FILE NO. 70-9711

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 3
TO
APPLICATION/DECLARATION
ON
FORM U-1
UNDER THE
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

CONSOLIDATED EDISON, INC.
(a New York Corporation)
Consolidated Edison, Inc.
(a Delaware Corporation)
Consolidated Edison Company of
New York, Inc.
4 Irving Place
New York, N.Y. 10003

Consolidated Edison Solutions, Inc.
Consolidated Edison Energy, Inc.
701 Westchester Avenue, Suite 201 West
White Plains, N.Y. 10604

Consolidated Edison Development, Inc.
CED/SCS Newington, LLC
CED Generation Holding Company,
LLC
CED Management Company, Inc.
CED Operating Company, L.P.
Consolidated Edison Energy
Massachusetts, Inc.
CED-GTM 1, LLC
CED Ada, Inc.
Lakewood Cogeneration , L.P.
CED - Lakewood Inc.
CED Generation Lakewood Company
111 Broadway, 16th Floor
New York, N.Y. 10006

Consolidated Edison Communications,
Inc.
132 West 31st Street, 13th Floor
New York, N.Y. - 10001

Orange and Rockland Utilities, Inc.
Rockland Electric Company
Pike County Light & Power Company
1 Blue Hill Plaza
Pearl River, NY 10965

HEC Inc.
Reeds Ferry, Inc.
24 Prime Parkway
Natick, MA 01760

Yankee Gas Services Company
Yankee Energy Financial
Services Company
NorConn Properties, Inc.
599 Research Parkway
Meriden, CT 06450-1030

Yankee Energy Services
Company
148 Norton Street
P.O. Box 526
Milldale, CT 06467

R.M. Services, Inc.
639 Research Parkway
Meriden, CT 06450-1030

NORTHEAST UTILITIES
Western Massachusetts Electric
Company
The Quinnehtuck Company
174 Brush Hill Road
West Springfield, MA 01089

The Connecticut Light and Power
Company
Northeast Utilities Service
Company
Yankee Energy System, Inc.
NU Enterprises, Inc.
Northeast Generation Company
Northeast Generation Services
Company
Select Energy, Inc.
Mode 1 Communications, Inc.
The Rocky River Realty Company
Northeast Nuclear Energy
Company
Select Energy Portland Pipeline,
Inc.
Charter Oak Energy, Inc.
107 Selden Street
Berlin, CT 06037

North Atlantic Energy Service
Corporation
North Atlantic Energy Corporation
Public Service Company of New
Hampshire
1000 Elm Street
Manchester, NH 03101

Holyoke Water Power Company
1 Canal Street
Holyoke, MA 01040

CONSOLIDATED EDISON, INC.
(Name of top registered holding company)

Peter A. Irwin
Consolidated Edison, Inc.
4 Irving Place
New York, New York 10003

Cheryl W. Grise,
General Counsel
Northeast Utilities Service Company
107 Selden Street
Berlin, CT 06037

(Name and address of agents for service)

The Commission is requested to mail signed copies of all orders, notices and communications to:

J.A. Bouknight, Jr.
Douglas G. Green
James B. Vasile

Jeffrey C. Miller, Esq.
Assistant General Counsel
Northeast Utilities

Steptoe & Johnson LLP   Service Company
1330 Connecticut Ave, NW   107 Selden Street
Washington, D.C. 20036-1795   Berlin, CT 06037

Table of Contents

Item 1. Description of Proposed Transaction

A. Introduction

1. Consolidated Edison, Inc. ("CEI"), a New York corporation currently a public utility holding company exempt from the provisions of the Public Utility Holding Company Act of 1935 (the "Act") by virtue of Section 3(a)(1) of the Act, and Northeast Utilities ("NU"), a Massachusetts business trust currently a registered public utility holding company under the Act, filed an Application/Declaration on Form U-1 on January 20, 2000 (See File 70-9613) seeking approvals relating to the proposed combination of NU with CEI (the "Merger Application").   Under the proposal, CEI will merge with and into Consolidated Edison, Inc. (formerly CWB Holdings, Inc.), a new Delaware holding company ("New CEI") which is currently a wholly-owned subsidiary of CEI (the "CEI Merger"). New CEI will be the surviving entity of this merger. NU will merge with N Acquisition LLC, a Massachusetts limited liability company controlled by New CEI, with NU being the surviving entity (the "NU Merger" and together with the CEI Merger collectively, the "Mergers"). The Mergers are more fully described in the Amended and Restated Agreement and Plan of Merger dated as of January 11, 2000 (the "Merger Agreement") and described in more detail in the Merger Application, which description is incorporated by reference herein. Upon consummation of the Mergers, New CEI intends to register as a holding company pursuant to Section 5 of the Act. New CEI, CEI and NU herein seek authorization and approval of the Commission with respect to the ongoing financing activities of New CEI and its

subsidiaries, intrasystem extensions of credit, the creation of service companies, the payment of dividends out of capital and unearned surplus and other related matters pertaining to the combined company after giving effect to the Mergers.

B. Description of New CEI and its Subsidiaries

2. New CEI is authorized under its Amended and Restated Certificate of Incorporation (see Exhibit A-1 hereto), to issue 510,000,000 shares consisting of 500,000,000 shares of Common Stock, par value $.10 per share ("Common Stock") and 10,000,000 shares of preferred stock, par value $.01 per share ("Preferred Stock"). Immediately following the Mergers, New CEI expects that it will have issued and outstanding approximately 270,000,000 shares of Common Stock. New CEI has not issued any Preferred Stock. The cash portion of the consideration to be paid in the Mergers will be financed by the issuance of approximately $2.2 billion of unsecured debt or a mix of unsecured debt and hybrid debt securities (the "Acquisition Debt") or a combination of the Acquisition Debt and Preferred Stock and cash on hand. The hybrid securities, which are considered debt for financial statement purposes, would be structured to have characteristics of both debt and equity (for example, the ability of the issuer to defer interest) and may have maturities ranging up to 50 years. The terms and conditions of the Acquisition Debt and Preferred Stock, if any, have not been negotiated as of the time of this filing. The choice of hybrid securities would come from any of several proprietary structures currently marketed by established financial institutions. It is expected that the Acquisition Debt will ultimately have a maturity of not more than 50 years. Immediately after the Mergers, it is projected that common equity as a percentage of the pro forma consolidated capitalization of New CEI and its subsidiaries will be approximately 35%.

3. Upon completion of the Mergers, New CEI will own, directly or indirectly, interests in the following public utility companies, each of whom will be wholly-owned by companies in the New CEI system:

Consolidated Edison Company of New York, Inc. ("CECONY"), a New York corporation which provides gas and electric service to its customers in New York City and Westchester County and steam service to customers in part of Manhattan.

Orange and Rockland Utilities, Inc. ("O&R"), a New York corporation, provides retail gas and electric services to its customers in the southeastern section of New York. O&R is a public utility holding company exempt from the provisions of the Act by virtue of Section 3(a)(2).

Rockland Electric Company ("RECO"), a New Jersey corporation and subsidiary of O&R, provides electric service to customers in parts of New Jersey.

Pike County Light and Power Company ("Pike"), a Pennsylvania corporation and subsidiary of O&R, provides electric and gas service to customers in the northeast corner of Pike County in Pennsylvania.

The Connecticut Light and Power Company ("CL&P"), a Connecticut corporation, provides electric service to customers in Connecticut.

Western Massachusetts Electric Company ("WMECO"), a Massachusetts corporation provides electric service to customers in the western part of Massachusetts.

Public Service Company of New Hampshire ("PSNH"), a New Hampshire corporation, provides electric retail service to customers in portions of New Hampshire.

North Atlantic Energy Corporation ("NAEC"), a New Hampshire corporation, is a special-purpose operating subsidiary that owns a 35.98 percent interest in the Seabrook Nuclear Generating Facility ("Seabrook") in Seabrook, New Hampshire and sells its share of the capacity and output from Seabrook to PSNH under two life-of-unit, full-cost recovery contracts.

Holyoke Water Power Company ("HWP"), a Massachusetts corporation, provides electric service to a limited number of customers in Holyoke, Massachusetts and has a public utility subsidiary, Holyoke Power and Electric Company ("HPE").

Yankee Gas Services Company ("Yankee Gas"), a Connecticut corporation, provides gas services to customers in parts of Connecticut.

Northeast Nuclear Energy Company, a Connecticut corporation, is a nuclear management service company subsidiary that operates the Millstone Nuclear Power Plants.

4. Collectively, the twelve subsidiaries (including HPE) referenced above are referred to herein as the "Utility Subsidiaries." In addition, NU will remain in existence as a first-tier registered public utility holding company subsidiary of New CEI following the Mergers and Yankee Energy System, Inc. ("YES") will remain as a public utility holding company under NU. NU and YES, along with O&R, are sometimes referred to herein as the "Intermediate Holding Companies."

5. Upon completion of the Mergers, New CEI will also own interests in four companies owning nuclear power plants, namely, Maine Yankee Atomic Power Company, which has permanently shut down its nuclear electric generating plant located in Wiscasset, Maine, Yankee Atomic Electric Company, which has permanently shut down its plant located in Rowe, Massachusetts, Connecticut Yankee Atomic Power Company, which has permanently shut down its plant in Haddam, Connecticut and Vermont Yankee Nuclear Power Company, which has contracted to sell its nuclear plant located in Vernon, Vermont. In addition, CL&P and WMECO each own an interest in the Millstone 1 and 2 nuclear power plants located in Waterford, Connecticut (Millstone 1 has been permanently shut down), CL&P, WMECO and PSNH each own an interest in the

Millstone 3 nuclear power plant, NAEC and CL&P each own an interest in Seabrook and CECONY owns the Indian Point 1 nuclear power plant, which has been permanently shut down, and the Indian Point 2 nuclear power plant. On August 17, 2000. CL&P, WMECO and PSNH (along with most other joint owners of Millstone 3) entered into a purchase agreement with Dominion Resources, Inc. ("DRI") pursuant to which DRI will purchase the owners' respective interests in Millstone 1, 2 and 3, along with the related nuclear fuel, for an aggregate of approximately $1.287 billion. This transaction is expected to close by April 1, 2001. On November 9, 2000, CECONY announced it had reached an agreement with Entergy Corporation for the sale of Indian Point Units 1 and 2 and related gas turbines and facilities for $602 million.

6. Upon completion of the Mergers, New CEI will also directly or indirectly own approximately 50 other active subsidiary companies that are not public utility companies, service companies or public utility holding companies under the Act. Such entities are listed on Exhibit I-2 hereto and those nonutility companies, other than service companies, which are applicants hereto are collectively referred to herein as the "Nonutility Subsidiaries." A more complete description of the Utility Subsidiaries and Nonutility Subsidiaries may be found in the Merger Application, which descriptions are incorporated herein by reference. Attached as Exhibit I-1 is a chart showing the proposed pro forma corporate chart of the combined companies prior to any restructuring or movement of subsidiaries. The Utility Subsidiaries, the Nonutility Subsidiaries and the Intermediate Holding Companies, along with companies that become subsidiaries of New CEI subsequent to the Mergers are sometimes referred to herein as the "Subsidiaries."

C. Summary of Requested Approvals.

7. New CEI and the Subsidiaries, as specified below, hereby request approval for a program of external financing, credit support arrangements, and other related proposals for the period through September 30, 2004 ("Authorization Period"), as follows:

(i) New CEI requests authority to issue up to 60 million shares of its Common Stock to shareholders of NU and to issue the Acquisition Debt, both in connection with the NU Merger;

(ii) New CEI and the Subsidiaries, including NU and its subsidiaries, request authority to maintain in effect through the Authorization Period, all existing credit facilities and financing arrangements and to maintain outstanding all indebtedness and similar obligations created thereunder as of the date of the closing of the Merger (including the Acquisition Debt) and to amend, renew, extend, and/or replace any of such credit facilities, financing arrangements, indebtedness or similar obligations up to the aggregate dollar amounts specified below, subject to the terms and conditions set forth below;

(iii) New CEI requests authority to issue and sell from time to time, pursuant to its dividend reinvestment plan and stock-based management incentive and employee benefit plans or in exchange for securities or assets being acquired from other companies, up to 50 million shares of Common Stock (as such number may hereafter be adjusted to reflect any stock split);

(iv) New CEI requests authority to issue and sell from time to time (A) Preferred Stock of up to $750 million and (B) unsecured indebtedness having maturities of one year or less ("Short-term Debt"), and long term debt ("Debentures") with an aggregate principal amount at any time outstanding (including the Acquisition Debt) of not more than the sum of (I) $4.75 billion and (ii) the amount of New CEI Short-term Debt and Debentures issued, as discussed below, in place of NU's authorized Short-term Debt or Yes Acquisition Debt (the "New CEI Debt Limit") provided that New CEI's consolidated equity capitalization immediately following the issuance of any such New Short-term Debt or Debentures would not be not less than 30%. NU received Commission authorization to issue up to $400 million in Short-term Debt through June 30, 3002 (Holding Co. Act Rel. 35-27328, File No. 70-9755 (December 28, 2000)). New CEI and NU request authorization for NU to issue such debt from time to time through the Authorization Period. NU received Commission authorization to issue up to $275 million in short or long term debt for the purpose of acquiring YES (the "YES Acquisition Debt") through June 30, 2002 (Holding Co. Act Rel. 27127, January 31, 2000). New CEI and NU request authorization for NU to amend, renew, extend, and/or replace the YES Acquisition Debt through the Authorization Period. New CEI may determine to substitute the issuance by CEI of Short-term Debt and Debentures for the issuance by NU of all or part of the NU authorized Short-term Debt and the YES Acquisition Debt.

(v) The Utility Subsidiaries and Intermediate Holding Companies request authority to issue, sell and have outstanding at any one time Short-term Debt in the following aggregate principal amounts:

Utility Subsidiaries	Aggregate Principal Amount
CECONY	$800 million
Pike	$ 2 million
RECO	$ 60 million
CL&P	$ 375 million*
WMECO	$ 250 million*
PSNH	$ 225 million*#
NAEC	$ 260 million*#
Yankee Gas	$ 100 million*
HWP	$ 5 million*
NNECO	$ 75 million*

Intermediate Holding Company	Aggregate Principal Amount
O&R	$113 million
NU	$400 million*
YES	$ 50 million*

* The amounts listed above for NU and its subsidiaries were previously authorized by the Commission in Holding Co. Act Rel. No. 35-27328, File No. 70-9755 (December 28, 2000). No increase in such short-term debt limits is being requested in this Application.

PSNH and NAEC only seek short-term debt authorization for amounts up to 10% of each company's respective net fixed plant, short-term debt in excess of such amount requires approval of the New Hampshire Public Utilities Commission ("NHPUC").

(vi) New CEI requests authority to provide guaranties and other forms of credit support ("New CEI Guaranties") with respect to the securities or other obligations of its Nonutility Subsidiaries in an aggregate principal or nominal amount not to exceed $2.5 billion at any one time outstanding. NU intends to continue to provide guaranties and other forms of credit support with respect to the securities or other obligations ("NU Guaranties") of the nonutility subsidiaries of NU in an aggregate amount not to exceed $500 million, as authorized through December 31, 2002 in Commission order Holding Co. Act Rel. No. 35-27093 (October 21, 1999). NU herein seeks authority to issue NU Guaranties through the Authorization Period. New CEI also requests authority to undertake an additional $500 million of guaranties so that it may assume any of the NU Guaranties it deems necessary and appropriate to acquire. In such event, the New CEI Guaranties could aggregate up to $3.0 billion.

(vii) New CEI and, to the extent not exempt under Rule 52, the Subsidiaries request authority to enter into hedging transactions ("Interest Rate Hedges") with respect to outstanding indebtedness of such companies in order to manage and minimize interest rate costs. Such companies also request authority to enter into hedging transactions ("Anticipatory Hedges") with respect to anticipatory debt issuances in order to lock-in current interest rates and/or manage interest rate risk exposure;

(viii) New CEI requests authority to establish and maintain a corporate services company , by transferring the stock of Northeast Utilities Service Company to New CEI and renaming it Consolidated Edison, Inc. Service Company ("CEISCO") and Nonutility Service Company ("Nonutility ServCo") as subsidiary service companies of New CEI and requests approval of the Service Agreements described herein;

(ix) As permitted by Rule 87(b)(1), Nonutility Subsidiaries may from time to time provide services and sell goods to each other. To the extent not exempt pursuant to Rule 90(d), such companies request authority to perform such services and to sell such goods to each other at fair market prices, without regard to "cost," as determined in accordance with Rules 90 and 91, subject to certain limitations that are noted herein;

(x) New CEI requests authority on behalf of any current and future subsidiary formed pursuant to Rule 58 promulgated under the Act ("Rule 58 Subsidiaries") to engage in certain categories of activities permitted thereunder outside the United States;

(xi) New CEI requests authority to acquire the equity securities of one or more special-purpose subsidiaries ("Financing Subsidiaries") organized for the sole purpose of issuing and selling securities, lending, dividending or otherwise transferring the proceeds thereof to New CEI or an entity designated by New CEI, and engaging in transactions incidental thereto, subject to the New CEI Debt Limit and the other conditions set forth herein;

(xii) New CEI requests approval for an agreement among New CEI and the Subsidiaries to allocate consolidated income tax (the "Tax Allocation Agreement") as described herein;

(xiii) New CEI and the Subsidiaries seek authorization to maintain a money pool for companies within the New CEI System (the "New CEI Money Pool") through the Authorization Period;

(xiv) New CEI seeks authorization to include the amount of consolidated retained earnings of NU as of the date immediately prior to the Mergers in New CEI's calculation of its consolidated retained earnings for purposes of Rule 53(a)(1)(ii); (FN1); and

(xvi) New CEI seeks authorization to consolidate or otherwise reorganize all or any part of its direct and indirect ownership interests in Nonutility Subsidiaries under one or more new or existing subsidiaries.

D. Use of Proceeds.

8. The proceeds from the financings authorized by the Commission pursuant to this Application/Declaration will be used for general corporate purposes, including (i) the refunding of the Acquisition Debt and the YES Acquisition Debt, (ii) financing, in part, investments by and capital expenditures of New CEI and its Subsidiaries, including, without limitation, the funding of future investments in exempt wholesale generators ("EWG"), Foreign Utility Companies ("FUCO"), Rule 58 Subsidiaries, and exempt telecommunications companies ("ETC"), (iii) the repayment, redemption, refunding or purchase by New CEI or any Subsidiary of any of its own securities from non-affiliates pursuant to Rule 42, and (iv) financing working capital requirements of New CEI and its Subsidiaries.

9. New CEI represents that no financing proceeds will be used to acquire the securities of, or other interests in, any company unless such acquisition has been approved by the Commission in this proceeding or in a separate proceeding or is in accordance with an available exemption under the Act or rules thereunder, including Sections 32 and 33 and Rule 58. New CEI states

that the aggregate amount of proceeds of financing and New CEI Guaranties approved by the Commission in this proceeding used to fund investments in EWGs and FUCOs will not, when added to New CEI's "aggregate investment" (as defined in Rule 53) in all such entities at any point in time, exceed 50% of New CEI's "consolidated retained earnings" (also as defined in Rule 53). Further, New CEI represents that proceeds of financing and New CEI Guaranties and NU Guaranties utilized to fund investments in Rule 58 Subsidiaries will adhere to the limitations of that rule. (FN2)

E. Issuance of Securities; Incurrence of Indebtedness; Provision of Guarantees and other Credit Support.

1. Securities Issued In Connection with the Merger

a. The Acquisition Debt

10. New CEI is not currently a holding company. Subsequent to the CEI Merger and prior to the closing of the NU Merger, New CEI will be a holding company exempt from the registration requirements of the Act and, thus, will not be subject to Sections 6(a) and 7 of the Act. Subsequent to the Mergers, New CEI will become a registered holding company under the Act. NU now is, and following completion of the Mergers, will continue to be, a registered holding company subject to the provisions of Sections 6(a) and 7 of the Act.

11. In connection with the CEI Merger, each share of CEI common stock will be converted, without exchange or other action of the shareholders, to a share of New CEI common stock. The CEI Merger and the exchange of New CEI common stock thereby contemplated do not require Commission approval under the Act.

12. New CEI will, in connection with the NU Merger, incur the Acquisition Debt and will also issue common stock and deliver cash to the shareholders of NU. New CEI anticipates that the cash portion of the consideration given for the NU Shares will initially be obtained through the issuance of the Acquisition Debt. New CEI requests Commission authorization to issue the Acquisition Debt from time to time through the Authorization Period in an amount sufficient to satisfy the cash portion of the consideration in connection with the NU Merger, estimated not to exceed $2.2 billion, and to refund and replace any and all Acquisition Debt initially issued. The Acquisition Debt may include short or long-term notes, debentures, medium-term notes and hybrid securities and/or borrowings from banks and other financial institutions. Any long-term debt security will have such designations, aggregate principal amounts, maturities, interest rate(s) or methods of determining the same, terms of payment of interest, redemption provisions, non-refunding provisions, sinking fund terms and other terms and conditions will be established by negotiation or competitive bidding.

13. The effective cost of money on short-term Acquisition Debt will not exceed at issuance 500 basis points over the comparable term London Interbank Offered Rate ("LIBOR") Securities. The effective cost of money on long-term Acquisition Debt will not exceed at issuance 500 basis over comparable term U.S. Treasury Securities. The maturity of any such indebtedness will not exceed 50 years from the date of issuance. The underwriting fees, commissions, or other similar remuneration paid in connection with the non-competitive issue, sale or distribution of a security pursuant to the Application will not exceed 5.0 % of the principal or total amount of the financing.

b. Stock Issued

14. The New CEI common stock to be issued to NU and CEI shareholders as consideration in connection with the Mergers has been registered on Form S-4 under the Securities Act of 1933 (Registration No. 333-31390, the "New CEI Registration Statement"). Subject to the rights of any holders of preferred stock of New CEI, if any, each holder of New CEI common stock will be entitled to cast one vote for each share held of record on all matters submitted to a vote of the shareholders, including the election of directors. Holders of New CEI common stock will be entitled to receive dividends or other distributions as declared by the New CEI Board of Directors at its own discretion. The right of the New CEI Board of Directors to declare dividends, however, will be subject to the rights of any holders of New CEI preferred stock, if any, of New CEI and certain requirements of Delaware law.

