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Via Electronic Filing

Robin Taylor
Office of Consumer Services
New York State Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

RE: Application of CES Retail Energy Supply, LLC for ESCO eligibility

Dear Ms. Taylor:

Please find the enclosed application of CES Retail Energy Supply, LLC (“CES Retail Energy Supply”) for approval to become an energy service company (“ESCO”) in New York. CES Retail Energy Supply is a newly formed, wholly-owned subsidiary of Consolidated Edison Solutions, Inc. (“CES”) which currently operates as a licensed electric supplier in New York.

CES is forming CES Retail Energy Supply as part of an internal restructuring in anticipation of a potential transaction involving the sale of CES’s existing retail electricity and natural gas business (“retail commodity business”). At this time, no specific buyer has been identified to acquire CES’s retail commodity business; however, once a buyer has been identified and a definitive sale agreement has been executed, CES and CES Retail Energy Supply will provide an update to the New York State Public Service Commission.

The actual transaction implementation plan will depend on the buyer that is selected and the negotiated structure of the transaction. However, in anticipation of one possible transaction scenario, CES is forming CES Retail Energy Supply as a potential vehicle for transferring CES’s existing customers to the buyer. In the event that this transaction structure is adopted, CES and CES Retail Energy Supply anticipate the following process:

1. CES Retail Energy Supply applies for and receives approval to operate as a retail electric and/or gas supplier in each state in which CES currently serves customers.
2. CES will enter into a sale agreement with a buyer to sell CES’ existing retail commodity business, subject to any required regulatory approvals.
3. CES will assign its existing customers to CES Retail Energy Supply in accordance with customer contract terms permitting such assignment.
4. Upon closing of the transaction, the buyer will assume ownership of CES Retail Energy Supply.
5. Shortly after closing, the buyer will change the name of CES Retail Energy Supply to a different trade name chosen by the buyer.

Throughout the process noted above CES will continue to operate the retail commodity business under its existing licenses and legal authorities until CES Retail Energy Supply is fully authorized to operate as a retail electricity and/or gas supplier. The eventual retail commodity sale transaction will have no adverse impact on any of CES's customers and will be purposefully structured to ensure a seamless transition. CES Retail Energy Supply and the buyer will honor all contract terms and pricing for CES' existing customers after assignment. After the transfer is complete, CES will no longer operate as a retail supplier and intends to file to relinquish its license at that time.

CES also anticipates that the transaction will involve the buyer acquiring all of the assets supporting CES's retail commodity business. This will involve the transfer of CES's existing capabilities, systems, processes and employees that currently support CES's obligations as a retail supplier. These resources and capabilities will be gradually transitioned over to CES Retail Energy Supply and the eventual buyer over the course of the transaction transition period. Accordingly, in the enclosed application, CES Retail Energy Supply is relying on many of the same personnel, technical, managerial and operational resources as CES in order to demonstrate fitness to operate as a retail supplier in New York.

Please note that CES Retail Energy Supply is only providing copies of its standard customer agreements at this time. In the event any changes to these standard agreements are needed, CES Retail Energy Supply will provide copies to Department of Public Service Staff ("Staff") for approval pursuant to the requirements contained in the Uniform Business Practices. In addition, CES has filed registration paperwork for CES Retail Energy Supply but is awaiting final confirmation from the Department of State. Upon confirmation, CES Retail Energy Supply will file its proof of registration with Staff.

If there are any questions regarding this matter, or if any additional information is required, please call Richard J. Hudson, Jr. at (412) 368-5988 or via email at HUDSONR@CONEDSOLUTIONS.COM.

Respectfully submitted,

HARRIS BEACH PLLC

/s/ Michelle K. Piasecki

Michelle K. Piasecki

MKP
Attachments