed Financial Statements contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the 2001 Form 10-K for the registrants. The results of operations for an interim period may not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year.

Results of Operations

NE LP and the Partnerships - Net income increased for the three months ended March 31, 2002 primarily due to higher revenues and net unrealized mark-to-market gains on derivatives, partly offset by increased fuel costs.

Revenues for the three months ended March 31, 2002 improved primarily as a result of increased electricity sales prices. Revenues for the three months ended March 31, 2002 and 2001 were comprised of \$101.3 million and \$91.3 million of power sales to utilities and \$1.1 million and \$1.2 million of steam sales, respectively. Power sales to utilities for the three months ended March 31, 2002 and 2001 reflect changes in utility energy bank balances of \$7.1 million and \$6.0 million, respectively. The changes in the energy bank balances, which increased reported revenues, are determined in accordance with scheduled or specified rates under certain power purchase agreements.

Fuel expense for the three months ended March 31, 2002 increased primarily as a result of unfavorable swap and option settlements. These fuel costs for the three months ended March 31, 2002 and 2001, were partly offset by \$5.2 million of deferred credit amortization for fuel contracts. Operations and maintenance expenses for the three months ended March 31, 2002 decreased primarily due to lower repair and maintenance costs.

In December 2001, the Financial Accounting Standards Board released final guidance regarding when certain contracts for the purchase and sale of power and certain fuel supply contracts can be excluded from the provisions of FAS 133, with an effective date beginning April 1, 2002. Management has performed an evaluation of the effects of the final guidance and determined there will be no impact to NE LP's and the Partnerships' financial statements.

In January 2001, NE LP and the Partnerships recorded an unrealized \$18.3 million gain as the cumulative effect of adopting FAS 133, representing the effect of those derivative instruments for which hedge accounting was not applied. In addition, for the three months ended March 31, 2002 and 2001, NE LP and the Partnerships recorded net unrealized mark-to-market gains/(losses) of \$3.5 million and (\$18.1) million respectively, representing the net change in fair value of derivative instruments.

Each of NE LP and the Partnerships make scheduled interest and/or principal payments on their outstanding debt. Each are scheduled to make semi-annual debt and/or interest payments on June 30 and December 30. Interest expense for NE LP and the Partnerships decreased as a result of decreasing principal balances on the securities payable.

The Funding Corp. and the Acquisition Corp. - Both the Funding Corp. and the Acquisition Corp. use interest income and/or principal payments received from the notes receivable from the Partnerships and NE LP, respectively, to make scheduled interest and/or principal payments on their outstanding debt. Both are scheduled to make semi-annual debt and/or interest payments on June 30 and December 30. Interest expense for the Funding Corp. decreased in each of 2002 and 2001 as a result of decreasing principal balances on the securities payable.

Liquidity and Capital Resources

NE LP and the Partnerships - Net cash provided by operating activities for NE LP and the Partnerships for the three months ended March 31, 2002 decreased over the three months ended March 31, 2001 by \$25.4 million and \$25.5 million, respectively. This decrease is primarily due to timing of cash receipts under certain agreements.

Market Risk Sensitivity

The fair value of derivative instruments on March 31, 2002 was a positive \$6.3 million for NE LP and the Partnerships. The effect of a hypothetical 40% decrease in natural gas prices would be to change the fair value of these instruments to a negative \$9.9 million for NE LP and the Partnerships.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits - None
- (b) Reports on Form 8-K - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

NORTHEAST ENERGY ASSOCIATES, A LIMITED PARTNERSHIP
(ESI Northeast Energy GP, Inc. as Administrative General Partner)
NORTH JERSEY ENERGY ASSOCIATES, A LIMITED PARTNERSHIP
(ESI Northeast Energy GP, Inc. as Administrative General Partner)
NORTHEAST ENERGY, LP
(ESI Northeast Energy GP, Inc. as Administrative General Partner)
ESI TRACTEBEL FUNDING CORP.
ESI TRACTEBEL ACQUISITION CORP.
(Registrants)

Date: May 15, 2002

ROBERT L. MCGRATH

Robert L. McGrath
Vice President and Treasurer of ESI Northeast Energy GP, Inc.
Treasurer of ESI Tractebel Funding Corp.
Treasurer of ESI Tractebel Acquisition Corp.
(Principal Financial and Principal Accounting Officer of the Registrants)