15. The New CEI Common Stock is described in the New CEI Registration Statement, which was declared effective by the Commission on March 1, 2000. Such Registration Statement is hereby incorporated by reference herein and listed as Exhibit C-1. New CEI hereby requests authorization to issue up to 60 million shares of New CEI Common Stock to NU shareholders to satisfy the stock portion of the merger consideration.

16. New CEI and its Subsidiaries (including NU and the NU Subsidiaries) seek to maintain their existing financing arrangements and other commitments and to continue to carry on their newly combined business without undue interruption. Consequently, New CEI requests that the Commission authorize New CEI, NU and their respective subsidiaries, through the Authorization Period, to continue to finance their operations in the same manner as prior to closing of the Merger all as more specifically described herein. In that connection, New CEI commits that, from and after the Mergers and for the period through the Authorization Period, New CEI, as the registered holding company parent of the combined consolidated CEI-NU system, will maintain and will cause each of its public utility subsidiaries to maintain at least 30% common equity in its respective capital structure, except that under certain circumstances set forth in an application/declaration on Form U-1 filed by NU in File No. 70-9541 related to restructuring of the electric industry in New England, NU's consolidated common equity ratio, and the common equity ratio of NU's utility subsidiaries may, as allowed by Commission order therein (Holding Co. Act Rel. No. 35-27147, File No. 70-9541, March 7, 2000), decline

below 30% for the periods described therein. Following the Mergers, New CEI's consolidated common equity ratio is not expected to fall below 30% and, as a result of utility restructuring, New CEI and NU commit that the common equity ratio of NU will be restored above 30% by December 31, 2002. In File No. 9541, NU had anticipated that NU's common equity ratio would be above 30% by December 31, 2001. That estimate was based on an anticipated issuance of rate reduction bonds during the first half of 2000. This new date is based on the fact that, because of delays by regulators in approving such issuance, no bonds have yet been issued. NU expects that, as of the end of each fiscal year set forth below, its consolidated common equity ratio will be as follow:

Year	Ratio
2001	27.87%
2002	30.01%
2003	31.82%
2004	34.82%
2005	37.58%

2. Post-Merger Financing

a. New CEI

i. Financing Arrangements

17. CEI currently maintains in effect two revolving credit agreements which will be assumed by New CEI pursuant to the CEI Merger. The first is a $175,000,000 facility with seven major banks which terminates on December 3, 2003. The second is a $175,000,000 facility with thirteen major banks which terminates on November 28, 2001 (collectively, the "CEI Credit Facility").

18. CEI may borrow directly against these facilities or may use them to support the issuance of commercial paper, which is sold through dealers to the market, at a discount from par.

19. In addition, CEI may borrow funds from Hawkeye Funding ("Hawkeye"). Hawkeye is a limited partnership and is the lessor on a synthetic lease of a generating station which is currently under construction. This station will be leased to Newington Energy, LLC ("Newington"), an indirect subsidiary of CEI. Hawkeye will lend funds to CEI up to the amount of the unexpended proceeds of a debenture issued by Hawkeye for the purpose of providing construction funding for the generating station.

20. As discussed above, New CEI will incur the Acquisition Debt to finance the cash component of the consideration to be paid to NU shareholders in connection with the NU Merger. In addition, it is possible that, prior to the Mergers, CEI will seek to increase the commitments of the lenders, and borrow, under the CEI Credit Facility and/or enter into additional credit facilities renewing, extending and/or replacing the CEI Credit Facility.

21. New CEI hereby requests Commission authorization to assume and maintain in effect the above described financing arrangements, any additional financing arrangements entered into by CEI prior to the completion of the Mergers and any amendments, renewals, extensions or replacements thereof entered into prior to completion of the Mergers, obligations under which will not in the aggregate exceed the New CEI Debt Limit. New CEI further requests authority through the Authorization Period for New CEI to amend, renew, extend and/or replace any financing arrangement entered into by CEI prior to completion of the Mergers and which remains in effect on the date the Mergers are completed and to enter into additional financing arrangements similar to those described above for the period from and after the Mergers through the Authorization Period; provided that the aggregate principal amount of debt obligations incurred by New CEI (including the debt assumed from CEI and the Acquisition Debt) pursuant to this request for authorization shall not exceed the New CEI Debt Limit, the cost of money relative to such financing shall not exceed 500 basis points over LIBOR for comparable short term debt or variable rate debt or 500 basis points over comparable Treasury Securities for long term debt and the final maturity of securities issued shall not exceed 50 years from date of issuance. Any underwriting fees, commissions or other similar remuneration paid in connection with the issuance of this debt, will not exceed 5.0% of the principal or total amount of the financing.

22. Within 90 days following completion of the Mergers, New CEI will, pursuant to Rule 24, notify the Commission of all financing arrangements entered into by CEI prior to the Mergers and which will be assumed by New CEI and remain in effect upon the closing of the Mergers. Thereafter, New CEI will, pursuant to Rule 24, notify the Commission of all New CEI financings occurring within any fiscal quarter of New CEI within 60 days following the end of such fiscal quarter.

23. In addition to the foregoing financing facilities, CEI also supports the operations of its non-utility subsidiaries through capital contributions, guarantees and other support arrangements. New CEI's non-utility businesses will be principally conducted through "Non-Utility Holding Company," a new wholly owned subsidiary of New CEI (together with its subsidiaries, the "Non-Utility Subsidiaries.") The Non-Utility Subsidiaries are principally involved in energy-related and telecommunications businesses.

ii. Preferred Stock

24. The Preferred Stock for which New CEI is seeking authorization to issue after the Mergers is described in the New CEI Registration Statement. The New CEI Board of Directors has the full authority permitted by law to issue the Preferred Stock in one or more classes or series and, with respect to each class or series, to determine the voting powers, if any, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of any

class or series of Preferred Stock, except that holders of Preferred Stock will not be entitled to more than one vote for each share of Preferred Stock held. The powers, preferences and relative, participating, optional and other special rights of each class or series of Preferred Stock and the qualifications, limitations or restrictions, if any, thereof may differ from those of any other classes or series at any time outstanding. Except as otherwise required by law, as provided in the certificate of incorporation or as determined by the New CEI Board of Directors, holders of Preferred Stock will not have any voting rights and will not be entitled to any notice of shareholder meetings.

iii. Financing Subsidiaries

25. New CEI requests authority to acquire, directly or indirectly, the equity securities of one or more corporations, trusts, partnerships or other entities (hereinafter, "Financing Subsidiaries") created specifically for the purpose of facilitating the financing of the authorized and exempt activities (including exempt and authorized acquisitions) of such companies through the issuance of long-term debt or equity securities, including but not limited to hybrid securities, to third parties and the transfer of the proceeds of such financings by such Financing Subsidiaries to New CEI or to a Subsidiary, as the case may be. New CEI may, if required, guaranty or enter into expense agreements in respect of the obligations of any Financing Subsidiary which it organizes. The Subsidiaries may also provide guaranties and enter into expense agreements, if required, on behalf of any Financing Subsidiaries which they organize pursuant to Rules 45(b)(7) and 52, as applicable.

26. If the direct parent company of a Financing Subsidiary is authorized in this proceeding or any subsequent proceeding to issue long-term debt or similar types of equity securities, then the amount of such securities issued by that Financing Subsidiary would count against the limitation applicable to its parent for those securities. In such cases, however, the guaranty by the parent of that security issued by its Financing Subsidiary would not be counted against the limitations on New CEI Guaranties or NU Guaranties, as the case may be, set forth above. In other cases, in which the parent company is not authorized herein or in a subsequent proceeding to issue similar types of securities, the amount of any guaranty not exempt pursuant to Rules 45(b)(7) and 52 that is entered into by the parent company with respect to securities issued by its Financing Subsidiary would be counted against the limitation on New CEI Guaranties or NU Guaranties, as the case may be. New CEI requests that the Commission reserve jurisdiction over any transfer of proceeds of financing by any Financing Subsidiary to New CEI pending completion of the record. The Commission has previously authorized registered holding companies and their subsidiaries to create financing subsidiaries, subject to substantially the same terms and conditions. See New Century Energies, Inc., et al., Holding Co. Act Rel. No. 27000 (April 7, 1999); and Ameren Corp., et al., Holding Co. Act Rel. No. 27053 (July 23, 1999).

iv. New CEI Investment in and Support of the Non-Utility Subsidiaries.

27. As of December 31, 2000, CEI had issued guaranties ("CEI Guaranties") which guarantee payment and performance obligations of the Non-Utility Subsidiaries up to approximately $700 million, pursuant to various agreements, which guaranties will be assumed by New CEI as a result of the CEI Merger. A current list of CEI Guarantees is attached as Exhibit K-2. In addition, NU has Commission authorization to issue up to $500 million in NU Guaranties (Holding Co. Act Release No. 27093). It is expected that some of the NU Guaranties may be assumed by New CEI.

28. New CEI hereby requests authorization to maintain in place the CEI Guaranties and other credit support arrangements outstanding at the time of the Mergers. New CEI further requests authorization for the period from and after the Mergers through the Authorization Period to provide additional guaranties or other credit support for the Non-Utility Subsidiaries, including through the assumption of NU Guaranties; provided that the aggregate amount guaranteed by New CEI pursuant to this authorization does not exceed $2.5 billion or up to $3.0 billion if New CEI has to assume the NU Guaranties. Securities issuances, including guaranties and other credit support, made by New CEI and the other Non-Utility Subsidiaries will be effected in compliance with all applicable laws and regulations, including, if applicable, the Act and Rule 52. NU requests that the Commission grant NU authorization to issue up to $500 million in Guaranties to support the existing nonutility subsidiaries of NU through the Authorization Period replacing the authority granted in Commission Order 35-27093. New CEI and NU believe that, subsequent to the Mergers, certain beneficiaries of the NU Guaranties may seek an assumption by New CEI of the NU Guaranties, in effect obtaining a replacement of the NU Guaranties by New CEI Guaranties. For that reason, in addition to the $2.5 billion of New CEI Guaranties for which authorization is sought herein, New CEI requests authority to assume or replace some or all of the NU Guaranties up to an additional $500 million. In no event will the sum of the aggregate amount of outstanding guaranties issued by NU and the aggregate amount of NU Guaranties assumed or replaced by New CEI Guaranties exceed $500 million.

29. Within 90 days following completion of the Mergers, New CEI will, pursuant to Rule 24, notify the Commission of all equity investments in, and guaranties or other credit support for or on behalf of, the Non-Utility Subsidiaries made or provided prior to the Mergers and which will remain in effect upon closing of the Mergers. Thereafter, New CEI will, pursuant to Rule 24, notify the Commission of all further equity investments in, and guaranties or other credit support for or on behalf of, the Non-Utility Subsidiaries made or provided during any fiscal quarter of New CEI within 60 days following the end of such fiscal quarter.

v. Investment in EWGs and FUCOs and Calculation of CREs.

30. Each of CEI and NU holds investments in various EWGs and FUCOs. CEI's

specific EWG and FUCO investments are described in detail in Exhibit J-1.

31. NU owns one EWG, Northeast Generation Company ("NGC"), which owns and operates various hydro-electric and pumped storage electric generation plants in Massachusetts and Connecticut. This EWG investment is described in more detail in NU's application/declaration on Form U-1, as amended, in File No. 70-9543. On a pro forma consolidated basis, at September 30, 2000, CEI and NU together had invested $644.8 million in EWGs and FUCOs which represents approximately 12.9% of New CEI's pro forma "average consolidated retained earnings" for the last four quarterly periods ("CREs") (as calculated for purposes of Rule 53) as of September 30, 2000 ($5 billion), after giving effect to the accounting treatment for the Mergers which does not include the amount of NU's CREs in the calculation of New CEI's CREs. This percentage is well within the "safe harbor" provisions of the Rules. However, if the Commission grants the request herein to credit to New CEI's CREs the amount of NU's "average" CREs immediately prior to the Mergers (approximately $639.5 million at September 30, 2000), the percentage decreases to approximately 11.4%.

b. The Intermediate Holding Companies and the Utility Subsidiaries

32. The Intermediate Holding Companies and the Utility Subsidiaries currently maintain in effect the following credit and financing facilities:

33. CECONY maintains two revolving credit agreements. The first is a $375,000,000 facility with eight major banks which terminates December 23, 2002. The second is a $125,000,000 facility with thirteen major banks which terminates on November 28, 2001. CECONY may enter into additional revolving credit facilities aggregating up to an additional $300 million.

34. O&R maintains a $100,000,000 facility with thirteen major banks which terminates on November 28, 2001.

35. CECONY and O&R may borrow directly against these facilities or may use them to support the issuance of commercial paper, which is sold through dealers to the market, at a discount from par.

36. These facilities do not include letters of credit supporting CECONY and O&R tax-exempt debt. The debt issues of CEI's subsidiaries themselves are listed in Exhibit K-1

37. NU maintains a short-term Credit Agreement dated as of November 17, 2000 ("NU Credit Agreement"), among NU and several banks with United Bank of California as Administrative Agent. The NU Credit Agreement provides a credit facility of up to $400 million comprised of borrowing commitments and letter of credit commitments. The NU Credit Agreement has a termination date of November 16, 2001. NU also maintains a short term credit facility in the amount of $266 million for the YES Acquisition Debt which terminates February 28, 2001.

38. Also outstanding is a short-term Credit Agreement dated as of November 17, 2000 ("Regulated Credit Agreement"), among CL&P and WMECO on the one hand and several banks with Citibank, N.A. as Administrative Agent on the other. The Regulated Credit Agreement provides a credit facility of up to $350 million comprised of borrowing commitments. The Regulated Credit Agreement has a termination date of November 16, 2001.

39. On November 9, 2000 NAEC entered into an unsecured $200 million 364-day Term Credit Agreement with four banks which was approved by the NHPUC.

40. Yankee Gas currently has a revolving line of credit of $60 million, which was extended on November 17, 2000, to a termination date of November 16, 2001.

41. The financing arrangements described above which are in excess of one year are subject to approval of the respective state utility commission. New CEI hereby requests, on behalf of the Intermediate Holding Companies and the Utility Subsidiaries, to the extent not exempted by Rule 52(a), Commission authorization to maintain in effect the above described financing arrangements, any additional financing arrangements entered into by such Intermediate Holding Companies and Utility Subsidiaries prior to the completion of the Mergers and any amendments, renewals, extensions or replacements thereof entered into prior to completion of the Mergers. These financing arrangements are not expected to exceed $800 million in the case of CECONY, $113 million in the case of O&R, $2 million in the case of Pike, and $60 million in the case of RECO, $375 million in the case of CL&P, $250 million in the case of WMECO, $225 million in the case of PSNH, $260 million in the case of NAEC, $100 million in the case of Yankee Gas, $5 million in the case of HWP, $75 million in the case of NNECO, $400 million in the case of NU and $50 million in the case of YES (collectively, the "New CEI Subsidiary Limits").

42. New CEI further requests, on behalf of the Intermediate Holding Companies and the Utility Subsidiaries, to the extent not exempted by Rule 52(a), Commission authorization, during the period from and after the Mergers through the Authorization Period, to amend, renew, extend and/or replace any financing arrangement entered into by the Intermediate Holding Companies and the Utility Subsidiaries prior to completion of the Mergers and which remain in effect on the date the Mergers are completed; provided that no such amendments, renewal, extension and/or replacement which is effected following completion of the Mergers shall exceed the respective New CEI Subsidiary Limits, or provide for a cost of money to exceed 500 basis points over LIBOR for comparable short term or variable rate debt unless the Commission shall otherwise approve or such amendment, renewal, extension and/or replacement shall not require Commission approval under the Act and the rules and regulations promulgated thereunder. New CEI further requests, on behalf of the Intermediate Holding Companies and the Utility Subsidiaries, to the extent not exempted under Rule 52(a), authorization to enter into additional

financing arrangements similar to those described above for the period from and after the Mergers through the Authorization Period; provided that the cost of money relative to such financing shall not exceed 500 basis points over LIBOR for comparable term securities; the final maturity of securities issued shall not exceed 364 days and the additional aggregate principal amount of debt obligations incurred by the CEI Utility Subsidiaries shall not exceed the respective New CEI Subsidiary Limit. (FN3).

F. New CEI Money Pool

43. New CEI and the Subsidiaries propose establishing a system-wide Money Pool (the "Money Pool"), which will be administered and maintained through the Authorization Period by CEISCO, at cost, under the direction of an officer in the CEISCO Treasury Organization. (FN4) The Money Pool will consist principally of surplus funds in the treasury of Money Pool participants, including New CEI. The funds available to the Money Pool will be loaned on a short-term basis to those Subsidiaries, other than any public utility holding company, including NU, YES and O&R, any EWG or FUCO, including NGC, Consolidated Edison Energy Massachusetts, Inc. ("CEEMI"), Lakewood Cogeneration LP ("Lakewood") and CED/SCS Newington, LLC ("CED/SCS"), and any direct or indirect exempt telecommunications company subsidiary of New CEI, including Mode 1, Inc. ("Mode 1") and Consolidated Energy Communications, Inc. ("CECI", and together with NU, YES, O&R, NGC, CEMMI, Lakewood, CED/SCS and Mode 1, the "Nonborrowing Companies"), that have a need for short-term funds, subject to certain limitations described therein (FN5). Funds would be made available from such sources in such order as CEISCO, as administrator of the Money Pool, may determine would result in a lower cost of borrowing, consistent with the individual borrowing needs and financial standing of the companies providing funds to the pool. The determination of whether a Money Pool participant at any time has surplus funds to lend to the Money Pool or shall lend funds to the Money Pool would be made by such participant's chief financial officer or treasurer, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such participant's sole discretion. See Exhibit L-1 for a copy of the Form of Money Pool Agreement.

44. Borrowings from the Money Pool would require authorization by the borrower's chief financial officer or treasurer, or by a designee thereof and, for the Utility Subsidiaries, will count towards the short term debt limit sought herein. No party would be required to effect a borrowing through the Money Pool if it is determined that it could (and had authority to) effect a borrowing at lower cost directly from banks or through the sale of its own commercial paper. No loans through the Money Pool would be made to, and no borrowings through the Money Pool would be made by the Nonborrowing Companies. Funds not required by the Money Pool to make loans (with the exception of funds required to satisfy the Money Pool's liquidity requirements) would ordinarily be invested in one or more short-term investments, including: (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than "A" (or "A-1" or "P-1" or their equivalent for short term debt) by a nationally recognized rating agency; (iv) commercial paper rated not less than "A-1" or "P-1" or their equivalent by a nationally recognized rating agency; (v) moneymarket funds; (vi) bank certificates of deposit, (vii) Eurodollar funds; and (viii) such other investments as are permitted by Section 9(c) of the Act and Rule 40 thereunder and, with respect to contributions from WMECO, approved by the Massachusetts Department of Telecommunications and Energy pursuant to Massachusetts General Laws Chapter 164, Section 17A and the regulations thereunder.

45. In addition to surplus funds, funds borrowed by New CEI through the issuance of short-term notes or other borrowings, by selling commercial paper are a source of funds for making loans or open account advances to certain of its Subsidiaries through the Money Pool. The potential recipients of such open account advances will be all the companies in the New CEI System with the exception of the Nonborrowing Companies. Such sorts of arrangements are anticipated to result in a reduction in borrowing costs to the recipients because the parent often has access to funds at lower interest rates than its subsidiaries and/or because the transaction costs of arranging several small financings to meet the needs of the smaller subsidiaries are higher than the costs of arranging one larger financing by the parent. The amounts to be borrowed by New CEI for the purpose of making open account advances and to be borrowed through the Money Pool by the Subsidiaries (other than the Nonborrowing Companies) will also be subject to the short-term limits on the aggregate amount outstanding for which approval is sought in this filing.

46. PSNH and NAEC are currently prohibited, by New Hampshire statute from borrowing short-term funds in excess of 10% of their respective net fixed plant, without NHPUC authorization.

47. Accordingly, the Applicants request that the Commission approve the participation by PSNH and NAEC in the new CEI Money Pool, to the extent the borrowings of each company through the New CEI Money Pool, when aggregated with each company's outstanding short-term debt do not exceed 10% of each Company's respective net plant, up to $225 million in the case of PSNH and $260 million in the case of NAEC. (FN6)

48. Money Pool transactions will be designed to match, on a daily basis, the available cash of New CEI and the Subsidiaries and the short-term borrowing requirements of the Subsidiaries (other than the Nonborrowing Companies), thereby minimizing the need for short-term borrowings to be made by the Subsidiaries (other than the Nonborrowing Companies) from external sources. To this end, it is anticipated that the short-term borrowing requirements of the Subsidiaries (other than the Nonborrowing Companies) will be met, in the first instance, with the proceeds of borrowings available through the Money Pool, and thereafter, to the extent necessary, with the proceeds of external

short-term borrowings. Those participants in the Money Pool without access to the commercial paper market will have priority as borrowers from the Money Pool, and all the companies in the New CEI system, with the exception of the Nonborrowing Companies, will be eligible to borrow through the Money Pool from the proceeds of external borrowings by New CEI. If at any time there are funds remaining in the Money Pool after satisfaction of the borrowing needs of the borrowers, CEISCO, as agent for the Money Pool, will invest those funds as described above and allocate the earnings on any such investments among the Money Pool participants, providing such excess funds on a pro rata basis according to the amount of the funds so provided.

49. All borrowings from and contributions to the Money Pool, including the open account advances, will be documented and will be evidenced on the books of each participant that is borrowing from or contributing surplus funds to the Money Pool. Any participant contributing funds to the Money Pool may withdraw those funds at any time without notice to satisfy its daily need for funds. Loans made by the Pool will be open account advances for periods of less than 12 months, although the Agent may receive upon demand a promissory note evidencing the transaction. All loans made by the Pool from Surplus Funds are payable on demand by the Agent, except for loans from the proceeds of external borrowings by New CEI at any time without premium or penalty and will bear interest for both the borrower and lender, payable monthly, equal to the daily Federal Funds Effective Rate as quoted by the Federal Reserve Bank of New York. Loans from the proceeds of external borrowings by New CEI will bear interest at the same rate paid by New CEI on its borrowings, and no such loans may be prepaid unless New CEI is made whole for any additional costs that may be incurred because of such prepayment. New CEI will be fully reimbursed for all costs that it incurs in relation to loans made to the other participants.

50. New CEI and the Subsidiaries believe that the cost of the proposed borrowings through the Money Pool will generally be more favorable to the borrowing companies than the comparable cost of external short-term borrowings, and that the yield to the Subsidiaries contributing available funds to the Money Pool will generally be the same as the typical yield on short-term investments. However, if on any given day the funds available through the Money Pool are insufficient to satisfy the short-term borrowing requirements of a Subsidiary, such Subsidiary may effect short-term borrowings through lending institutions and/or through the sale of commercial paper, if appropriate.

51. New CEI and the Nonutility Subsidiaries hereby request that, to the extent borrowings from the money pool by the Nonutility Subsidiaries are not exempt under Rule 52, there be no limit on borrowings made through the money pool by the Nonutility Subsidiaries (other than the Nonborrowing Companies). A limit on Nonutility Subsidiary borrowing could result in unnecessary third party borrowing by the New CEI System. For example, if the Nonutility Subsidiary had a pre-arranged limit (i.e. $15 million), there could exist a scenario where some Subsidiaries have money invested in the Money Pool but a certain Nonutility Subsidiary might have a need to borrow more than its limit. Even though there would be funds available in the Money Pool, the Nonutility Subsidiary who had reached its borrowing limit would have to make a borrowing directly from New CEI of funds borrowed by New CEI from external sources, while the excess funds in the Money Pool which would not be available to such Nonutility Subsidiary would be invested with third parties. This series of transactions would be ineffective and detrimental to the New CEI System, as a whole. Accordingly, New CEI, on behalf of the Nonutility Subsidiaries (other than the Nonborrowing Companies), requests that, to the extent borrowings through the Money Pool are not exempt under Rule 52, there be no limit on the amount of borrowings which the Nonutility Subsidiaries (other than the Nonborrowing Companies) may make through the Money Pool. A similar request was made by Conectiv and granted by the Commission in Holding Co. Act Rel. No. 12711 (December 14, 1999).

G. Consolidation and Reorganization of Nonutility Subsidiaries

52. New CEI may determine from time to time to consolidate or otherwise reorganize all or any part of its direct and indirect ownership interests in Nonutility Subsidiaries under one or more new or existing subsidiaries. To effect any such consolidation or other reorganization, New CEI could, among other things, directly or indirectly contribute to a new or existing subsidiary all of the outstanding equity securities of one or more Nonutility Subsidiaries or sell the equity securities of one or more Nonutility Subsidiaries to a new or existing subsidiary. Alternatively, a Nonutility Subsidiary could dividend the securities of one or more Nonutility Subsidiaries to a new or existing subsidiary.

53. To the extent such transactions are not exempt from the Act or otherwise authorized or permitted by rule, regulation or order of the Commission issued thereunder, New CEI hereby requests authorization under the Act to consolidate or otherwise reorganize, under one or more new or existing subsidiaries, New CEI's ownership interests in one or more of Nonutility Subsidiaries not currently owned, directly or indirectly, by a utility company, the acquisition of the securities of which is exempt from Commission approval under the Act. As indicated above, such transactions may take the form of such Nonutility Subsidiaries selling, contributing or transferring in the form of a dividend to new or existing subsidiaries, and such subsidiaries acquiring, directly or indirectly, the equity securities of such Nonutility Subsidiaries. Each such transaction would be effected in compliance with all applicable state or foreign laws and accounting requirements, and any sale transaction would be effected for a consideration equal to the book value of the equity securities of the Nonutility Subsidiary being sold. New CEI will report on the completion of each such transaction in the next quarterly certificate filed pursuant to Rule 24 in this File.

H. Payment of Dividends by New CEI Nonutility Subsidiaries.

54. New CEI also requests authorization, on behalf of CEI's current and New

CEI's future non-exempt Nonutility Subsidiaries, other than Nonutility Subsidiaries which are NU Subsidiaries and other than Nonutility Subsidiaries that are subsidiaries of public utility companies, that such companies be permitted to pay dividends to each subsidiary's direct parent with respect to the securities of such companies, from time to time through the Authorization Period, out of capital and unearned surplus. This type of authorization has been granted to NU (see, Northeast Utilities, et al., Holding Co. Act Rel. No. 35-27147 (March 7, 2000)) through December 31, 2005. The Applicants request that this order remain in effect after the Mergers but only through the Authorization Period. The Commission has also granted similar approvals to other registered holding companies. (See Entergy Corporation, et al., Holding Co. Act Rel. No. 35-27039 (June 22, 1999); Interstate Energy Corporation, et al., Holding Co. Act Rel. No. 35-27069 (August 26, 1999)).

55. New CEI anticipates that there may be situations in which one or more of such Nonutility Subsidiaries will have unrestricted cash available for distribution in excess of any such company's current and retained earnings. In such situations, the declaration and payment of a dividend to its direct parent would have to be charged, in whole or in part, to capital or unearned surplus.

56. Further, there may be periods during which unrestricted cash available for distribution by such Nonutility Subsidiary exceeds current and retained earnings due, for example, to the difference between accelerated depreciation allowed for tax purposes, which may generate significant amounts of distributable cash, and depreciation methods required to be used in determining book income.

57. New CEI, on behalf of each such current and future non-exempt Nonutility Subsidiary represents that it will not declare or pay any dividend out of capital or unearned surplus in contravention of any law restricting the payment of dividends. New CEI also states that the Nonutility Subsidiaries will comply with the terms of any credit agreements and indentures that restrict the amount and timing of distributions to shareholders.

58. Accordingly, Consolidated Edison Communications, Inc., Consolidated Edison Energy, Inc., Consolidated Edison Development, Inc. ("CEDI") and Consolidated Edison Solutions, Inc. seek authorization to pay dividends out of capital and unearned surplus to New CEI; CED Ada, Inc., Consolidated Edison Leasing, Inc., Carson Acquisition, Inc., Con Edison Leasing, LLC., CEDST, LLC, CED/SCS Newington, LLC, CED Generation Holding Company, LLC, Consolidated Edison Energy Massachusetts, Inc., CED-GTM 1, LLC, seek authorization to pay dividends out of capital and unearned surplus to CEDI; CED Management Company, Inc., CED Operating Company, L.P., Lakewood Cogeneration, L.P., and CED-Lakewood Inc. seek authorization to pay dividends out of capital and unearned surplus to CED Generation Holding Company; and CED Generation Lakewood Company seeks authorization to pay dividends out of capital and unearned surplus to CED Lakewood Inc. Ada Cogeneration L.P. seeks authorization to pay dividends out of capital and surplus to CED/DELTA Ada, LLC and CED/DELTA Ada, LLC seeks authorization to pay dividends out of capital and surplus to CED Ada, Inc. Newington Energy, LLC . seeks authorization to pay dividends out of capital and surplus to CED/SCS Newington, LLC GTM Energy, LLC. seeks authorization to pay dividends out of capital and surplus to CED-GTM 1, LLC. CED 42, LLC seeks authorization to pay dividends out of capital and surplus to CEDST, LLC. Lakewood Cogeneration, L.P. seeks authorization to pay dividends out of capital and surplus to CED-Lakewood, Inc. and CED Generation Lakewood Company.

I. Establishment of Service Companies and Approval of Service Agreements.

59. As noted below, New CEI intends to establish an arrangement for the system-wide provision of services that conforms to traditional Commission precedent with respect to both the number of service companies within the combined system and traditional pricing terms under the Commission's "at-cost" rules.

60. As an exempt holding company, CEI currently provides a number of services to its affiliates and subsidiaries principally through its regulated subsidiaries CECONY and O&R. As a registered holding company, NU established Northeast Utilities Service Company ("NUSCO") in 1966 as a service company pursuant to Section 13(b) of, and Rule 88 under, the Act. The basic form of service agreement, including exhibits thereto which described the services offered and methods of allocation of costs, was an exhibit to NU's application-declaration seeking authority for NUSCO and made effective by the Commission. In addition, NU has filed an application/declaration on Form U-1 on February 28, 2000 seeking authorization to create and maintain a service company for its nonutility subsidiaries.

61. As part of their business combination, CEI and NU anticipate centralization of some of the service functions in the combined company but have not yet completed their analysis of how best to accomplish this goal, a task that is not expected to be completed until after the consummation of the Mergers. However, New CEI, in accordance with the order of the NHPUC approving the Merger (see discussion below), currently anticipates forming two subsidiary service companies to perform services for the companies in the New CEI System. In that connection, prior to closing of the Mergers, New CEI anticipates that it will establish one new subsidiary service company, Nonutility ServCo as a subsidiary of newly-formed Non-Utility Holding Company, and immediately subsequent to the merger, NU will transfer to New CEI, through sale, at book value, all of the stock of NUSCO, which will be renamed and is referred to herein as CEISCO. CEISCO and Nonutility ServCo will, subsequent to the Mergers, assume from CECONY, O&R and NUSCO all of the service functions currently performed for affiliates by CECONY, O&R and NUSCO, however, such an assumption of duties will require study and analysis. Accordingly, the Applicants request a transition period of 15 months from the date of the Order issued herein before being required to effectuate these changes. CEISCO will be a direct subsidiary of New CEI and Nonutility ServCo will be a direct subsidiary of the proposed Non-Utility Holding Company.

Employees performing such functions will become employees of either Nonutility ServCo or CEISCO. Upon closing of the Mergers, New CEI and the Subsidiaries (including the Non-Utility Subsidiaries) will enter into a new single systemwide Service Agreement with CEISCO and the Nonutility subsidiaries will also enter into a Nonutility Service Agreement with Nonutility ServCo. New CEI seeks authorization for it and its Subsidiaries from the Commission to enter into the form of Service Agreement annexed as Exhibit M-1 with CEISCO which contemplates that the services to be offered to system companies may include, but will not be limited to:

1. Accounting. CEISCO will offer advice and assistance to system companies in accounting matters, including the development of accounting practices, procedures and controls, the preparation and analysis of financial reports, and the processing of certain accounts such as accounts payable, payroll, customer and cash management.

2. Auditing. CEISCO's internal auditing staff will provide periodic auditing of the accounting records and other records maintained by system companies, coordinating their examination, where applicable, with that of independent public accountants.

3. Legal and Regulatory. CEISCO will offer advice and assistance with respect to legal and regulatory issues as well as regulatory compliance, including 1935 Act authorizations and compliance and regulatory matters under other Federal and State laws.

4. Information Technology, Electronic Transmission and Computer Services. CEISCO will provide the organization and resources for the operation of an information technology function including the operation of a centralized data processing facility and the management of a telecommunications network.

5. Software Pooling. CEISCO will accept from system companies ownership of and rights to use, assign, license or sublicense all software owned, acquired or developed by or for system companies, if any, which system companies can and do transfer or assign to it. CEISCO will preserve and protect the rights to all such software to the extent reasonable and appropriate under the circumstances; to license system companies, on a non-exclusive, no-charge or at-cost basis, to use all software which the relevant service sompany has the right to sell, license or sublicense; and, at the relevant system companies' expense, to permit system companies to enhance any such software and to license others to use all such software and enhancements to the extent that CEISCO shall have the legal right to so permit.

6. Employee Benefits/Pension Investment. CEISCO will provide central accounting for employee benefit and pension plans of system companies.

7. Employee Relations. CEISCO will advise and assist system companies in the formulation and administration of employee relations policies and programs relating to the relevant system companies' labor relations, personnel administration, training, wage and salary administration and safety.

8. Operations. CEISCO will advise and assist system companies in the study, planning, engineering and construction of facilities of each system company and of the System as a whole, and will advise, assist and manage the planning, engineering (including maps and records) and construction operations of system companies electing this service.

9. Executive and Administrative. CEISCO will advise and assist system companies in the solution of major problems and in the formulation and execution of the general plans and policies of system companies electing this service. CEISCO will advise and assist system companies as to operations, the issuance of securities, the preparation of filings arising out of or required by the various Federal and State securities, business, public utilities and corporation laws, the selection of executive and administrative personnel, the representation of system companies before regulatory bodies, proposals for capital expenditures, budgets, financing, acquisition and disposition of properties, expansion of business, rate structures, public relationships and other related matters.

10. Business & Operations Services. CEISCO will advise and assist system companies in all matters relating to operational capacity and the preparation and coordination of operating studies. Additionally, CEISCO will perform general administrative support services, including travel services, aviation, fleet, mail and facilities management.

11. Risk Management. CEISCO will advise and assist system companies in securing requisite insurance, in the purchase and administration of all property, casualty and marine insurance, in the settlement of insured claims and in providing risk prevention advice.

12. Environmental Compliance. CEISCO will provide consulting, cleanup and other service activities as required to ensure full compliance with applicable environmental statutes and regulations.

13. Corporate Planning. CEISCO will advise and assist system companies in studying and planning in connection with operations, budgets, economic forecasts, capital expenditures and special projects.

14. Purchasing. CEISCO will advise and assist system companies in the purchase of materials, supplies and services, will conduct purchase negotiations, prepare purchasing agreements and will administer programs of material control.

15. Rates. CEISCO will advise and assist system companies in the analysis of their rate structure in the formulation of rate policies and in the negotiation of large contracts. CEISCO will also advise and assist system companies in proceedings before regulatory bodies involving the rates

and operations of system companies and of other competitors where such rates and operations directly or indirectly affect system companies.

16. Research. CEISCO will investigate and conduct research into problems relating to production, utilization, testing, manufacture, transmission, storage and distribution of energy and other services.

17. Tax. CEISCO will advise and assist system companies in the preparation of Federal and other tax returns, and will generally advise system companies as to any problems involving taxes including the provision of due diligence in connection with acquisitions.

18. Corporate Secretary. CEISCO will provide all necessary functions required of a publicly held corporation; coordinating information and activities among shareholders, the transfer agent, and Board of Directors; providing direct services to security holders; preparing and filing required annual and interim reports to shareholders and the SEC; conducting the annual meeting of shareholders and ensuring proper maintenance of corporate records.

19. Investor Relations. CEISCO will provide fair and accurate analysis of New CEI and its operating subsidiaries and its outlook within the financial community, enhancing New CEI's position in the energy industry; balancing and diversifying shareholder investment in New CEI through a wide range of activities; providing feedback to New CEI and its operating subsidiaries regarding investor concerns, trading and ownership; holding periodic analysts meetings; and providing various operating data as requested or required by investors.

20. Customer Service. CEISCO will provide services and systems dedicated to customer service, including billing, remittance, credit, collections, customer relations, call centers, energy conservation support and metering

21. Treasury/Finance. CEISCO will provide services related to managing all administrative activities associated with financing, including management of capital structure; cash, credit and risk management activities; investment and commercial banking relationships; oversight of decommissioning trust funds and general financing activities.

22. External Affairs. CEISCO will provide services in support of corporate strategies for managing relationships with federal, state and local governments, agencies and legislative bodies. CEISCO will formulate and assist with public relations and communications programs and administration of corporate contribution and community affairs programs.

23. Office Space and Equipment. CEISCO will assist in the leasing of land, buildings, furnishings and equipment, including computer hardware and software and transportation equipment.

62. As compensation for services performed, the Services Agreement will provide for the client companies to pay to CEISCO the cost of such services, computed in accordance with the applicable rules and regulations (including, but not limited to Rules 90 and 91) under the Act and appropriate accounting standards. Under the terms of the Service Agreement, CEISCO will render services to the subsidiary companies of New CEI at cost. CEISCO will account for, allocate and charge its costs of the services provided on a full cost reimbursement basis under a work order system consistent with the Uniform System of Accounts for Mutual and Subsidiary Service Companies. Costs incurred in connection with services performed for a specific subsidiary company will be billed 100% to that subsidiary company. Where more than one company is involved in or has received benefits from a service performed, the Services Agreement will provide that client companies will pay their fairly allocated pro rata share in accordance with the methods set out in a schedule to the Services Agreement. Indirect costs incurred by CEISCO which are not directly allocable to one or more subsidiary companies will be allocated in proportion to how either direct salaries or total costs are billed to the subsidiary companies depending on the nature of the indirect costs themselves. The time CEISCO employees spend working for each subsidiary will be billed to and paid by the applicable subsidiary on a monthly basis, based upon time records. Each subsidiary company will maintain separate financial records and detailed supporting records showing CEISCO's charges. A copy of the Policies and Procedures concerning the New CEI Service Companies is attached hereto as Exhibit M-2. Thus, charges for all services provided by CEISCO to affiliated Utility Subsidiaries and Nonutility Subsidiaries will be on an "at cost" basis as determined under Rules 90 and 91 of the Act.

63. NU and CEI believe that their approach to service company arrangements provides them with the appropriate degree of flexibility to integrate their operations in a manner consistent with applicable laws and regulations. CEISCO will provide general administrative and corporate services system wide to all system companies. Nonutility ServCo will provide specified competitive services to the Nonutility Subsidiaries. This is in compliance with the order issued by the NHPUC. In that order the NHPUC stated

"In summary, then, we approve the Merger Settlement Agreement and will permit Consolidated Edison to consummate the merger contemplated in the Petition. However, in addition to the commitments made by the Joint Petitioners in the Merger Settlement Agreement, our approval is expressly conditioned on the Joint Petitioners agreeing to the following conditions:

4. Subsequent to the merger, Consolidated Edison will form separate service companies to provide services to its regulated and unregulated subsidiaries."

NHPUC Order No. 23,594, Docket No. DE 00-009, December 6, 2000, slip op. at 117.

64. The services that Nonutility ServCo is expected to provide to the Nonutility Subsidiaries include, without limitation, employee recruiting, engineering, hedging and financial derivatives and arbitrage services, electric purchasing for resale, purchasing of electric transmission, system operations and marketing. Moreover, the Commission has found in similar (albeit considerably more complex) circumstances that the simplicity requirements of Section 11(b)(2) of the Act are aimed at preventing the "leverage and pyramiding device" that gave rise to the Act and that those requirements do not prohibit the organization of additional service companies in the same holding company system to the extent it "offers various benefits," including "afford[ing] separation between the utility and non-utility businesses [within the holding company system]," especially where it is legally required. Entergy Corp., Holding Co. Act Rel. No. 27039 (June 22, 1999). See, also, Entergy Corp., Holding Co. Act Rel. No. 26322 (June 30, 1995). Here, as in the Entergy matter, the formation of Nonutility ServCo will allow the Applicants and the other companies in the New CEI system to separate their regulated utility and the competitive non-utility businesses and afford stronger compliance with code of conduct requirements that may arise in the jurisdictions in which the New CEI companies do business. The Nonutility ServCo Service Agreement will be substantially identical to the CEISCO Service Agreement filed as Exhibit M-1 hereto.

65. No change in the organization of CEISCO or Nonutility ServCo, the type and character of the companies to be serviced, the methods of allocating cost to associate companies, or in the scope or character of the services to be rendered subject to Section 13 of the Act, or any rule, regulation or order thereunder, shall be made unless and until New CEI shall first have given the Commission written notice of the proposed change not less than 60 days prior to the proposed effectiveness of any such change. If, upon the receipt of any such notice, the Commission shall notify New CEI within the 60-day period that a question exists as to whether the proposed change is consistent with the provisions of Section 13 of the Act, or of any rule, regulation or order thereunder, then the proposed change shall not become effective unless and until New CEI shall have filed with the Commission an appropriate declaration regarding such proposed change and the Commission shall have permitted such declaration to become effective.

66. Rule 88 (b) provides that "(a) finding by the commission that a subsidiary company of a registered holding company . . . is so organized and conducted, or is to be so conducted, as to meet the requirements of Section 13(b) of the Act with respect to reasonable assurance of efficient and economical performance of services or construction or sale of goods for the benefit of associate companies, at cost fairly and equitably allocated among them (or as permitted by (Rule 90), will be made only pursuant to a declaration filed with the Commission on Form U-13- 1, as specified in the instructions for that form, by such company or the persons proposing to organize it." Notwithstanding the foregoing language, the Commission has on at least two recent occasions made findings under Section 13(b) based on information set forth in an application on Form U-1, without requiring the formal filing on a Form U-13-1. See Unitil Corp., 51 SEC Docket 562 (Apr. 24, 1992); CINergy Corp., 57 SEC Docket 2353 (Oct. 21, 1994). In this Application, New CEI has submitted substantially the same application information as would have been submitted in a Form U-13-1.

67. Accordingly, it is submitted that it is appropriate to find that CEISCO and Nonutility ServCo will be so organized and shall be so conducted as to meet the requirements of Section 13(b), and that the filing of a Form U-13-1 is unnecessary, or, alternatively, that this Application should be deemed to constitute a filing on Form U-13-1 for purposes of Rule 88.

68. Accordingly, New CEI requests authorization to maintain, subsequent to the Mergers, Non-Utility Holding Company, CEISCO and Nonutility ServCo. Initially, Non-Utility Holding Company will issue 1000 shares of common stock, at no or nominal par value, all of which will be subscribed to by New CEI at a price of $1 per share. NU will transfer all of its shares in NUSCO to CEI and NUSCO will be renamed. Nonutility ServCo will issue 1000 shares of common stock, at no or nominal par value, all of which will be subscribed to by Non-Utility Holding Company at a price of $1 per share. New CEI will file with the Commission, within the 15 month transition period, a post-effective amendment to this Application seeking a supplemental order concerning the maintenance of the two service companies, the finalized service agreements, the cost allocations and the New CEI policies and procedures.

69. In addition, Pike and RECO, two utility subsidiaries of New CEI, have no employees. Traditionally, utility services provided by these companies to their customers have been provided by employees of O&R. Such services are provided at cost. New CEI, on behalf of O&R, Pike and RECO, seek authorization for this arrangement to continue pursuant to Section 13(b).

J. Provision of Services by the Nonutility Subsidiaries to other Nonutility Subsidiaries at other than Cost

70. Nonutility ServCo and the Nonutility Subsidiaries propose to provide services to each other at any price they deem appropriate, including, but not limited to, cost or fair market prices, and request an exemption pursuant to Section 13(b) and Rule 100(a) from the "at cost requirement" of Rules 90 and 91 to the extent that a price other than "cost" is charged. (Authority for NGS to provide certain services to NGC at other than at cost has been separately requested in NU's application/declaration, as amended, in File No. 70-9543). Nonutility ServCo and the Nonutility Subsidiaries propose to retain the option to provide services to each other at cost, consistent with Rules 90 and 91, if reasonable business considerations call for such an at-cost charge. Nonutility ServCo will not perform any services for any of New CEI's regulated public utility subsidiaries or enter into any other transactions in which those public utility subsidiaries would be required to make payments directly to Nonutility ServCo. Any services provided by the Nonutility Subsidiaries to CEI's regulated public utility subsidiaries will

be provided at "cost" consistent with Rules 90 and 91. Nonutility ServCo and the Nonutility Subsidiaries will not provide services to any associate company that, in turn, provides such services or sells such goods, directly or indirectly, to any other associate company that is not a Nonutility Subsidiary, except pursuant to the requirements of the Commission's rules and regulations under Section 13(b) or an exemption therefrom obtained in a separate filing.

71. Accordingly, the Nonutility Subsidiaries request authorization to provide services to each other (other than services provided by NGS to NGC) at other than cost. However, such services will not be provided at other than cost to an associate power project unless one or more of the following conditions is satisfied:

(i) the project is a FUCO or an EWG which derives no part of its income, directly or indirectly, from the generation, transmission, or distribution of electric energy for sale within the United States;

(ii) the project is an EWG which sells electricity at market-based rates which have been approved by the Federal Energy Regulatory Commission, provided that the purchaser is not one of the Utility Subsidiaries.

(iii) the project is a "qualifying facility" ("QF") within the meaning of the Public Utility Regulatory Policies Act of 1978, as amended ("PURPA") that sells electricity exclusively (a) at rates negotiated at arms'-length to one or more industrial or commercial customers purchasing such electricity for their own use and not for resale, and/or (b) to an electric utility company (other than a Utility Subsidiary) at the purchaser's "avoided cost" as determined in accordance with the regulations under PURPA; or

(iv) the project is a domestic EWG or QF that sells electricity at rates based upon its cost of service, as approved by FERC or any state public utility commission having jurisdiction, provided that the purchaser thereof is not one of the Utility Subsidiaries; or

(v) the project is a Rule 58 Subsidiary or any other Nonutility Subsidiary that (a) is partially-owned by New CEI, provided that the ultimate purchaser of such goods or services is not a Utility Subsidiary (or any other entity that New CEI may form whose activities and operations are primarily related to the provision of goods and services to the Utility Subsidiaries), (b) is engaged solely in the business of developing, owning, operating and/or providing services or goods to Nonutility Subsidiaries described in clauses (i) through (iv) immediately above, or (c) does not derive, directly or indirectly, any material part of its income from sources within the United States and is not a public-utility company operating within the United States.

72. These circumstances for which market based pricing authority is being requested are substantially the same as those approved by the Commission in other cases. See Entergy Corporation, et al., Holding Co. Act Rel. No. 27039 (June 22, 1999); Ameren Corp., et al., Holding Co. Act Rel. No. 27053 (July 23, 1999); and Interstate Energy Corporation, Holding Co. Act Rel. No. 27069 (August 26, 1999).

K. Activities Of Non-Utility Subsidiaries Outside The United States.

73. New CEI, on behalf of any current or future Non-Utility Subsidiaries, requests authority to engage in the type of business activities listed in Rule 58 outside the United States. Such activities may include:

(i) the brokering and marketing of electricity, natural gas and other energy commodities ("Energy Marketing"), though the Applicants request that the Commission reserve jurisdiction over the provision of Energy Marketing outside the United States and Canada;

(ii) energy management services ("Energy Management Services"), including the marketing, sale, installation, operation and maintenance of various products and services related to energy management and demand-side management, including energy and efficiency audits; facility design and process control and enhancements; construction, installation, testing, sales and maintenance of (and training client personnel to operate) energy conservation equipment; design, implementation, monitoring and evaluation of energy conservation programs; development and review of architectural, structural and engineering drawings for energy efficiencies, design and specification of energy consuming equipment; and general advice on programs; the design, construction, installation, testing, sales and maintenance of new and retrofit heating, ventilating, and air conditioning ("HVAC"), electrical and power systems, alarm and warning systems, motors, pumps, lighting, water, water-purification and plumbing systems, and related structures, in connection with energy-related needs; and the provision of services and products designed to prevent, control, or mitigate adverse effects of power disturbances on a customer's electrical systems; and

(iii) engineering, consulting and other technical support services ("Consulting Services") with respect to energy-related businesses, as well as for individuals. Such Consulting Services would include technology assessments, power factor correction and harmonics mitigation analysis, meter reading and repair, rate schedule design and analysis, environmental services, engineering services, billing services (including consolidation billing and bill disaggregation tools), risk management services, communications systems, information systems/data processing, system planning, strategic planning, finance, feasibility studies, and other similar services.

74. The Commission previously authorized similar activities with similar reservations in Interstate Energy Corporation, Holding Co. Act Rel. 35-27069 (August 26, 1999), Energy East Corp., Holding Co. Act Rel. 35-27228 (September 12, 2000) and Southern Energy, Inc., Holding Co. Act Rel. 35-27020

(May 13, 1999).

L. New CEI Stock Plans and other Employee Benefit Plans.

75. New CEI proposes, from time to time during the Authorization Period, to issue and/or acquire in open market transactions or by some other method which complies with applicable law and Commission interpretations then in effect up to 50 million shares of New CEI common stock under New CEI's dividend reinvestment and cash payment plan, certain incentive compensation plans and certain other employee benefit plans and employment or other agreements described below.

1. The New CEI Drip

76. Both CEI and NU currently maintain dividend reinvestment plans with a direct stock purchase feature. New CEI will have a similar plan (the "New CEI Drip"). Participants in the CEI plan and NU plan will be eligible to become participants in the New CEI Drip.

77. The purpose of the New CEI Drip is to provide eligible participants with a convenient and economical way to purchase New CEI common stock by reinvesting dividends and/or making optional monthly investments. Shareholders of New CEI would be eligible to participate. Foreign citizens are eligible to participate as long as their participation would not violate any laws in their home countries.

78. At New CEI's discretion, shares of New CEI common stock purchased under the New CEI Drip will be either newly issued or purchased on the open market by an independent agent. Any determination by New CEI to change the manner in which shares will be purchased for the New CEI New Drip, and implementation of any such change, will comply with applicable law and Commission interpretations then in effect.

79. Net proceeds from the sale of newly issued shares of New CEI common stock will be added to the general corporate funds of New CEI and will be used to meet its capital requirements and the capital requirements of its subsidiaries. New CEI will not receive any proceeds from shares acquired in the open market

2. Incentive Compensation Plans.

80. CEI and NU currently maintain employee stock option plans. NU also maintains an incentive compensation plan under which stock options and restricted shares may be granted. On completion of the Mergers, New CEI will assume the CEI and NU stock option plans and each outstanding CEI and NU stock option issued under the various CEI and NU plans. It is currently anticipated that prior to the Mergers, CEI will adjust the terms of all outstanding CEI employee stock options to provide that the options will constitute options to acquire shares of New CEI common stock, on the same terms and conditions as apply to the CEI stock options. Prior to the Mergers NU will adjust the terms of all outstanding NU employee stock options to provide that the options will constitute options to acquire, on the same terms and conditions as apply to the NU employee stock options, the same number of shares of New CEI common stock (rounded down to the nearest whole share) as the holder of the option would have received in the NU Merger had the holder exercised the option in full immediately prior to the NU Merger. The amount of the exercise price per share of New CEI common stock (rounded up to the nearest cent) under any option will be equal to the aggregate amount of the exercise price of the NU common shares subject to the NU option divided by the total number of shares of New CEI common stock to be subject to the option.

3. Other Plans.

81. Both CEI and NU maintain various stock plans for employees and directors, including investments in company stock through the employee's 401(k) plan. New CEI has not yet decided what specific plans will be maintained for employees or directors subsequent to the Mergers.

82. In addition, prior to the Mergers, CEI may enter into employment or other agreements with certain of its officers and employees that may provide for grants of stock options and/or restricted stock or units, which would be satisfied through open market purchases. Subsequent to the Mergers, New CEI may enter into employment or other agreements with certain officers and employees providing for similar grants.

83. Accordingly, New CEI requests authority to issue and sell, from time to time, pursuant to its dividend reinvestment plan, stock-based management incentive plans, and other employee and director benefit plans, up to 50 million shares of New CEI common stock (as such number may hereafter be adjusted to reflect any stock split).

M. Interest Rate Hedges.

84. New CEI, and to the extent not exempt pursuant to Rule 52, the Subsidiaries, request authorization to enter into interest rate hedging transactions with respect to outstanding indebtedness ("Interest Rate Hedges"), subject to certain limitations and restrictions, in order to reduce or manage interest rate costs. Interest Rate Hedges would only be entered into with counterparties ("Approved Counterparties") whose senior debt ratings, or the senior debt ratings of the parent companies of the counterparties, as published by Standard and Poor's, are equal to or greater than BBB-, or an equivalent rating from Moody's Investors Service, Fitch Investor Service or Duff and Phelps.

85. Interest Rate Hedges will involve the use of financial instruments commonly used in today's capital markets, such as interest rate swaps, caps, collars, floors, and structured notes (i.e., a debt instrument in which the

principal and/or interest payments are indirectly linked to the value of an underlying asset or index), or transactions involving the purchase or sale, including short sales, of U.S. Treasury obligations. The transactions would be for fixed periods and stated notional amounts. Fees, commissions and other amounts payable to the counterparty or exchange (excluding, however, the swap or option payments) in connection with an Interest Rate Hedge will not exceed those generally obtainable in competitive markets for parties of comparable credit quality.

86. Anticipatory Derivatives. In addition, New CEI and the Subsidiaries request authorization to enter into interest rate derivative transactions with respect to anticipated debt offerings (the "Anticipatory Derivatives"), subject to certain limitations and restrictions. Such Anticipatory Derivatives would only be entered into with Approved Counterparties, and would be utilized to fix and/or limit the interest rate risk associated with any new issuance through (i) a forward sale of exchange-traded U.S. Treasury futures contracts, U.S. Treasury obligations and/or a forward swap (each a "Forward Sale"), (ii) the purchase of put options on U.S. Treasury obligations (a "Put Options Purchase"), (iii) a Put Options Purchase in combination with the sale of call options on U.S. Treasury obligations (a "Zero Cost Collar "), (iv) transactions involving the purchase or sale, including short sales, of U.S. Treasury obligations, or (v) some combination of a Forward Sale, Put Options Purchase, Zero Cost Collar and/or other derivative or cash transactions, including, but not limited to structured notes, caps and collars, appropriate for the Anticipatory Derivatives.

87. Anticipatory Derivatives may be executed on-exchange ("On-Exchange Trades") with brokers through the opening of futures and/or options positions traded on the Chicago Board of Trade ("CBOT"), the opening of over-the-counter positions with one or more counterparties ("Off-Exchange Trades"), or a combination of On-Exchange Trades and Off-Exchange Trades. New CEI or a Subsidiary will determine the optimal structure of each Anticipatory Derivatives transaction at the time of execution. New CEI or a Subsidiary may decide to lock in interest rates and/or limit its exposure to interest rate increases. All open positions under Anticipatory Derivatives will be closed on or prior to the date of the new issuance and neither New CEI nor any Subsidiary will, at any time, take possession or make delivery of the underlying U.S. Treasury Securities.

88. New CEI and the Subsidiaries will comply with the then existing financial statement requirements of the Financial Accounting Standards Board associated with derivative transactions and will attempt to structure derivatives transactions such that they will qualify for derivative accounting treatment under the applicable standards of the Financial Accounting Standards Board then in effect.

N. Tax Allocation Agreement

89. New CEI and the Subsidiaries ask the Commission to approve an agreement for the allocation of consolidated tax among New CEI and the Subsidiaries (the "Tax Allocation Agreement"). Approval is necessary because the proposed Tax Allocation Agreement may provide for the retention by New CEI of certain payments for tax losses incurred from time to time, rather than the allocation of such losses to Subsidiaries without payment as would otherwise be required by Rule 45(c)(5) Attached as Exhibit N-1 is a copy of the proposed Tax Allocation Agreement.

90. Provisions in a tax allocation agreement between a registered holding company and its subsidiaries must comply with Section 12 of the Act and Rule 45 thereunder. Rule 45(a) of the Act generally prohibits any registered holding company or subsidiary company from, directly or indirectly, lending or in any manner extending its credit to or indemnifying, or making any donation or capital contribution to, any company in the same holding company system, except pursuant to a Commission order. Rule 45(c) provides that no approval is required for a tax allocation agreement between eligible associate companies in a registered holding company system, that "provides for allocation among such associate companies of the liabilities and benefits arising from such consolidated tax return for each tax year in a manner not inconsistent with" the conditions of the rule. Rule 45(c)(5) provides that:

> The agreement may, instead of excluding members as provided in paragraph (c)(4), include all members of the group in the tax allocation, recognizing negative corporate taxable income or a negative corporate tax, according to the allocation method chosen. An agreement under this paragraph shall provide that those associate companies with a positive allocation will pay the amount allocated and those subsidiary companies with a negative allocation will receive current payment of their corporate tax credits. The agreement shall provide a method for apportioning such payments, and for carrying over uncompensated benefits, if the consolidated loss is too large to be used in full. Such method may assign priorities to specified kinds of benefits.

91. Under the rule, only "subsidiary companies," as opposed to "associate companies" (which includes the holding company in a holding company system), are entitled to be paid for corporate tax credits. However, if a tax allocation agreement does not fully comply with the provisions of Rule 45(c), it may nonetheless be approved by the Commission under Section 12(b) and Rule 45(a).

92. In connection with the 1981 amendments to Rule 45, the Commission explained that the distinction between associate companies, on the one hand, and subsidiary companies, on the other, represented a policy decision to preclude the holding company from sharing in consolidated return savings. The Commission noted that exploitation of utility companies by holding companies through the misallocation of consolidated tax return benefits was among the abuses examined in the investigations underlying the enactment of the Act. Holding Co. Act Rel. No. 21968 (March 25, 1981), citing Sen. Doc. 92, Part 72A, 70th Congress, 1st Sess. at 477-482. The Commission has

recognized that there is discretion on the part of the agency to approve tax allocation agreements that do not, by their terms, comply with Rule 45(c) -- so long as the policies and provisions of the Act are otherwise satisfied. In this matter, where the holding company is seeking only to receive payment for tax losses that have been generated by it, the proposed arrangement will not give rise to the types of problems (e.g., upstream loans) that the Act was intended to address.

93. As a result of the Mergers, New CEI will be creating tax credits that are non-recourse to the Subsidiaries. As a result, New CEI should retain the benefits of those tax credits. This authorization requested is similar to the authorization sought of the Commission by SCANA Corporation in File No. 70-9533 over which jurisdiction was reserved by the Commission. Accordingly, the Applicants request that the Commission reserve jurisdiction over the Tax Allocation Agreement discussed herein.

O. Certificates of Notification.

94. It is proposed that, with respect to New CEI, the reporting system of the 1933 Act and the 1934 Act be integrated with the reporting system under the Act. This would eliminate duplication of filings with the Commission that cover essentially the same subject matters, resulting in a reduction of expense for both the Commission and New CEI. To effect such integration, the portion of the 1933 Act and 1934 Act reports containing or reflecting disclosures of transactions occurring pursuant to the authorization granted in this proceeding would be incorporated by reference into this proceeding through Rule 24 certificates of notification. The certificates would also contain all other information required by Rule 24, including the certification that each transaction being reported on had been carried out in accordance with the terms and conditions of and for the purposes represented in this Application. Such certificates of notification would be filed within 60 days after the end of each of the first three calendar quarters, and 90 days after the end of the last calendar quarter, in which transactions occur.

95. The Rule 24 certificates will contain the following information for the reporting period:

(a) The sales of any Common Stock by New CEI and the purchase price per share and the market price per share at the date of the agreement of sale;

(b) The total number of shares of Common Stock issued or issuable under options granted during the quarter under New CEI's employee benefit plans and dividend reinvestment plan or otherwise, including any plans hereafter adopted;

(c) If Common Stock has been transferred to a seller of securities of a company or assets being acquired, the number of shares so issued, the value per share and whether the shares are restricted to the acquirer;

(d) The amount and terms of any Debentures issued during the quarter;

(e) The amount and terms of any financings consummated by any Nonutility Subsidiary during the quarter that are not exempt under Rule 52;

(f) The notional amount and principal terms of any Interest Rate Hedge or Anticipatory Derivative entered into during the quarter and the identity of the parties to such instruments;

(g) The name, parent company, and amount invested in any Intermediate Holding Company or new Subsidiary or Financing Subsidiary during the quarter;;

(h) A list of Form U-6B-2 statements filed with the Commission during the quarter, including the name of the filing entity and the date of the filing;

(i) The amount and terms of any short-term debt issued by New CEI during the quarter;

(j) The amount and terms of any short-term debt issued by any Utility Subsidiary during the quarter;

(k) The amount and terms of any short-term debt issued by any Intermediate Holding Company during the quarter;

(l) Consolidated balance sheets as of the end of the quarter, and separate balance sheets as of the end of the quarter for each company, including New CEI, that has engaged in financing transactions during the quarter.

(m) The name of the guarantor and of the beneficiary of any guarantied note, New CEI Guaranty or Intermediate Holding Company Guaranty issued during the quarter, and the amount, terms and purpose of the guaranty;

(n) Consolidated balance sheets as of the end of the quarter and separate balance sheets as of the end of the quarter for each company, including New CEI, that has engaged in jurisdictional financing transactions during the quarter;

(o) A table showing, as of the end of the quarter, the dollar and percentage components of the capital structures of New CEI on a consolidated basis, each Intermediate Holding Company and each Utility Subsidiary; and

(p). A retained earnings analysis of New CEI on a consolidated basis, each Intermediate Holding Company and each Utility Subsidiary detailing gross earnings, goodwill amortization, dividends paid out of each capital account, and the resulting capital account balances at the end of the quarter. (FN7)

Item 2. Fees, Commissions and Expenses

96. The information required by Item 2 will be provided by amendment.

Item 3. Applicable Statutory Provisions.

97. The following sections of the Act and the Commission's rules thereunder are or may be directly or indirectly applicable to the proposed transactions for which authorization is sought in this Application.

Section of/Rule under the Act	Transactions to which such Section/Rule is or may be applicable
Sections 6(a), 7, 9(a), 10, 12, 12(f)	Issuance of Securities; Incurrence of Indebtedness;
Sections 9(a), 10	Acquisition of Interest in a Business
Section 12(b), Rule 45	Provision of Guarantees and other Credit Support
Section 13, 13(b) Rules 80-92	Establishment of Service Company; Approval of Service Agreement; Exemption of Certain Transactions from At-Cost Rules
Section 12, Rule 45	Tax Allocation Agreement
Rule 42	Dividend Reinvestment Plans and Stock-Based Employee Benefit Plans

A. Issuance of Securities; Incurrence of Indebtedness; Provision of Guarantees

98. New CEI's proposed issuance of securities in connection with the Mergers including the proposed issuance of common stock to shareholders of NU in connection with the NU Merger is expressly permitted by Section 7(c)(2)(A) of the Act as such securities are to be issued "solely...for the purpose of effecting a merger." New CEI's credit support for its non-utility subsidiaries is also expressly permitted by the Act under Section 7(c)(1)(C). The particular question that arises in the current situation relates to the existence and future issuance of long-term debt securities (the "Proposed Securities") by New CEI generally.

99. Issuances and sales by New CEI of the Proposed Securities and of the guaranties by New CEI of issuances of the Proposed Securities by the Financing Subsidiaries are subject to sections 6(a), 7 and 12(b) of the Act and rule 45 under the Act.

100. Section 7(c) addresses the kinds of securities that a registered holding company may issue, subject to the standards of section 7(d), which addresses the quality and cost of the securities to be issued. Section 7(c)(1), which specifies the types of securities a registered holding company may issue, omits long-term unsecured debt securities.

101. The types of securities described in section 7(c)(1) are: (A) common stock having a par value and being without preference as to dividends or distribution over and having at least equal voting rights with, any outstanding security of the declarant; (B) bonds (i) secured by a first lien on the physical property of the declarant, or (ii) secured by an obligation of a subsidiary company of the declarant secured by a first lien on physical property of such subsidiary company, or (iii) secured by any other assets of the type and character which the Commission by rules and regulations or order may prescribe as appropriate in the public interest or for the protection of investors; (C) guaranties of, or assumption of liability on, a security of another company; or (D) receiver's or trustee's certificate[s] duly authorized by the appropriate court or courts.

102. Section 7(c)(2)(D) provides an exception for other securities not specified in section 7(c)(1) that are issued for "necessary and urgent corporate purposes" of the issuer ("Necessary and Urgent Clause"). This clause permits a registered holding company to issue or sell securities, subject to section 7(d), "for [its] necessary and urgent corporate purposes ... where the requirements of ...[section 7(c)(1)] would impose an unreasonable financial burden upon the [registered holding company] and are not necessary or appropriate in the public interest or for the protection of investors or consumers."

103. For many years, the Commission has authorized registered gas holding companies to issue long-term unsecured debt to finance their subsidiaries operations. In addition, the Commission has traditionally administered the Necessary and Urgent Clause so as to limit issuances of long-term debt by an electric holding company primarily to cases where there was a short-term need to provide funds for its utility operations, together with an expectation that the debt would be replaced with either equity or increased retained earnings in the foreseeable future. (FN8) In a recent order granted by the Commission for the Southern Company (Holding Co. Act Rel. 35-27134 (Feb. 9, 2000) (the "Southern Order"), the Commission authorized the holding company to issue long-term unsecured debt stating that in today's increasingly competitive environment which electric systems face and the changing mix of holding company businesses, such an issuance met the requirements of the Act.

104. As was the case in the Southern order, the proposed financings by New CEI are for a necessary and urgent corporate purpose resulting from the competitive nature of the energy markets within which New CEI must compete. In addition, certain non-utility subsidiaries of New CEI are unable

efficiently to secure financing for their operations on their own and thus must look to New CEI to obtain such funds. Also, compliance with the provisions of Subparagraph (1) of Section 7(c) would impose an unreasonable financial burden on New CEI by imposing a more costly and unnecessary means of raising needed capital. Compliance with the provisions of Subparagraph (1) of Section 7(c) is not necessary or appropriate in the public interest or for the protection of investors or consumers.

105. The financings are for necessary and urgent corporate purposes. Congress has authorized registered holding companies to acquire EWGs, FUCOs and ETCs and the Commission has authorized registered holding companies either by rule or order to engage in a variety of nonutility businesses. (e.g. energy-related companies formed under Rule 58). These businesses are deemed by the Act to be "consistent with the operation of an integrated public utility system." Many of these businesses, unlike utilities, are often unable to raise funds by themselves on a cost-effective basis. As a consequence, the Commission, in the Southern Order, found that a prohibition imposed by a restrictive interpretation of section 7(c)(2)(D) on the use by electric registered holding companies of securities other than equity and short-term debt to fund these businesses would unduly burden their participation in nonutility activities that either the Commission or Congress have authorized. The Commission recognized as necessary and urgent those purposes which a holding company finds to be compelling or crucial to its operations, whether utility or nonutility. The Commission also found that is prudent to refinance short-term debt when it has been incurred to acquire a long-term asset and that it is often uneconomical to refinance this debt through the issuance of securities by the acquired company or the issuance of holding company common stock.

106. Limiting New CEI's financing options may impose an unreasonable financial burden. As noted above, in prior financing orders relying on the Necessary and Urgent Clause, the Commission had concluded that the holding company could not favorably access the equity markets in order to meet its financing requirements. The financing cost differential between equity and either unsecured debt or hybrid securities can be very substantial. Failure to approve the application would result in a substantial financing cost burden on New CEI.

107. In addition, exclusive reliance on short-term debt subjects the issuer to interest rate fluctuations and limits the ability to realize the economic value of long-term assets. Short-term loan agreements also typically subject the issuer to more restrictive covenants than are prevalent in long-term financing. Exclusive reliance on equity will increase the after-tax cost of capital and will, in the short-term, dilute earnings per share. Although New CEI intends to also rely on a financing subsidiary to issue authorized securities, it seeks authority to do so directly in such circumstances it may deem to be more appropriate in light of circumstances, such as market conditions and transaction costs. As noted above, in the Southern Order, the Commission recognized that this sort of financing flexibility is needed by a registered holding company and that requiring a holding company to issue equity under circumstances when debt financing may be less expensive could impose an unreasonable financial burden on the company. In this regard, New CEI represents that it will not issue any proposed debt security unless it has evaluated all relevant financial considerations (including without limitation the cost of equity capital) and has determined that to do so is preferable to issuing common stock or short-term debt.

108. For the reasons discussed above, the Commission should find that the issuance of the Proposed Securities is permitted under the Necessary and Urgent Clause and that such issuance presents no detriment to the interests protected under the Act

B. Services Among the Nonutility Subsidiaries at Other than Cost

109. Section 13(b) of the Act generally requires that intrasystem sales, service and construction contracts be performed at cost, "as necessary or appropriate in the public interest or for the protection of investors or consumers and to ensure that such contracts are performed economically and efficiently for the benefit of such associate companies at cost, fairly and equitably allocated among such companies." Section 13 was "designed to protect public-utility companies against the tribute heretofore exacted from them in the performance of service, sales, and construction contracts by their holding companies and by servicing, construction, and other companies controlled by their holding companies." (S. Rep. No. 621, 74th Cong., 1st Sess. 36 (1935). See, also section 1(b)(2) of the Act).

110. Section 13(b), however, also authorizes the Commission to exempt from the at-cost requirement transactions that "involve special or unusual circumstances or are not in the ordinary course of business." The Commission has previously granted exemptions under section 13(b) in circumstances where a market rate would not "adversely affect consumers." (See, Interstate Energy Corporation, et al., Holding Co. Act Rel. No. 35-27069, August 26, 1999, Ameren Corporation, Holding Co. Act Rel. No. 35-27053, July 23, 1999, Cinergy Corp. Holding Co. Act Rel. No. 35-26984 (March 1 1999), Central and South West Corporation, et al. Holding Co. Act Rel. No. 35-26887 (June 19, 1998), the "Exemption Orders"). For example, some orders granting an exemption from the at-cost requirement involve power projects that (1) do not derive their income from sales of electricity within the United States, (2) sell electricity at rates that have been approved by federal or state regulators, (3) sell electricity to industrial or commercial customers at arms-length negotiated rates, or (4) sell electricity, but not to associate companies that are retail public-utility companies, at rates based upon cost of service and approved by federal or state regulators. The authorization requested is similar to those the Commission has previously granted "where structural protections to protect consumers against any adverse effect of pricing at market rates were in place." (Entergy Corporation, Holding Co. Act Rel. No. 35-27039 (June 22, 1999)). The purpose of the structural protections was to ensure that "departure from the at cost standard will not adversely affect

consumers." (Cinergy Corp. Holding Co. Act Rel. No. 35-26984 (March 1 1999)).

111. The requested exemption from the "at-cost" requirements of the Act in the circumstances described in Item 1.J, above is entirely consistent with Section 13(b) and the rules thereunder. First, as the electric industry restructures, it is important that the subsidiaries of public utility holding companies that are involved in competitive, unregulated businesses be free to conduct those businesses according to the same ground rules as are used in other competitive industries, including providing services to each other at prices other than "cost". Also, because the Nonutility Subsidiaries will be free to obtain services from unaffiliated companies, there will be structural safeguards in place to permit the Nonutility Subsidiaries to deal with each other on an appropriate, arms-length basis with respect to services provided at a price other than cost. In addition, as long as there are structural safeguards in place to protect ratepayers from any deviation from the cost standard, market rates charged by the Nonutility Subsidiaries would not "adversely affect consumers." Nonutility ServCo and the Nonutility Subsidiaries will adhere to Section 13 of the Act and the Commission's rules promulgated thereunder with respect to the allocation of their costs to their customer companies. Any allocation method that is used will be consistent with the Commission's rules with respect to allocations of costs to affiliated companies. Any amount billed for services performed by an affiliate under a service agreement with a Nonutility Subsidiary will be billed directly to that Nonutility Subsidiary. Nonutility ServCo and the Nonutility Subsidiaries will keep complete and accurate accounts of all receipts and expenditures in accordance with the Commission's rules and the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission. The Nonutility Subsidiaries will therefore comply with Rule 93 by following the Commission's System of Accounts set forth in 17 C.F.R. Part 256 and the Federal Energy Regulatory Commission's Uniform System of Accounts after which the Commission's System of Account was modeled.

112. This authorization requested is similar to other exemptions from the "at cost" standards of Rules 90 and 91 granted by the Commission. (See, Interstate Energy Corporation, et al., Holding Co. Act Rel. No. 35-27069, August 26, 1999, Ameren Corporation, Holding Co. Act Rel. No. 35-27053, July 23, 1999, Cinergy Corp. Holding Co. Act Rel. No. 35-26984 (March 1 1999), Central and South West Corporation, et al. Holding Co. Act Rel. No. 35-26887 (June 19, 1998), the "Exemption Orders").

C. Inclusion of NU's Consolidated Retained Earnings in New CEI's Calculation of its Consolidated Retained Earnings for purposes of Rule 53(a)(1)(ii).

113. As stated earlier, at the time immediately before the effectiveness of the Mergers, it is expected that NU will have CREs of more than $700 million (At September 30, 2000, NU had CREs of $691 million). New CEI hereby seeks authority to include the amount of NU's CREs as of immediately before the Mergers in the calculation of New CEI's CREs for purposes of Rule 53(a)(1). In addition, on a going forward basis, New CEI hereby seeks authorization and approval to include the amount of CREs of NU in New CEI's calculation of its CREs for purposes of Rule 53(a)(1).

D. Compliance With Rules 53 And 54.

114. The transactions proposed herein are also subject to Rules 53 and 54. Under Rule 53(a), the Commission shall not make certain specified findings under Sections 7 and 12 in connection with a proposal by a holding company to issue securities for the purpose of acquiring the securities of or other interest in an EWG, or to guaranty the securities of an EWG, if each of the conditions in paragraphs (a)(1) through (a)(4) thereof are met, provided that none of the conditions specified in paragraphs (b)(1) through (b)(3) of Rule 53 exists. Rule 54 provides that the Commission shall not consider the effect of the capitalization or earnings of subsidiaries of a registered holding company that are EWGs or FUCOs in determining whether to approve other transactions if Rule 53(a), (b) and (c) are satisfied. These standards are met.

115. Rule 53(a)(1): Immediately following the Mergers, New CEI's pro forma "aggregate investment" in EWGs and FUCOs as of September 30, 2000 will be approximately $635.4 million, or approximately 12.7% of New CEI's pro forma "average consolidated retained earnings" as of September 30, 2000 (approximately $5 billion) not including NU's average CREs as of September 30, 2000 of $638.8 million. (When NU's CREs are included within New CEI's CRE's, the percentage drops to 11.2%)

116. Rule 53(a)(2): New CEI will maintain books and records enabling it to identify investments in and earnings from each EWG and FUCO in which it directly or indirectly acquires and holds an interest. New CEI will cause each domestic EWG in which it acquires and holds an interest, and each foreign EWG and FUCO that is a majority-owned subsidiary, to maintain its books and records and prepare its financial statements in conformity with U.S. generally accepted accounting principles. All of such books and records and financial statements will be made available to the Commission, in English, upon request.

117. Rule 53(a)(3): No more than 2% of the employees of the Utility Subsidiaries will, at any one time, directly or indirectly, render services to EWGs and FUCOs.

118. Rule 53(a)(4): New CEI will submit a copy of the Application/Declaration in this proceeding and each amendment thereto, and will submit copies of any Rule 24 certificates required hereunder, as well as a copy of New CEI's Form U5S, to each of the public service commissions having jurisdiction over the retail rates of the Utility Subsidiaries.

119. In addition, New CEI states that the provisions of Rule 53(a) are not made inapplicable to the authorization herein requested by reason of the occurrence or continuance of any of the circumstances specified in Rule

53(b). Rule 53(c) is inapplicable by its terms.

Item 4.   Regulatory Approvals.

120. The Connecticut Department Public Utilities Commission ("DPUC") has issued interaffiliate transaction rules and regulations. The Applicants have an obligation to comply with such interaffiliate rules and regulations.

121. NYPSC has jurisdiction over the issuance of securities by CECONY and O&R, other than indebtedness with maturities of one year or less. The DPUC has jurisdiction over the issuance of securities by CL&P, other than indebtedness with maturities of one year or less. NHPUC has jurisdiction over the issuance of securities by PSNH and NAEC, other than indebtedness of up to one year not exceeding a stated limit. MDTE has jurisdiction over the issuance of securities by WMECO other than indebtedness with maturities of one year or less and has jurisdiction over the investment of WMECO funds, including through the New CEI Money Pool. Pennsylvania Public Utility Commission has jurisdiction over the issuance of securities by Pike, other than indebtedness with maturities of one year or less. The New Jersey Board of Public Utilities has jurisdiction over the issuance of securities by RECO other than indebtedness with maturities of one year or less.

122. Except as stated above, no state commission, and no federal commission, other than the Commission, has jurisdiction over any of the proposed transactions.

Item 5: Procedure

123. New CEI and the Subsidiaries hereby request that the Commission publish a notice under Rule 23 with respect to the filing of this Application as soon as practicable and that the Commission's order be issued as soon as possible. A form of notice suitable for publication in the Federal Register is attached hereto as Exhibit H-1. New CEI and the Subsidiaries respectfully request the Commission's approval, pursuant to this Application, of all transactions described herein, whether under the sections of the Act and Rules thereunder enumerated in Item 3 or otherwise. It is further requested that the Commission issue an order authorizing the transactions proposed herein at the earliest practicable date. Additionally, New CEI and the Subsidiaries (i) request that there not be any recommended decision by a hearing officer or by any responsible officer of the Commission, (ii) consent to the Office of Public Utility Regulation within the Division of Investment Management assisting in the preparation of the Commission's decision, and (iii) waive the 30-day waiting period between the issuance of the Commission's order and the date on which it is to become effective, since it is desired that the Commission's order, when issued, become effective immediately.

Item 6. Exhibits and Financial Statements

* To be filed by amendment
** Previously filed

(a) Exhibits

C-1 Registration Statement on Form S-4 (incorporated by reference to File No. 333-31390)
F-1 Opinion of Counsel*
G-1 Financial Data Schedule
H-1 Form of Notice**
I-1 New CEI Corporate Chart*
I.2 List of Nonutility Subsidiaries
J- 1 CEI Investments in EWGs and FUCOs
K-1 Debt Issuances of CEI Subsidiaries
K-2 List of CEI Guarantees
L-1   Proposed New CEI Money Pool Terms
M-1 Form of CEISCO Service Agreement
M-2 Service Company Policies and Procedures
N-1 Form of Tax Allocation Agreement

(b) Financial Statements

Item 7. Information as to Environmental Effects

124. The Transaction neither involves a "major federal action" nor "significantly affects the quality of the human environment" as those terms are used in Section 102(2)(C) of the National Environmental Policy Act, 42 U.S.C. Sec. 4321 et seq. The only federal actions related to the Transaction pertain to the Commission's declaration of the effectiveness of the Registration Statement of CEI and NU on Form S-4 and Commission approval of this Application. Consummation of the Transaction will not result in changes in the operations of New CEI, CEI, NU, YES or any of their respective subsidiaries that would have any impact on the environment. No federal agency is preparing an environmental impact statement with respect to this matter.

SIGNATURES

Pursuant to the requirement of the Public Utility Holding Company Act of 1935, as amended, the undersigned companies have duly caused this statement to be signed on their behalf by the undersigned thereunto duly authorized.

Date: January 16, 2001

Consolidated Edison, Inc.
(a Delaware Company)

By: /s/ John D. McMahon
John D. McMahon
Vice President and General Counsel,

Consolidated Edison, Inc.
(a New York Company)
Consolidated Edison Company of New York, Inc.

By: /s/ John D. McMahon
John D. McMahon
Senior Vice President and General Counsel,

Consolidated Edison Solutions, Inc.

By:/s/ Paula F. Jones
Paula F. Jones
Secretary

Consolidated Edison Energy, Inc.

By: /s/ Brain Cray
Brain Cray
Secretary

Consolidated Edison Development, Inc.
CED Ada, Inc.
CED/SCS Newington, LLC
CED Generation Holding Company, LLC
CED Management Company, Inc.
CED Operating Company, L.P.
Consolidated Edison Energy Massachusetts, Inc.
CED-GTM 1, LLC
Lakewood Cogeneration, L.P.
CED - Lakewood Inc.
CED Generation Lakewood Company

By: /s/Andrew W. Scher
Andrew W. Scher
Secretary

Consolidated Edison Communications, Inc.

By:/s/ Edward P. Reardon
Edward P. Reardon
Secretary

Orange and Rockland Utilities, Inc.
Rockland Electric Company
Pike County Light & Power Company

By:/s/ Peter A. Irwin
Peter A. Irwin
Secretary

Northeast Utilities
Western Massachusetts Electric Company
The Quinnehtuck Company
The Connecticut Light and Power Company
Northeast Utilities Service Company
NU Enterprises, Inc.
Northeast Generation Company
Northeast Generation Services Company
Select Energy, Inc.
Mode 1 Communications, Inc.
The Rocky River Realty Company
Northeast Nuclear Energy Company
Select Energy Portland Pipeline, Inc.
Charter Oak Energy, Inc.
Select Energy Contracting, Inc.
North Atlantic Energy Service Corporation
North Atlantic Energy Corporation
Public Service Company of New Hampshire
Holyoke Water Power Company
HEC Inc.
Reeds Ferry, Inc.
Yankee Energy System, Inc.
Yankee Gas Services Company
Yankee Energy Financial Services Company
NorConn Properties, Inc.
Yankee Energy Services Company
R.M. Services, Inc.

By: /s/ Cheryl W. Grise
Name: Cheryl W. Grise
Title: Senior Vice President, Secretary and General Counsel -Northeast Utilities Service Company, as Agent for all of the above named companies.

Footnotes:

(FN1) Rule 53 (a), subject to conditions specified in Rule 53(b), allows a registered holding company to issue or sell securities equal to up to 50% of its "average consolidated retained earnings" to finance the acquisition of an exempt wholesale generator or foreign utility company.

(FN2) NU received an order from the Commission authorizing the investment in Northeast Generation Company, an EWG, in an amount equal to 83% of NU's average consolidated retained earnings ("CRE") (Holding Co. Act Rel. 35-27148(March 7, 2000)). As a result of the Merger, such authorization will no longer be needed as the aggregate EWG and FUCO investment by the New CEI system will be within the safe harbor provisions of Rule 53 (50% of average CREs).

(FN3) PSNH and NAEC require the approval of the NHPUC to incur short-term debt in excess of 10% of their respective net plants (as of June 30, 2000 $68.6 million in the case of PSNH and $53.3 million in the case of NAEC.) Authorization is sought herein for short term borrowings of PSNH and NAEC up to 10% of their respective net plant with a maximum of $225 million for PSNH and $260 million for NAEC.

(FN4) CEISCO will not be a member of the Money Pool and seeks authorization to administer the Money Pool solely under Section 13 of the Act and Rules 90 and 91.

(FN5) Under Massachusetts law. WMECO may not invest in its affiliates through the money pool without specific Massachusetts Department of Telecommunication and Energy ("MDTE") approval. Such approval has not yet been sought. The Applicants request that the Commission authorize the participation by WMECO in the Money Pool but reserve jurisdiction over any contributions of funds by WMECO to the Money Pool pending completion of the record.

(FN6) PSNH is authorized by state order to participate in the NU System Money Pool but is currently restricted from lending funds to the NU System Money Pool pursuant to a subsequent order of the NHPUC, until certain write-offs required by the Conformed Settlement Agreement approved by the NHPUC regarding electric utility restructuring have been taken by the company. The participation of NAEC in the NU System Money Pool was also approved by the NHPUC in Order No. 20,416, dated March 19, 1992. Thus the participation of PSNH and NAEC in the NU System Money Pool is exempt from Commission jurisdiction pursuant to Rule 52(a).

(FN7) Any of the information described in items a. through p. that is provided under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, may be incorporated into the rule 24 certificate by reference.

(FN8) See, e.g., Northeast Utilities, Holding Co. Act Rel. No. 19519 (stating an expectation that the required funds would be raised on a permanent basis through the issuance of equity "if and when [the registered holding company would be] in a position to do so on satisfactory terms"); GPU, Inc., Holding Co. Act Rel. No. 16540 (relying on a representation by the registered holding company that the utility subsidiary companies requiring the funds would in the future finance their own capital requirements as their earnings improved).

Exhibit 99.1

NEW CON EDISON
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	Con Edison Historical	Northeast Pro Forma (A)	Merger Adjustments
ASSETS			
Utility plant, net	$ 11,914,540	$ 4,296,561	
Other property and investments	550,315	985,664	
Cash and temporary cash investments	72,810	237,972	
Accounts receivable, net	800,019	479,957	
Other current assets	944,687	642,636	
Unamortized debt expense	152,854	33,524	
Regulatory assets and deferred charges	1,653,397	3,552,845	
Goodwill	419,328	332,664	$ 1,584,678 (B)
Total Assets	$ 16,507,950	$ 10,561,823	$ 1,584,678
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common shareholders' equity*	$ 5,542,724	$ 2,405,322	$ (435,322)(C)
Preferred Stock subject to mandatory redemption	37,050	15,000	
Preferred stock not subject to mandatory redemption	212,563	136,200	
Long-term debt	5,222,309	2,042,929	1,970,000 (D)
Total Capitalization	11,014,646	4,599,451	1,534,678
Minority interest in consolidated subsidiaries	--	100,000	
Obligations under capital leases	32,283	50,619	
Rate reduction bond obligation	--	--	
Other noncurrent liabilities	369,782	--	
Long-term debt and preferred stock - current	158,910	539,900	
Notes payable	243,004	1,127,338**	
Other current liabilities	1,617,575	911,719	50,000 (B)
Accumulated deferred federal income tax	2,410,001	1,674,587	
Regulatory liabilities and deferred credits	661,749	1,558,209	
Total Capitalization and Liabilities	$ 16,507,950	$ 10,561,823	$ 1,584,678

	Northeast Securitization	Incremental Financing*	Pro Forma Combined
ASSETS			
Utility plant, net			$ 16,211,101
Other property and investments			1,535,979
Cash and temporary cash investments	$ 353,329(H)&(J)	$ 2,014,274(N)	2,678,385
Accounts receivable, net	115,012(H)		1,394,988
Other current assets			1,587,323
Unamortized debt expense			186,378
Regulatory assets and deferred charges	1,249,731(H)		6,455,973
Goodwill			2,336,670
Total Assets	$ 1,718,072	$ 2,014,274	$ 32,386,797
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common shareholders' equity*	$ --(H)&(I)	$ (145,384)(P)	$ 7,367,340
Preferred stock subject to mandatory redemption	(15,000)(H)		37,050
Preferred stock not subject to mandatory redemption	(20,000)(H)	750,000(Q)	1,078,763
Long-term debt	(138,784)(H)		9,096,454
Total Capitalization	(173,784)	604,616	17,579,607
Minority interest in consolidated subsidiaries	(100,000)(H)		--
Obligations under capital leases	--(H)&(I)		82,902
Rate reduction bond obligation	2,188,000(H)		2,188,000
Other noncurrent liabilities			369,782
Long-term debt and preferred stock - current	(171,983)(H)		526,827
Notes payable	(139,173)(H)	1,409,658(O)	2,640,827
Other current liabilities	102,319(H)		2,681,613
Accumulated deferred federal income tax	12,693(H)		4,097,281
Regulatory liabilities and deferred credits			2,219,958

Total Capitalization and Liabilities	$ 1,718,072	$ 2,014,274	$ 32,386,797

*The issuance of 50 million shares of New CEI Common Stock pursuant to stock plans or in exchange for securities or assets of other companies, approval of which is being requested, has not been reflected in the Pro Forma. Currently, all stock plans are using market purchased shares and no exchange of New CEI Common Stock for securities or assets of another company is pending (other than the CEI/NU merger, which has been reflected in the Pro Forma).

**Includes $430 million of short-term debt for Northeast Generation Company which is not jurisdictional to the SEC because it has EWG status.

This statement does not reflect the operating results and financial position of Con Edison and Northeast Utilities relating to the pending sales for utility assets.

The accompanying notes to the pro forma are an integral part of this statement.

NEW CON EDISON
UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)`

	Con Edison Historical	Northeast Pro Forma (A)	Merger Adjustments
Operating revenues			
Electric	$ 6,802,697	$5,137,373	$
Gas	1,168,993	484,881	
Steam	407,303	--	
Non-utility	691,380	96,138	
Total operating revenues	9,070,373	5,718,392	
Operating expenses			
Fuel and purchased power	4,359,755	3,046,583	
Other operations	1,172,060	934,438	
Maintenance	449,732	251,570	
Depreciation and amortization	564,445	815,587	39,617(B)
Taxes, other than federal income tax	1,173,082	251,112	
Federal income tax	324,332	254,032	
Total operating expenses	8,043,406	5,553,322	39,617
Operating income	1,026,967	165,070	(39,617)
Other income (deductions)			
Investment income	13,852	6,887	
Allowance for equity funds used during construction	1,493	--	
Other income less miscellaneous deductions	(10,887)	197,097	
Federal income tax	29,784	91,531	58,608(E)
Total other income	34,242	295,515	58,608
Income before interest charges	1,061,209	460,585	18,991
Interest charges	393,782	304,523	167,450(F)
Allowance for borrowed funds used during construction	(4,481)	--	
Net interest charges	389,301	304,523	167,450
Preferred stock dividend requirements	13,592	16,634	
Net income for common stock	$ 658,316	$ 139,428	$ (148,459)
Common shares outstanding - average (000)*	213,372	139,166	(91,200)(G)
Basic earnings per share	$ 3.09	$ 1.00	

	Northeast Securitization	Incremental Financing*	Pro Forma Combined
Operating revenues			
Electric	$ 115,012(H)	$	$12,055,082
Gas			1,653,874
Steam			407,303
Non-utility			787,518
Total operating revenues	115,012		14,903,777
Operating expenses			
Fuel and purchased power			7,406,338
Other operations			2,106,498
Maintenance			701,302

Depreciation and amortization			1,419,649
Taxes, other than federal income tax			1,424,194
Federal income tax			578,364
Total operating expenses			13,636,345
Operating income	115,012		1,267,432
Other income (deductions)			
Investment income			20,739
Allowance for equity funds used during construction			1,493
Other income less miscellaneous deductions			186,210
Federal income tax		41,937(L)	221,860
Total other income		41,937	430,302
Income before interest charges	115,012	41,937	1,697,734
Interest charges		119,821(M)	985,576
Allowance for borrowed funds used during construction			(4,481)
Net interest charges	--	119,821	981,095
Preferred stock dividend requirements		67,500(R)	97,726
Net income for common stock	$ 115,012	$ (145,384)	$ 618,913
Common shares outstanding - average (000)*			261,338
Basic earnings per share			$ 2.37(D)

*The issuance of 50 million shares of New CEI Common Stock pursuant to stock plans or in exchange for securities or assets of other companies, approval of which is being requested, has not been reflected in the Pro Forma. Currently, all stock plans are using market purchased shares and no exchange of New CEI Common Stock for securities or assets of another company is pending (other than the CEI/NU merger, which has been reflected in the Pro Forma).

This statement does not reflect the operating results and financial position of Con Edison and Northeast Utilities relating to the announced sales for their utility assets.

The accompanying notes to the pro forma are an integral part of this statement.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

Notes related to Con Edison and Northeast merger

Note A. Unaudited Pro Forma Combined Condensed Income Statement

Reflects the combination of the historical information of Northeast and Yankee to give effect to the acquisition of Yankee by Northeast as if it occurred by January 1, 2000 instead of March 1, 2000.

Note B. Goodwill

Reflects adjustment to record the goodwill resulting from the merger:

Purchase of 148.7 million Northeast common shares	$3,940,000
Estimated direct costs incurred in consummating the merger	50,000
Elimination of Northeast Shareholders' equity on September 30, 2000	(2,405,322)
Addition of Northeast goodwill to purchase price	332,664
Total goodwill created as a result of the merger	$1,917,342

Amortization of goodwill over 1-year period (assuming straight line method over 40 years)	$47,934
Elimination of Northeast purchased goodwill	(332,664)
Reversal of amortization of Northeast purchased goodwill over 1-year period	(8,317)

Note C. Common Shareholders' Equity

Reflects payment of stock consideration in the merger as discussed in Note D net of the elimination of Northeast shareholders' equity.

Elimination of Northeast shareholders' equity	($2,405,322)
Issuance of stock to purchase Northeast common shares	1,970,000
	($435,322)

Note D. Merger Consideration

The unaudited pro forma combined condensed financial statements assume that 50% of the outstanding Northeast common shares were exchanged for cash consideration of $26.50 and 50%

of the outstanding Northeast common shares were exchanged for .646 shares of New Con Edison common stock. We have assumed that the cash payment to Northeast shareholders will be financed through the issuance of long-term debt. The merger consideration was determined assuming that the merger would be consummated on December 31, 2000, the average trading price of Con Edison common shares over the specified period would be $41.00 and the value of the fraction of a share of New Con Edison common stock delivered to Northeast shareholders would remain at $26.50 at the time of delivery. A Con Edison share price of $41.00 has been assumed because it represents the midpoint of the price collar established for Con Edison's share price.

Cash payment to Northeast shareholders	$1,970,000
Stock payment to Northeast shareholders	1,970,000
Purchase of 148.7 million Northeast common shares	$3,940,000

Note E. Income Taxes

Reflects tax benefit, based on an assumed tax rate of 35%, from the payments of 1 year.	($58,608)

Note F. Interest Charges

Reflects $1.970 billion of long-term debt bearing interest over one year at an effective interest rate of 8.5% inclusive of costs of issuance, the proceeds of which may be used to fund the cash consideration to be paid to Northeast shareholders	$167,450

A 1/8 of 1% variation in the interest rate would result in a $2.5 million change in interest expense.

Note G. Outstanding Shares (12 Months)

Reflects the issuance of 47,966,000 New Con Edison shares at an assumed issuance cost of $41.00 as described in Note D net of the elimination of outstanding Northeast common shares.

Elimination of outstanding Northeast common shares	$ (139,166)
Purchase of 50% of 148,700,000 Northeast common shares at an exchange rate of .646 shares of New Con Edison common stock per Northeast common share	47,966
	$ (91,200)

NORTHEAST UTILITIES AND SUBSIDIARIES
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS

Note H.	Receivables, net	115,012	
	Regulatory assets -- other	1,244,074	
	Unamortized debt expense	5,657	
	Common stock	1	
	Capital surplus, paid in	269,999	
	Preferred stock not subject to mandatory redemption	20,000	
	Preferred stock subject to mandatory redemption	15,000	
	Long-term debt	138,784	
	Minority interest in consolidated subsidiary	100,000	
	Obligations under capital leases	254,894	
	Notes payable to banks	139,173	
	Long-term debt and preferred stock - current portion	171,983	
	Obligations under capital leases -- current portion	94,645	
	Accrued taxes	12,693	
	Interest on long-term debt	115,012	
	Cash and cash equivalents		(3,790)
	Rate reduction bond obligation		2,188,000
	Accrued interest		115,012
	Accumulated deferred income taxes		12,693
	Operating revenues		115,012
	Fuel, purchased and net interchange power		-
	Operating expenses -- operation -- other		-
	Federal and state income taxes		-
	Income taxes		-
	Investment in subsidiary companies		270,000

To record summary entry for NU consolidated - securitization.

Note I.	Investment in subsidiary companies	270,000	
	Common stock		1
	Capital surplus, paid in		269,999

To eliminate impact of pro forma adjustments on investment in subsidiary companies from securitization.

Note J.	Cash	349,539	
	Obligations under capital leases		254,894
	Obligations under capital leases - current portion		94,645

To eliminate impact of intercopmany lease pay down from securitization.

Notes related to Con Edison and Northeast Utilities incremental debt issuance

Note K. Unaudited Pro Forma Combined Condensed Income Statement

The following Pro Forma consolidated financial information is based upon historical consolidated financial statements of Consolidated Edison and Northeast Utilities. These Pro Forma financial statements reflect the $1,410 million incremental debt issuance at 8.5%.

Note L. Income Taxes

	Reflects tax benefit, based on an assumed tax rate of 35%, from the payments of one year of interest charges described in Note K.	$ 41,937

Note M. Interest Charges

	Reflects interest over one year at an effective interest rate of 8.5% on incremental debt. (See Note M)	$ 119,821

A 1/8 of 1% variation in the interest rate would result in a $1.8 million change in interest expense.

Note N. Cash

	Reflects net increase to cash after payment of interest expense for a full year and tax benefit. (See Notes J, K, M and O)	$2,081,774
	Reflects cash payment for preferred stock dividend (See Note P).	($67,500)
		$2,014,274

Note O. Incremental debt financing (new issuance)

	Equals New CEI Debt Limit ($4.75 billion) less acquisition financing ($1.97 billion) and short-term debt outstanding ($1.37 billion) as of 9/30/2000.	$1,409,658

Note P. Stockholders' equity

	Reflects net change to stockholders' equity for interest expenses, tax benefit and preferred stock dividends for a full year.	($145,384)

Note Q.

	Preferred stock Reflects $750 million of Preferred Stock	$ 750,000

Note R. Preferred stock dividends

	Preferred stock dividend declared bearing dividend yield of 9% over one year.	$ 67,500

A 1/8 of 1% variation in the dividend yield would result in a $84 thousand change in preferred stock dividends.

Exhibit 99.2

NORTHEAST UTILITIES AND SUBSIDIARIES
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

		PRO FORMA ADJUSTMENTS			
	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Electric	$ 9,314,090	$	$	$	$ 9,314,090
Gas and other	847,856				847,856
	10,161,946	0	0	0	10,161,946
Less: Accumulated provision for depreciation	6,493,571				6,493,571
	3,668,375	0	0	0	3,668,375
Unamortized PSNH acquisition costs	303,123				303,123
Construction work in progress	206,513				206,513
Nuclear fuel, net	118,550				118,550
Total net utility plant	4,296,561	0	0	0	4,296,561
Other Property and Investments:					
Nuclear decommissioning trusts, at market	762,686				762,686
Investments in regional nuclear generating companies, at equity	83,284				83,284
Other, at cost	139,694				139,694
	985,664	0	0	0	985,664
Current Assets:					
Cash and cash equivalents	237,972		353,329[2]/[5]	1,431,173[3]	2,022,474
Investment in securitizable assets	62,635				62,635
Receivables, net	479,957		115,012[2]		594,969
Unbilled revenues	72,003				72,003
Fuel, materials and supplies, at average cost	171,253				171,253
Recoverable energy costs, net - current portion	109,882				109,882
Prepayments and other	226,863				226,863
	1,360,565	0	468,341	1,431,173	3,260,079
Deferred Charges:					
Regulatory assets:					
Recoverable nuclear costs	2,096,234				2,096,234
Income taxes, net	598,942				598,942
Deferred costs - nuclear plants	50,287				50,287
Unrecovered contractual obligations	265,375				265,375
Recoverable energy costs, net	197,349				197,349
Other	152,814		1,244,074[2]		1,396,888
Unamortized debt expense	33,524		5,657[2]		39,181
Goodwill and other purchased intangible assets	336,221	(3,557)[1]			332,664
Other	191,844				191,844
	3,922,590	(3,557)	1,249,731	0	5,168,764
Total Assets	$10,565,380	$(3,557)	$1,718,072	$1,431,173	$13,711,068

NORTHEAST UTILITIES AND SUBSIDIARIES
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

		PRO FORMA ADJUSTMENTS			
	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 743,480	$	$ 0[2]/[4]	$	$ 743,480
Capital surplus, paid in	1,094,996		0[2]/[4]		1,094,996
Deferred contribution plan - employee stock ownership plan	(118,554)				(118,554)
Retained earnings	691,164	(8,463)[1]		(71,190)	611,511
Accumulated other comprehensive income	2,699				2,699
Total common stockholders' equity	2,413,785	(8,463)	0	(71,190)	2,334,132

	Per Book	Yankee Merger	Securitization	Short-Term Debt	Pro Forma Giving Effect to Adjustments
Preferred stock not subject to mandatory redemption	136,200		(20,000)[2]		116,200
Preferred stock subject to mandatory redemption	15,000		(15,000)[2]		0
Long-term debt	2,042,929		(138,784)[2]		1,904,145
Total capitalization	4,607,914	(8,463)	(173,784)	(71,190)	4,354,477
Minority Interest in Consolidated Subsidiary	100,000		(100,000)[2]		0
Obligations Under Capital Leases	50,619		0[2]/[5]		50,619
Rate Reduction Bond Obligation	0		2,188,000[2]		2,188,000
Current Liabilities:					
Notes payable to banks**	1,127,338		(139,173)[2]	1,431,173[3]	2,419,338
Long-term debt and preferred stock - current portion	539,900		(171,983)[2]		367,917
Obligations under capital leases - current portion	113,101		0[2]/[5]		113,101
Accounts payable	481,411				481,411
Accrued taxes	144,282	(3,270)[1]	(12,693)[2]	(47,459)[3]	80,860
Accrued interest	46,760	8,176[1]	115,012[2]	118,649[3]	288,597
Other	121,259				121,259
	2,574,051	4,906	(208,837)	1,502,363	3,872,483
Deferred Credits and Other Long-term Liabilities:					
Accumulated deferred income taxes	1,674,587		12,693[2]		1,687,280
Accumulated deferred investment tax credits	156,002				156,002
Decommissioning obligation - Millstone 1	683,234				683,234
Deferred contractual obligations	255,816				255,816
Other	463,157				463,157
	3,232,796	0	12,693	0	3,245,489
Total Capitalization and Liabilities	$10,565,380	$(3,557)	$1,718,072	$1,431,173	$13,711,068

** Includes $430 million of short-term debt for Northeast Generation Company which is not jurisdictional to the SEC because it has EWG status.

NORTHEAST UTILITIES AND SUBSIDIARIES
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

			PRO FORMA ADJUSTMENTS		PRO FORMA GIVING EFFECT TO ADJUSTMENTS
	PER BOOK*	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	
Operating Revenues	$5,718,392	$	$115,012[2]	$	$5,833,404
Operating Expenses:					
Operation -					
Fuel, purchased and net interchange power	3,046,583		0[2]		3,046,583
Other	934,438		0[2]		934,438
Maintenance	251,570				251,570
Depreciation	245,055				245,055
Amortization of regulatory assets, net	566,975	3,557[1]			570,532
Federal and state income taxes	251,112		0[2]		251,112
Taxes other than income taxes	254,032				254,032
Gain on sale of utility plant	(287,672)				(287,672)
Total operating expenses	5,262,093	3,557	0	0	5,265,650
Operating Income	456,299	(3,557)	115,012	0	567,754
Other Income/(Loss):					
Equity in earnings of regional nuclear generating and transmission companies	6,887				6,887
Nuclear related costs	(69,354)				(69,354)
Other, net	(11,921)				(11,921)
Minority interest in loss of subsidiary	(9,300)				(9,300)
Income taxes	88,261	3,270[1]	0[2]	47,459[3]	138,990
Other income/(loss), net	4,573	3,270	0	47,459	55,302
Income before interest charges	460,872	(287)	115,012	47,459	623,056

Interest Charges:					
Interest on long-term debt	218,661		115,012		333,673
Other interest	77,686	8,176[1]		118,649[3]	204,511
Interest charges, net	296,347	8,176	115,012	118,649	538,184
Preferred dividends of subsidiaries	16,633				16,633
Net Income	$ 147,892	$(8,463)	$ 0	$(71,190)	$ 68,239

[1] - See adjustment a.
[2] - See adjustment b.
[3] - See adjustment c.
[4] - See adjustment d.
[5] - See adjustment e.

* - Includes income statement activity of Yankee Energy System for the 5 months ended February 29, 2000.

	Debit	Credit
a) Amortization of regulatory assets, net	3,557	
Other interest	8,176	
Accrued taxes	3,270	
Goodwill and other		3,557
Accrued interest		8,176
Income taxes		3,270

To record summary entry for NU Consolidated - Yankee merger adjustment.

b) Receivables, net	115,012	
Regulatory assets -- other	1,244,074	
Unamortized debt expense	5,657	
Common stock	1	
Capital surplus, paid in	269,999	
Preferred stock not subject to mandatory redemption	20,000	
Preferred stock subject to mandatory redemption	15,000	
Long-term debt	138,784	
Minority interest in consolidated subsidiary	100,000	
Obligations under capital leases	254,894	
Notes payable to banks	139,173	
Long-term debt and preferred stock - current portion	171,983	
Obligations under capital leases -- current portion	94,645	
Accrued taxes	12,693	
Interest on long-term debt	115,012	
Cash and cash equivalents		(3,790)
Rate reduction bond obligation		2,188,000
Accrued interest		115,012
Accumulated deferred income taxes		12,693
Operating revenues		115,012
Fuel, purchased and net interchange power		-
Operating expenses -- operation -- other		-
Federal and state income taxes		-
Income taxes		-
Investment in subsidiary companies		270,000

To record summary entry for NU Consolidated - securitization.

c) Cash and cash equivalents	1,431,173	
Other interest	118,649	
Accrued taxes	47,459	
Notes payable to bank		1,431,173
Accrued interest		118,649
Income taxes		47,459

To record summary entry for NU Consolidated - short-term debt.

d) Investment in subsidiary companies	270,000	
Common stock		1
Capital surplus, paid in		269,999

To eliminate impact of pro forma adjustments on investment in subsidiary companies from securitization.

e) Cash	349,539	
Obligations under capital leases		254,894
Obligations under capital leases - current portion		94,645

To eliminate impact of intercopmany lease pay down from securitization.

Exhibit 99.3

CONSOLIDATED ORANGE AND ROCKLAND UTILITIES, INC.
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	As At September 30, 2000	Pro Forma Adjustments	Pro Forma Combined
ASSETS			
Utility plant, net	$ 708,278		$ 708,278
Other property and investments	3,258		3,258
Cash and temporary cash investments	8,181	$ 159,757(D)	167,938
Accounts receivable, net	81,770		81,770
Other current assets	95,082		95,082
Regulatory assets and deferred charges	191,115	--	191,115
Total Assets	$1,087,684	$ 159,757	$1,247,441
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common shareholders' equity	$ 336,660	$ (9,343)(F)	$ 327,317
Long-term debt	335,628	--	335,628
Total Capitalization	672,288	(9,343)	662,945
Other noncurrent liabilities	105,266		105,266
Notes Payable	5,900	169,100(E)	175,000
Current liabilities	146,629		146,629
Accumulated deferred federal income tax	119,299		119,299
Regulatory liabilities and deferred credits	38,302	--	38,302
Total Capitalization and Liabilities	$1,087,684	$ 159,757	$1,247,441

Source: 2000 September 10Q - September 2000 Balance Sheet.
The accompanying notes to the pro forma are an integral part of this statement.

CONSOLIDATED ORANGE AND ROCKLAND UTILITIES, INC.
UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	12 Months Ended Sep 30, 2000	Pro Forma Adjustments	Pro Forma Combined
Operating revenues			
Electric	$ 491,608	$	$ 491,608
Gas	170,630		170,630
Non-utility	4,568	--	4,568
Total operating revenues	666,806	--	666,806
Operating expenses			
Fuel and purchased power	361,467		361,467
Other operations	118,772		118,772
Maintenance	26,983		26,983
Depreciation and amortization	28,692		28,692
Taxes, other than federal income tax	65,627		65,627
Federal income tax	14,121	--	14,121
Total operating expenses	615,662	--	615,662
Operating income	51,144	--	51,144
Other income (deductions)			
Investment income	5,678		5,678
Allowance for equity funds used during construction	234		234
Other income less miscellaneous deductions	1,085		1,085
Federal income tax	4,711	5,031(B)	9,742
Total other income	11,708	5,031	16,739
Income before interest charges	62,852	5,031	67,883

Interest charges	27,573	14,374(C)	41,947
Allowance for borrowed funds used during construction	(414)	--	(414)
Net interest charges	27,159	14,374	41,533
Net income for common stock	$ 35,693	$ (9,343)	$ 26,350

Source: 2000 September 10Q - September 1999 and 2000 Income Statement.
Source: 1999 10K - December 1999 Income Statement.
The accompanying notes to the pro forma are an integral part of this statement.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS (DOLLARS IN THOUSANDS)

Note A. Unaudited Pro Forma Combined Condensed Income Statement

The following Pro Forma consolidated financial information is based upon historical consolidated financial statement of Orange and Rockland Utilities, Inc . These Pro forma financial statements reflect the $169.1 million short-term debt issuance at 8.5%

Note B. Income Taxes

Reflects tax benefit, on an assumed tax rate 35%, from the payments of nine months of interest charges described in Note F	$ 3,773
Tax benefit for full year	$ 5,031

Note C. Interest Charges

Reflects $169.1 million of short-term debt issued, bearing interest over nine months at an effective interest rate of 8.5%	$ 10,780
Interest expense for full year	$ 14,374

Note D. Cash

Reflects net increase to cash after payment of interest expense for a full year and tax benefit	$159,757

Note E. Short-term debt

Reflects increase to short-term debt up to $175 million of the aggregate principle amount	$169,100

Note F. Stockholders' equity

Reflects net change to stockholders' equity for interest expenses and tax benefit for a full year	$ 9,343

Exhibit 99.4

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. (CECONY)
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	CECONY Historical	Pro Forma Adjustments	Pro Forma Combined
ASSETS			
Utility plant, net	$10,902,056	$	$10,902,056
Other property and investments	359,957		359,957
Cash and temporary cash investments	46,309	599,945 (D)	646,254
Accounts receivable, net	649,694		649,694
Other current assets	828,455		828,455
Regulatory assets and deferred charges	1,573,592		1,573,592
Total Assets	$14,360,063	$599,945	$14,960,008
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common shareholders' equity	$4,541,343	$(35,086) (F)	$4,506,257
Preferred stock subject to mandatory redemption	37,050		37,050
Preferred stock not subject to mandatory redemption	212,563		212,563
Long-term debt	4,716,901		4,716,901
Total Capitalization	9,507,857	(35,086)	9,472,771
Obligations under capital leases	32,184		32,184
Other noncurrent liabilities	255,212		255,212
Notes payable	164,969	635,031 (E)	800,000
Long-term debt due within one year	150,000		150,000
Other current liabilities	1,380,255		1,380,255
Accumulated deferred federal income tax	2,253,152		2,253,152
Regulatory liabilities and deferred credits	616,434		616,434
Total Capitalization and Liabilities	$14,360,063	$599,945	$14,960,008

The accompanying notes to the pro forma are an integral part of this statement.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. (CECONY)
UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	CECONY Historical	Pro Forma Adjustments	Pro Forma Combined
Operating revenues			
Electric	$6,370,652		$6,370,652
Gas	1,001,363		1,001,363
Steam	407,303		407,303
Total operating revenues	7,779,318		7,779,318
Operating expenses			
Fuel and purchased power	3,492,483		3,492,483
Other operations	966,454		966,454
Maintenance	422,746		422,746
Depreciation and amortization	513,891		513,891
Taxes, other than federal income tax	1,093,847		1,093,847
Federal income tax	311,369		311,369
Total operating expenses	6,800,790		6,800,790
Operating income	978,528		978,528
Other income (deductions)			
Investment income	6,118		6,118
Allowance for equity funds used during construction	1,259		1,259
Other income less miscellaneous deductions	(5,549)		(5,549)
Federal income tax	31,084	$ 18,892 (B)	49,976
Total other income	32,912	18,892	51,804

Income before interest charges	1,011,440	18,892	1,030,332
Interest charges	358,664	53,978 (C)	412,642
Allowance for borrowed funds used during construction	(4,067)		(4,067)
Net interest charges	354,597	53,978	408,575
Preferred stock dividend requirements	13,592		13,592
Net income for common stock	$643,251	($35,086)	$608,165

The accompanying notes to the pro forma are an integral part of this statement.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

Note A. Unaudited Pro Forma Combined Condensed Income Statement
The following Pro Forma consolidated financial information is based upon historical consolidated financial statements of Consolidated Edison Company of New York, Inc. These Pro Forma financial statements reflect the $635 million short-term debt issuance at 8.5%.

Note B. Income Taxes
Reflects tax benefit, based on an assumed tax rate of 35%, from the payments of nine months of interest charges described in Note F — $14,169

Tax benefit for full year — $18,892

Note C. Interest Charges
Reflects $635 million of short-term debt issuance, bearing interest over nine months at an effective interest rate of 8.5%. — $40,483

Interest expense for full year — $53,978

A 1/8 of 1% variation in the interest rate would result in a $1 million change in interest expense.

Note D. Cash
Reflects net increase to cash after payment of interest expense for a full year and tax benefit. — $599,945

Note E. Short-term debt
Reflects increase to short-term debt up to $800 million of the aggregate principle amount. — $635,031

Note F. Stockholders' equity
Reflects net change to stockholders' equity for interest expenses and tax benefit for a full year. — $35,086

Exhibit 99.5

ORANGE AND ROCKLAND UTILITIES, INC. EXCLUDING SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	As At September 30, 2000	Pro Forma Adjustments	Pro Forma Combined
ASSETS			
Utility plant, net	$594,453	$	$594,453
Other property and investments	3,210		3,210
Cash and temporary cash investments	468	101,183(D)	101,651
Accounts receivable, net	69,155		69,155
Other current assets	79,703		79,703
Regulatory assets and deferred charges	126,935	--	126,935
Total Assets	$873,924	$101,183	$975,107
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common shareholders' equity	$224,151	$ (5,917)(F)	$218,234
Long-term debt	312,450	--	312,450
Total Capitalization	536,601	(5,917)	530,684
Other noncurrent liabilities	90,992		90,992
Notes Payable	5,900	107,100(E)	113,000
Current liabilities	116,750		116,750
Accumulated deferred federal income tax	92,514		92,514
Regulatory liabilities and deferred credits	31,167	--	31,167
Total Capitalization and Liabilities	$873,924	$ 101,183	$975,107

Source: 2000 September 10Q - September 2000 Balance Sheet.
The accompanying notes to the pro forma are an integral part of this statement.

ORANGE AND ROCKLAND UTILITIES, INC. EXCLUDING SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	12 Months Ended Sep 30, 2000	Pro Forma Adjustments	Pro Forma Combined
Operating revenues			
Electric	$ 353,731	$	$ 353,731
Gas	169,787		169,787
Non-utility	4,269	--	4,269
Total operating revenues	527,787	--	527,787
Operating expenses			
Fuel and purchased power	279,346		279,346
Other operations	93,158		93,158
Maintenance	23,099		23,099
Depreciation and amortization	23,745		23,745
Taxes, other than federal income tax	55,477		55,477
Federal income tax	11,225	--	11,225
Total operating expenses	486,050	--	486,050
Operating income	41,737	--	41,737
Other income (deductions)			
Investment income	5,678		5,678
Allowance for equity funds used during construction	236		236
Other income less miscellaneous deductions	(2,717)		(2,717)
Federal income tax	5,877	3,186(B)	9,063
Total other income	9,074	3,186	12,260
Income before interest charges	50,811	3,186	53,997

Interest charges	23,794	9,104(C)	32,898
Allowance for borrowed funds used during construction	(415)	--	(415)
Net interest charges	23,379	9,104	32,483
Net income for common stock	$ 27,432	$ (5,917)	$ 21,515

Source: 2000 September 10Q - September 1999 and 2000 Income Statement.
Source: 1999 10K - December 1999 Income Statement.
The accompanying notes to the pro forma are an integral part of this statement.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

Note A. Unaudited Pro Forma Combined Condensed Income Statement

The following Pro Forma consolidated financial information is based upon historical financial statements of Orange and Rockland Utilities, Inc . These Pro forma financial statements reflect the $107.1 million short-term debt issuance at 8.5%

Note B. Income Taxes

Reflects tax benefit, on an assumed tax rate 35%, from the payments of nine months of interest charges described in Note F	$ 2,390
Tax benefit for full year	$ 3,186

Note C. Interest Charges

Reflects $107.1 million of short-term debt issued, bearing interest over nine months at an effective interest rate of 8.5%	$ 6,828
Interest expense for full year	$ 9,104

Note D. Cash

Reflects net increase to cash after payment of interest expense for a full year and tax benefit	$101,183

Note E. Short-term debt

Reflects increase to short-term debt up to $113 million of the aggregate principle amount	$107,100

Note F. Stockholders' equity

Reflects net change to stockholders' equity for interest expenses and tax benefit for a full year	$ 5,917

Exhibit 99.6

ROCKLAND ELECTRIC COMPANY AND SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	As At September 30, 2000	Pro Forma Adjustments	Pro Forma Combined
ASSETS			
Utility plant, net	$107,718	$	$107,718
Other property and investments	26		26
Cash and temporary cash investments	7,177	56,685(D)	63,862
Accounts receivable, net	11,584		11,584
Other current assets	14,716		14,716
Regulatory assets and deferred charges	62,840	--	62,840
Total Assets	$204,061	$ 56,685	$260,746
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common shareholders' equity	$109,349	$ (3,315)(F)	$106,034
Long-term debt	19,978	--	19,978
Total Capitalization	129,327	(3,315)	126,012
Other noncurrent liabilities	13,960		13,960
Notes Payable	--	60,000(E)	60,000
Current liabilities	28,511		28,511
Accumulated deferred federal income tax	25,751		25,751
Regulatory liabilities and deferred credits	6,512	--	6,512
Total Capitalization and Liabilities	$204,061	$ 56,685	$260,746

Source: 2000 September Bondholder's Report - Balance Sheet.
The accompanying notes to the pro forma are an integral part of this statement.

ROCKLAND ELECTRIC COMPANY AND SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	12 Months Ended Sep 30, 2000	Pro Forma Adjustments	Pro Forma Combined
Operating revenues			
Electric	$ 132,212		$ 132,212
Non-utility	299	$ --	299
Total operating revenues	132,511	--	132,511
Operating expenses			
Fuel and purchased power	76,968		76,968
Other operations	24,249		24,249
Maintenance	3,764		3,764
Depreciation and amortization	4,704		4,704
Taxes, other than federal income tax	9,886		9,886
Federal income tax	3,203	--	3,203
Total operating expenses	122,774	--	122,774
Operating income	9,737	--	9,737
Other income (deductions)			
Allowance for equity funds used during construction	(2)		(2)
Other income less miscellaneous deductions	3,940		3,940
Taxes other than income taxes	(191)	--	(191)
Federal income tax	(1,148)	1,785(B)	637
Total other income	2,599	1,785	4,384
Income before interest charges	12,336	1,785	14,121

Interest charges	3,535	5,100(C)	8,635
Allowance for borrowed funds used during construction	1	--	1
Net interest charges	3,536	5,100	8,636
Net income for common stock	$ 8,800	$ (3,315)	$ 5,485

Source: 2000 September Reco Bondholder's Report - Income Statement.
The accompanying notes to the pro forma are an integral part of this statement.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

Note A. Unaudited Pro Forma Combined Condensed Income Statement

The following Pro Forma consolidated financial information is based upon historical financial statements of Rockland Electric Co. These Pro forma financial statements reflect the $60 million short-term debt issuance at 8.5%

Note B. Income Taxes

Reflects tax benefit, on an assumed tax rate 35%, from the payments of nine months of interest charges described in Note F	$ 1,339
Tax benefit for full year	$ 1,785

Note C. Interest Charges

Reflects $60 million of short-term debt issued, bearing interest over nine months at an effective interest rate of 8.5%	$ 3,825
Interest expense for full year	$ 5,100

Note D. Cash

Reflects net increase to cash after payment of interest expense for a full year and tax benefit	$56,685

Note E. Short-term debt

Reflects increase to short-term debt up to $60 million of the aggregate principle amount	$60,000

Note F. Stockholders' equity

Reflects net change to stockholders' equity for interest expenses and tax benefit for a full year	$ 3,315

Exhibit 99.7

PIKE COUNTY LIGHT AND POWER COMPANY
UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	As At September 30, 2000	Pro Forma Adjustments	Pro Forma Combined
ASSETS			
Utility plant, net	$ 6,107	$	$ 6,107
Other property and investments	22		22
Cash and temporary cash investments	536	1,890(D)	2,426
Accounts receivable, net	1,031		1,031
Other current assets	663		663
Regulatory assets and deferred charges	1,340	--	1,340
Total Assets	$ 9,699	$ 1,890	$11,589
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common shareholders' equity	$ 3,160	$ (111)(F)	$ 3,050
Long-term debt	3,200	--	3,200
Total Capitalization	6,360	(111)	6,250
Other noncurrent liabilities	314		314
Notes payable	--	2,000(E)	2,000
Current liabilities	1,368		1,368
Accumulated deferred federal income tax	1,034		1,034
Regulatory liabilities and deferred credits	623	--	623
Total Capitalization and Liabilities	$ 9,699	$ 1,890	$11,589

Source: 2000 September Pike Bondholder's Report - Balance Sheet.
The accompanying notes to the pro forma are an integral part of this statement.

PIKE COUNTY LIGHT AND POWER COMPANY
UNAUDITED PRO FORMA COMBINED CONDENSED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	12 Months Ended Sep 30, 2000	Pro Forma Adjustments	Pro Forma Combined
Operating revenues			
Electric	$ 5,665	$	$ 5,665
Gas	843	--	843
Total operating revenues	6,508	--	6,508
Operating expenses			
Fuel and purchased power	5,153		5,153
Other operations	1,365		1,365
Maintenance	120		120
Depreciation and amortization	243		243
Taxes, other than federal income tax	264		264
Federal income tax	(307)	--	(307)
Total operating expenses	6,838	--	6,838
Operating income	(330)	--	(330)
Other income (deductions)			
Other income less miscellaneous deductions	54		54
Taxes other than income taxes	(1)		(1)
Federal income tax	(18)	60(B)	42
Total other income	35	60	95
Income before interest charges	(295)	60	(236)
Interest charges	244	170(C)	414

Net interest charges	244	170	414
Net income for common stock	$ (539)	$ (111)	$ (650)

Source: 2000 September Pike Bondholder's Report - Income Statement.
The accompanying notes to the pro forma are an integral part of this statement.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)

Note A. Unaudited Pro Forma Combined Condensed Income Statement

The following Pro Forma consolidated financial information is based upon historical financial statements of Pike County L&P Co. These Pro forma financial statements reflect the $2 million short-term debt issuance at 8.5%

Note B. Income Taxes

Reflects tax benefit, on an assumed tax rate 35%, from the payments of nine months of interest charges described in Note F	$ 45
Tax benefit for full year	$ 60

Note C. Interest Charges

Reflects $2 million of short-term debt issued, bearing interest over nine months at an effective interest rate of 8.5% $ 128

Interest expense for full year	$ 170

Note D. Cash

Reflects net increase to cash after payment of interest expense for a full year and tax benefit	$1,890

Note E. Short-term debt

Reflects increase to short-term debt up to $2 million of the aggregate principle amount	$2,000

Note F. Stockholders' equity

Reflects net change to stockholders' equity for interest expenses and tax benefit for a full year	$ 111

Exhibit 99.8

NORTHEAST UTILITIES PARENT
PRO FORMA BALANCE SHEET
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Other Property and Investments:					
Investments in subsidiary companies, at equity	$2,877,833	$	$(270,000)[1]	$	$2,607,833
Investments in transmission companies, at equity	14,986				14,986
Other, at cost	54				54
	2,892,873	0	(270,000)	0	2,622,873
Current Assets:					
Cash	1,860		270,000[1]	237,000[2]	508,860
Notes receivable from affiliated companies	69,300				69,300
Notes and accounts receivable	590				590
Accounts receivable from affiliated companies	52,203				52,203
Prepayments	21,335				21,335
	145,288	0	270,000	237,000	652,288
Deferred Charges:					
Unamortized debt expense	13				13
Other	1,722				1,722
	1,735	0	0	0	1,735
Total Assets	$3,039,896	$ 0	$ 0	$237,000	$3,276,896
Capitalization:					
Common stock	$ 743,480	$	$	$	$ 743,480
Capital surplus, paid in	1,094,996				1,094,996
Deferred benefit plan - employee stock ownership plan	(118,554)				(118,554)
Retained earnings	691,164			(12,698)	678,466
Accumulated other comprehensive income	2,699				2,699
Total common stockholder's equity	2,413,785	0	0	(12,698)	2,401,087
Long-term debt	130,826				130,826
Total capitalization	2,544,611	0	0	(12,698)	2,531,913
Current Liabilities:					
Notes payable to banks	426,000			237,000[2]	663,000
Accounts payable	99				99
Accounts payable to affiliated companies	603				603
Long-term debt - current portion	20,000				20,000
Accrued taxes	7,362			(8,466)[3]	(1,104)
Accrued interest	8,112			21,164[3]	29,276
Accrued Con Edison/Northeast Utilities merger fees	3,007				3,007
Other	7				7
	465,190	0	0	249,698	714,888
Deferred Credits and Other Long-Term Liabilities:					
Accumulated deferred income taxes	5,419				5,419
Other deferred credits	24,676				24,676
	30,095	0	0	0	30,095
Total Capitalization and Liabilities	$3,039,896	$ 0	$ 0	$237,000	$3,276,896

NORTHEAST UTILITIES PARENT
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS

Operating Revenues	$ 0	$	$	$	$ 0
Operating Expenses:					
Operation expense	32,231				32,231
Federal and state income taxes	1,482				1,482
Taxes other than income taxes	56				56
Total operating expenses	33,769	0	0	0	33,769
Operating Loss	(33,769)	0	0	0	(33,769)
Other Income:					
Equity in earnings of subsidiaries	199,118				199,118
Equity in earnings of transmission companies	2,455				2,455
Other, net	3,981				3,981
Income taxes	3,486			8,466[3]	11,952
Other income, net	209,040	0	0	8,466	217,506
Income before interest charges	175,271	0	0	8,466	183,737
Interest Charges:					
Interest on long-term debt	13,399				13,399
Other interest	25,210			21,164[3]	46,374
Interest charges, net	38,609	0	0	21,164	59,773
Net Income	$136,662	$ 0	$ 0	$(12,698)	$123,964

NORTHEAST UTILITIES PARENT
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SECURITIZATION ADJUSTMENTS:		
a) Cash	270,000	
Investment in subsidiary companies		270,000
To record stock repurchase by PSNH.		
SHORT-TERM DEBT ADJUSTMENTS:		
b) Cash	237,000	
Notes payable to banks		237,000
To record the issuance of additional short-term debt.		
c) Other interest	21,164	
Accrued taxes	8,466	
Accrued interest		21,164
Income taxes		8,466
To record interest expense associated with increased level of short-term debt and related tax effect.		

Exhibit 99.9

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	PRO FORMA ADJUSTMENTS SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Electric	$ 5,722,708	$	$	$	$ 5,722,708
Less: Accumulated provision for depreciation	4,202,763				4,202,763
	1,519,945	0	0	0	1,519,945
Construction work in progress	112,624				112,624
Nuclear fuel, net	73,520				73,520
Total net utility plant	1,706,089	0	0	0	1,706,089
Other Property and Investments:					
Nuclear decommissioning trusts, at market	549,373				549,373
Investments in regional nuclear generating companies, at equity	55,907				55,907
Other, at cost	30,882				30,882
	636,162	0	0	0	636,162
Current Assets:					
Cash	5,242		(5,242)[1]	372,013 [14]	372,013
Investment in securitizable assets	62,635				62,635
Notes receivable from affiliated companies	80,400				80,400
Receivables, net	36,232		71,758 [2]		107,990
Accounts receivable from affiliated companies	135,821				135,821
Fuel, materials and supplies, at average cost	40,206				40,206
Prepayments and other	197,864				197,864
	558,400	0	66,516	372,013	996,929
Deferred Charges:					
Regulatory assets:					
Recoverable nuclear costs	1,128,135				1,128,135
Income taxes, net	377,209				377,209
Unrecovered contractual obligations	177,257				177,257
Recoverable energy costs, net	85,445				85,445
Other	66,213		1,011,679 [3]		1,077,892
Unamortized debt expense	14,977		4,783 [4]		19,760
Other	34,486				34,486
	1,883,722	0	1,016,462	0	2,900,184
Total Assets	$ 4,784,373	$ 0	$ 1,082,978	$ 372,013	$ 6,239,364

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	PRO FORMA ADJUSTMENTS SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 75,849	$	$	$	$ 75,849
Capital surplus, paid in	412,993				412,993
Retained earnings	208,816			(18,259)	190,557
Accumulated other comprehensive income	802				802
Total common stockholder's equity	698,460	0	0	(18,259)	680,201
Preferred stock not subject to mandatory redemption	116,200				116,200

Long-term debt	1,069,615		(86,284)[5]		983,331
Total capitalization	1,884,275	0	(86,284)	(18,259)	1,779,732
Minority Interest in Consolidated Subsidiary	100,000		(100,000)[5]		0
Obligations Under Capital Leases	42,459				42,459
Rate Reduction Bond Obligation	0		1,450,000 [6]		1,450,000
Current Liabilities:					
Notes payable to banks	110,000		(107,013)[5]	372,013 [14]	375,000
Long-term debt and preferred stock - current portion	160,000		(145,483)[5]		14,517
Obligations under capital leases - current portion	90,023				90,023
Accounts payable	155,217				155,217
Accounts payable to affiliated companies	123,167				123,167
Accrued taxes	70,166		(6,585)[7]	(12,172)[15]	51,409
Accrued interest	16,652		71,758 [8]	30,431 [15]	118,841
Other	29,065				29,065
	754,290	0	(187,323)	390,272	957,239
Deferred Credits and Other Long-Term Liabilities:					
Accumulated deferred income taxes	980,728		6,585 [9]		987,313
Accumulated deferred investment tax credits	101,594				101,594
Decommissioning obligation - Millstone 1	592,552				592,552
Deferred contractual obligations	167,698				167,698
Other	160,777				160,777
	2,003,349	0	6,585	0	2,009,934
Total Capitalization and Liabilities	$ 4,784,373	$ 0	$ 1,082,978	$ 372,013	$ 6,239,364

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

			PRO FORMA ADJUSTMENTS		PRO FORMA
	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	GIVING EFFECT TO ADJUSTMENTS
Operating Revenues	$ 2,793,144	$	$ 71,758 [2]	$	$ 2,864,902
Operating Expenses:					
Operation --					
Fuel, purchased and net interchange power	1,427,996		0 [10]		1,427,996
Other	429,412		0 [11]		429,412
Maintenance	149,207				149,207
Depreciation	121,507				121,507
Amortization of regulatory assets, net	390,410				390,410
Federal and state income taxes	168,046		0 [12]		168,046
Taxes other than income taxes	144,357				144,357
Gain on sale of utility plant	(286,477)				(286,477)
Total operating expenses	2,544,458	0	0	0	2,544,458
Operating Income	248,686	0	71,758	0	320,444
Other Income/(Loss):					
Equity in earnings of regional nuclear generating companies	2,857				2,857
Nuclear related costs	(53,858)				(53,858)
Other, net	(20,783)				(20,783)
Minority interest in loss of subsidiary	(9,300)				(9,300)
Income taxes	34,726		0 [13]	12,172 [15]	46,898
Other (loss)/income, net	(46,358)	0	0	12,172	(34,186)
Income before interest charges	202,328	0	71,758	12,172	286,258
Interest Charges:					
Interest on long-term debt	99,167		71,758 [8]		170,925
Other interest	9,344			30,431 [15]	39,775

Interest charges, net	108,511	0	71,758	30,431	210,700
Net Income	$ 93,817	$ 0	$ 0	$ (18,259)	$ 75,558

[1] - See adjustments a, b, d, e, and g.
[2] - See adjustments j and l.
[3] - See adjustments c and h.
[4] - See adjustment f.
[5] - See adjustment d.
[6] - See adjustment a.
[7] - See adjustments b, e, i, j, k, and l.
[8] - See adjustments i and k.
[9] - See adjustments c, f, g, and h.
[10] - See adjustments g and h.
[11] - See adjustments b, c, e, and f.
[12] - See adjustments b, c, e, f, g, and h.
[13] - See adjustments i, j, k, and l.
[14] - See adjustment m.
[15] - See adjustment n.

THE CONNECTICUT LIGHT AND POWER COMPANY AND SUBSIDIARIES
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SECURITIZATION ADJUSTMENTS:		
a) Cash	1,450,000	
Rate reduction bond obligation		1,450,000
To record the issuance of rate reduction bonds.		
b) Operating expenses -- operation -- other	11,679	
Accrued taxes	4,672	
Cash		11,679
Federal and state income taxes		4,672
To record issuance expenses associated with securitization and related tax effect.		
c) Regulatory assets -- other	11,679	
Federal and state income taxes	4,672	
Operating expenses -- operation -- other		11,679
Accumulated deferred income taxes		4,672
To record deferral of issuance expenses associated with securitization and related tax effect.		
d) Notes payable to banks	107,013	
Minority interest in consolidated subsidiary	100,000	
Long-term debt and preferred stock - current portion	145,483	
Long-term debt	86,284	
Cash		438,780
To record the use of securitization proceeds to retire short-term and long-term debt.		
e) Operating expenses -- operation -- other	4,783	
Accrued taxes	1,913	
Cash		4,783
Federal and state income taxes		1,913
To record the associated costs and premiums of retiring debt.		
f) Unamortized debt expense	4,783	
Federal and state income taxes	1,913	
Operating expenses -- operation -- other		4,783
Accumulated deferred income taxes		1,913
To record deferral of debt retirement costs and related tax effect.		
g) Fuel, purchased and net interchange power	1,000,000	
Accumulated deferred income taxes	400,000	

Cash		1,000,000
Federal and state income taxes		400,000
To record the buyout of IPP contracts and related tax effect.		
h) Regulatory assets -- other	1,000,000	
Federal and state income taxes	400,000	
Fuel, purchased and net interchange power		1,000,000
Accumulated deferred income taxes		400,000
To record the deferral of IPP buyout costs and related tax effect.		
i) Interest on long-term debt	108,750	
Accrued taxes	43,500	
Accrued interest		108,750
Income taxes		43,500
To record interest expense on rate reduction bonds and related tax effect.		
j) Receivables, net	108,750	
Income taxes	43,500	
Operating revenues		108,750
Accrued taxes		43,500
To record deferral of interest expense on rate reduction bonds and related tax effect.		
k) Accrued interest	36,992	
Income taxes	14,797	
Interest on long-term debt		36,992
Accrued taxes		14,797
To record decrease in interest costs associated with debt repurchase and the related tax effect.		
l) Operating revenues	36,992	
Accrued taxes	14,797	
Receivables, net		36,992
Income taxes		14,797
To record deferral of decrease in interest costs on debt repurchased and related tax effect.		
SHORT-TERM DEBT ADJUSTMENTS:		
m) Cash	372,013	
Notes payable to banks		372,013
To record the issuance of additional short-term debt.		
n) Other interest	30,431	
Accrued taxes	12,172	
Accrued interest		30,431
Income taxes		12,172
To record interest expense associated with increased level of short-term debt and related tax effect.		

Exhibit 99.10

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Electric	$ 1,977,284	$	$	$	$ 1,977,284
Less: Accumulated provision for depreciation	704,992				704,992
	1,272,292	0	0	0	1,272,292
Unamortized acquisition costs	303,123				303,123
Construction work in progress	20,509				20,509
Nuclear fuel, net	1,267				1,267
Total net utility plant	1,597,191	0	0	0	1,597,191
Other Property and Investments:					
Nuclear decommissioning trusts, at market	7,809				7,809
Investments in regional nuclear generating companies and subsidiary company, at equity	18,529				18,529
Other, at cost	4,073				4,073
	30,411	0	0	0	30,411
Current Assets:					
Cash and cash equivalents	170,638		(260,856)[1]	225,000 [15]	134,782
Receivables, net	75,824		36,459 [2]		112,283
Accounts receivable from affiliated companies	2,338				2,338
Taxes receivable from affiliated companies	6,926				6,926
Accrued utility revenues	37,346				37,346
Fuel, materials and supplies, at average cost	32,244				32,244
Recoverable energy costs - current portion	110,436				110,436
Prepayments and other	23,157				23,157
	458,909	0	(224,397)	225,000	459,512
Deferred Charges:					
Regulatory assets:					
Recoverable energy costs	93,426				93,426
Income taxes, net	153,408				153,408
Deferred costs - nuclear plant	64,640				64,640
Unrecovered contractual obligations	43,766				43,766
Other	5,430		138,817 [3]		144,247
Deferred receivable from affiliated company	5,676				5,676
Unamortized debt expense	9,117				9,117
Other	9,467				9,467
	384,930	0	138,817	0	523,747
Total Assets	$ 2,471,441	$ 0	$ (85,580)	$ 225,000	$ 2,610,861

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 1	$	$ (1)[4]	$	$ 0
Capital surplus, paid in	424,867		(269,999)[4]		154,868
Retained earnings	326,983			(11,043)	315,940
Accumulated other					

comprehensive income	1,756				1,756
Total common stockholder's equity	753,607	0	(270,000)	(11,043)	472,564
Long-term debt	407,285		(52,500)[5]		354,785
Total capitalization	1,160,892	0	(322,500)	(11,043)	827,349
Obligations Under Seabrook Power Contracts and Other Capital Leases	566,936		(254,894)[6]		312,042
Rate Reduction Bond Obligation	0		575,000 [7]		575,000
Current Liabilities:					
Notes payable to banks	0			225,000 [15]	225,000
Long-term debt and preferred stock - current portion	25,000		(25,000)[5]		0
Obligations under Seabrook Power Contracts and other capital leases - current portion	94,645		(94,645)[6]		0
Accounts payable	27,022				27,022
Accounts payable to affiliated companies	44,951				44,951
Accrued taxes	55,056		(3,527)[8]	(7,362)[16]	44,167
Accrued interest	12,224		36,459 [9]	18,405 [16]	67,088
Accrued pension benefits	42,404				42,404
Other	61,330				61,330
	362,632	0	(86,713)	236,043	511,962
Deferred Credits and Other Long-Term Liabilities:					
Accumulated deferred income taxes	238,712		3,527 [10]		242,239
Accumulated deferred investment tax credits	27,924				27,924
Deferred contractual obligations	43,766				43,766
Deferred revenue from affiliated company	5,676				5,676
Other	64,903				64,903
	380,981	0	3,527	0	384,508
Total Capitalization and Liabilities	$ 2,471,441	$ 0	$ (85,580)	$ 225,000	$ 2,610,861

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

			PRO FORMA ADJUSTMENTS		PRO FORMA GIVING EFFECT TO ADJUSTMENTS
	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	
Operating Revenues	$ 1,269,227	$	$ 36,459 [2]	$	$ 1,305,686
Operating Expenses:					
Operation --					
Fuel, purchased and net interchange power	820,090		0 [11]		820,090
Other	130,455		0 [12]		130,455
Maintenance	44,428				44,428
Depreciation	45,230				45,230
Amortization of regulatory assets, net	45,909				45,909
Federal and state income taxes	38,548		0 [13]		38,548
Taxes other than income taxes	41,640				41,640
Total operating expenses	1,166,300	0	0	0	1,166,300
Operating Income	102,927	0	36,459	0	139,386
Other Income:					
Equity in earnings of regional nuclear generating companies and subsidiary company	1,245				1,245
Other, net	5,424				5,424
Income taxes	4,101		0 [14]	7,362 [16]	11,463
Other income, net	10,770	0	0	7,362	18,132
Income before interest charges	113,697	0	36,459	7,362	157,518
Interest Charges:					
Interest on long-term debt	40,598		36,459 [9]		77,057
Other interest	34			18,405 [16]	18,439

Interest charges, net	40,632	0	36,459	18,405	95,496
Net Income	$ 73,065	$ 0	$ 0	$ (11,043)	$ 62,022

[1] - See adjustments a, b, d, e, g, and m.
[2] - See adjustments j and l.
[3] - See adjustments c, f and h.
[4] - See adjustment m.
[5] - See adjustment d.
[6] - See adjustment g.
[7] - See adjustment a.
[8] - See adjustments b, e, i, j, k, and l.
[9] - See adjustments i and k.
[10] - See adjustments c, f, g, and h.
[11] - See adjustments g and h.
[12] - See adjustments b, c, e, and f.
[13] - See adjustments b, c, e, f, g, and h.
[14] - See adjustments i, j, k, and l.
[15] - See adjustment n.
[16] - See adjustment o.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SECURITIZATION ADJUSTMENTS:		
a) Cash and cash equivalents	575,000	
Rate reduction bond obligation		575,000
To record the issuance of rate reduction bonds.		
b) Operating expenses -- operation -- other	6,933	
Accrued taxes	2,773	
Cash and cash equivalents		6,933
Federal and state income taxes		2,773
To record issuance expenses associated with securitization and related tax effect.		
c) Regulatory assets -- other	6,933	
Federal and state income taxes	2,773	
Operating expenses -- operation -- other		6,933
Accumulated deferred income taxes		2,773
To record deferral of issuance expenses associated with securitization and related tax effect.		
d) Long-term debt	52,500	
Long-term debt and preferred stock - current portion	25,000	
Cash and cash equivalents		77,500
To record use of securitization proceeds to retire long-term debt and preferred stock.		
e) Operating expenses -- operation -- other	1,884	
Accrued taxes	754	
Cash and cash equivalents		1,884
Federal and state income taxes		754
To record the associated costs and premiums on retiring debt.		
f) Regulatory assets -- other	1,884	
Federal and state income taxes	754	
Operating expenses -- operation -- other		1,884
Accumulated deferred income taxes		754
To record deferral of debt retirement costs and related tax effect.		
g) Obligations under Seabrook Power Contracts and other capital leases -- current portion	94,645	

		Debit	Credit
	Obligations under Seabrook Power Contracts and other capital leases	254,894	
	Fuel, purchased and net interchange power	130,000	
	Accumulated deferred income taxes	52,000	
	Cash and cash equivalents		479,539
	Federal and state income taxes		52,000
	To record the buyout of IPP contracts and related tax effect.		
h)	Regulatory assets -- other	130,000	
	Federal and state income taxes	52,000	
	Fuel, purchased and net interchange power		130,000
	Accumulated deferred income taxes		52,000
	To record the deferral of IPP costs and related tax effect.		
i)	Interest on long-term debt	43,125	
	Accrued taxes	17,250	
	Accrued interest		43,125
	Income taxes		17,250
	To record interest expense on rate reduction bonds and related tax effect.		
j)	Receivables, net	43,125	
	Income taxes	17,250	
	Operating revenues		43,125
	Accrued taxes		17,250
	To record deferral of interest expense on rate reduction bonds and related tax effect.		
k)	Accrued interest	6,666	
	Income taxes	2,666	
	Interest on long-term debt		6,666
	Accrued taxes		2,666
	To record decrease in interest costs associated with debt repurchase and the tax effect.		
l)	Operating revenues	6,666	
	Accrued taxes	2,666	
	Receivables, net		6,666
	Income taxes		2,666
	To record deferral of decrease in interest costs on debt repurchased and related tax effect.		
m)	Common stock	1	
	Capital surplus, paid in	269,999	
	Cash and cash equivalents		270,000
	To record repurchase of approximately 635 shares of common stock at the September 30, 2000, share price of $424,868 share, $1 par.		
	SHORT-TERM DEBT ADJUSTMENTS:		
n)	Cash and cash equivalents	225,000	
	Notes payable to banks		225,000
	To record the issuance of additional short-term debt.		
o)	Other interest	18,405	
	Accrued taxes	7,362	
	Accrued interest		18,405
	Income taxes		7,362
	To record interest expense associated with increased level of short-term debt and related tax effect.		

Exhibit 99.11

WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	PRO FORMA ADJUSTMENTS SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Electric	$ 1,107,511	$	$	$	$ 1,107,511
Less: Accumulated provision for depreciation	792,208				792,208
	315,303	0	0	0	315,303
Construction work in progress	20,240				20,240
Nuclear fuel, net	17,013				17,013
Total net utility plant	352,556	0	0	0	352,556
Other Property and Investments:					
Nuclear decommissioning trusts, at market	152,960				152,960
Investments in regional nuclear generating companies, at equity	15,121				15,121
Other, at cost	6,356				6,356
	174,437	0	0	0	174,437
Current Assets:					
Cash	112		(112)[1]	172,160 [14]	172,160
Receivables, net	34,076		6,795 [2]		40,871
Accounts receivable from affiliated companies	16,249				16,249
Taxes receivable	2,212				2,212
Accrued utility revenues	14,784				14,784
Fuel, materials and supplies, at average cost	1,640				1,640
Prepayments and other	47,104				47,104
	116,177	0	6,683	172,160	295,020
Deferred Charges:					
Regulatory assets:					
Recoverable nuclear costs	258,937				258,937
Income taxes, net	50,359				50,359
Unrecovered contractual obligations	44,352				44,352
Recoverable energy costs, net	7,168				7,168
Other	43,932		93,578 [3]		137,510
Unamortized debt expense	1,689		874 [4]		2,563
Other	4,500				4,500
	410,937	0	94,452	0	505,389
Total Assets	$ 1,054,107	$ 0	$ 101,135	$ 172,160	$ 1,327,402

WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	PRO FORMA ADJUSTMENTS SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 14,752	$	$	$	$ 14,752
Capital surplus, paid in	93,945				93,945
Retained earnings	52,223			(8,450)	43,773
Accumulated other comprehensive income	267				267
Total common stockholder's equity	161,187	0	0	(8,450)	152,737
Preferred stock not subject to mandatory redemption	20,000		(20,000)[5]		0
Preferred stock subject to mandatory redemption	15,000		(15,000)[5]		0
Long-term debt	138,699				138,699
Total capitalization	334,886	0	(35,000)	(8,450)	291,436

Obligations Under Capital Leases	6,550				6,550
Rate Reduction Bond Obligation	0		163,000 [6]		163,000
Current Liabilities:					
Notes payable to banks	110,000		(32,160)[5]	172,160 [14]	250,000
Notes payable to affiliated company	16,600				16,600
Long-term debt and preferred stock - current portion	61,500		(1,500)[5]		60,000
Obligations under capital leases - current portion	21,003				21,003
Accounts payable	28,689				28,689
Accounts payable to affiliated companies	5,099				5,099
Accrued taxes	1,705		(2,581)[7]	(5,633)[15]	(6,509)
Accrued interest	2,998		6,795 [8]	14,083 [15]	23,876
Other	11,030				11,030
	258,624	0	(29,446)	180,610	409,788
Deferred Credits and Other Long-Term Liabilities:					
Accumulated deferred income taxes	225,322		2,581 [9]		227,903
Accumulated deferred investment tax credits	17,918				17,918
Decommissioning obligation - Millstone 1	138,999				138,999
Deferred contractual obligations	44,352				44,352
Other	27,456				27,456
	454,047	0	2,581	0	456,628
Total Capitalization and Liabilities	$ 1,054,107	$ 0	$ 101,135	$ 172,160	$ 1,327,402

WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

		PRO FORMA ADJUSTMENTS			
	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Operating Revenues	$ 479,840	$	$ 6,795 [2]	$	$ 486,635
Operating Expenses:					
Operation --					
Fuel, purchased and net interchange power	216,724		0 [10]		216,724
Other	106,035		0 [11]		106,035
Maintenance	31,137				31,137
Depreciation	18,138				18,138
Amortization of regulatory assets, net	43,631				43,631
Federal and state income taxes	10,606		0 [12]		10,606
Taxes other than income taxes	18,166				18,166
Gain on sale of utility plant	(1,196)				(1,196)
Total operating expenses	443,241	0	0	0	443,241
Operating Income	36,599	0	6,795	0	43,394
Other Income/(Loss):					
Equity in earnings of regional nuclear generating companies	770				770
Nuclear related costs	(14,496)				(14,496)
Other, net	780				780
Income taxes	9,681		0 [13]	5,633 [15]	15,314
Other (loss)/income, net	(3,265)	0	0	5,633	2,368
Income before interest charges	33,334	0	6,795	5,633	45,762
Interest Charges:					
Interest on long-term debt	16,995		6,795 [8]		23,790
Other interest	10,208			14,083 [15]	24,291
Interest charges, net	27,203	0	6,795	14,083	48,081
Net Income	$ 6,131	$ 0	$ 0	$ (8,450)	$ (2,319)

[1] - See adjustments a, b, d, e, and g.
[2] - See adjustments j and l.
[3] - See adjustments c and h.
[4] - See adjustment f.

[5] - See adjustment d.
[6] - See adjustment a.
[7] - See adjustments b, e, i, j, k, and l.
[8] - See adjustments i and k.
[9] - See adjustments c, f, g, and h.
[10] - See adjustments g and h.
[11] - See adjustments b, c, e, and f.
[12] - See adjustments b, c, e, f, g, and h.
[13] - See adjustments i, j, k, and l.
[14] - See adjustment m.
[15] - See adjustment n.

WESTERN MASSACHUSETTS ELECTRIC COMPANY AND SUBSIDIARY
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SECURITIZATION ADJUSTMENTS:		
a) Cash	163,000	
Rate reduction bond obligation		163,000
To record the issuance of rate reduction bonds.		
b) Operating expenses -- operation -- other	5,578	
Accrued taxes	2,231	
Cash		5,578
Federal and state income taxes		2,231
To record issuance expenses associated with securitization and related tax effect.		
c) Regulatory assets -- other	5,578	
Federal and state income taxes	2,231	
Operating expenses -- operation -- other		5,578
Accumulated deferred income taxes		2,231
To record the deferral of issuance expenses associated with securitization and related tax effect.		
d) Notes payable to banks	32,160	
Preferred stock subject to mandatory redemption	15,000	
Preferred stock not subject to mandatory redemption	20,000	
Long-term debt and preferred stock -- current portion	1,500	
Cash		68,660
To record the use of securitization proceeds to retire short-term debt, long-term debt and preferred stock.		
e) Operating expenses -- operation -- other	874	
Accrued taxes	350	
Cash		874
Federal and state income taxes		350
To record the associated costs and premiums of retiring debt.		
f) Unamortized debt expense	874	
Federal and state income taxes	350	
Operating expenses -- operation -- other		874
Accumulated deferred income taxes		350
To record deferral of debt retirement costs and related tax effect.		
g) Fuel, purchased and net interchange power	88,000	
Accumulated deferred income taxes	35,200	
Cash		88,000
Federal and state income taxes		35,200
To record the buyout of IPP contracts and related tax effect.		
h) Regulatory assets -- other	88,000	
Federal and state income taxes	35,200	
Fuel, purchased and net interchange power		88,000
Accumulated deferred income taxes		35,200
To record the deferral of IPP buyout costs and related tax effect.		
i) Interest on long-term debt	12,225	
Accrued taxes	4,890	
Accrued interest		12,225
Income taxes		4,890

To record interest expense on rate reduction bonds and related taxes.

j)	Receivables, net	12,225	
	Income taxes	4,890	
	Operating revenues		12,225
	Accrued taxes		4,890

To record deferral of interest expense on rate reduction bonds and relatedtax effect.

k)	Accrued interest	5,430	
	Income taxes	2,172	
	Interest on long-term debt		5,430
	Accrued taxes		2,172

To record decrease in interest costs associated with debt repurchase and the related increase in taxes.

l)	Operating revenues	5,430	
	Accrued taxes	2,172	
	Receivables, net		5,430
	Income taxes		2,172

To record deferral of decrease in interest costs on debt repurchased and related tax effect.

SHORT-TERM DEBT ADJUSTMENTS:

m)	Cash	172,160	
	Notes payable to banks		172,160

To record the issuance of additional short-term debt.

n)	Other interest	14,083	
	Accrued taxes	5,633	
	Accrued interest		14,083
	Income taxes		5,633

To record interest expense associated with increased level of short-term debt and related tax effect.

Exhibit 99.12

NORTH ATLANTIC ENERGY CORPORATION
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Electric	$ 724,005	$	$	$	$ 724,005
Less: Accumulated provision for depreciation	220,427				220,427
	503,578	0	0	0	503,578
Construction work in progress	8,473				8,473
Nuclear fuel, net	26,371				26,371
Total net utility plant	538,422	0	0	0	538,422
Other Property and Investments:					
Nuclear decommissioning trusts, at market	52,544				52,544
	52,544	0	0	0	52,544
Current Assets:					
Cash	44			260,000 [1]	260,044
Special deposits	3,624				3,624
Notes receivable from affiliated companies	35,000				35,000
Accounts receivable from affiliated companies	22,278				22,278
Materials and supplies, at average cost	13,562				13,562
Prepayments and other	84				84
	74,592	0	0	260,000	334,592
Deferred Charges:					
Regulatory assets:					
Deferred costs - Seabrook	40,137				40,137
Income taxes, net	26,980				26,980
Recoverable energy costs	1,540				1,540
Unamortized debt expense	1,057				1,057
Prepaid property tax	1,377				1,377
Other	44				44
	71,135	0	0	0	71,135
Total Assets	$ 736,693	$ 0	$ 0	$ 260,000	$ 996,693

NORTH ATLANTIC ENERGY CORPORATION
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 1	$	$	$	$ 1
Capital surplus, paid in	160,999				160,999
Retained earnings	1,840			(12,761)	(10,921)
Total common stockholder's equity	162,840	0	0	(12,761)	150,079
Long-term debt	65,000				65,000
Total capitalization	227,840	0	0	(12,761)	215,079
Current Liabilities:					
Notes payable to banks	0			260,000 [1]	260,000
Long-term debt - current portion	270,000				270,000
Accounts payable	7,060				7,060
Accounts payable to affiliated companies	963				963
Accrued taxes	3,380			(8,507)[2]	(5,127)

Accrued interest	4,649			21,268 [2]	25,917
Other	297				297
	286,349	0	0	272,761	559,110
Deferred Credits and Other Long-Term Liabilities:					
Accumulated deferred income taxes	192,326				192,326
Deferred obligation to affiliated company	5,676				5,676
Other	24,502				24,502
	222,504	0	0	0	222,504
Total Capitalization and Liabilities	$ 736,693	$ 0	$ 0	$ 260,000	$ 996,693

NORTH ATLANTIC ENERGY CORPORATION
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	PRO FORMA ADJUSTMENTS SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Operating Revenues	$ 269,401	$	$	$	$ 269,401
Operating Expenses:					
Operation --					
Fuel	16,509				16,509
Other	39,106				39,106
Maintenance	10,592				10,592
Depreciation	27,712				27,712
Amortization of regulatory assets, net	85,254				85,254
Federal and state income taxes	35,583				35,583
Taxes other than income taxes	8,505				8,505
Total operating expenses	223,261	0	0	0	223,261
Operating Income	46,140	0	0	0	46,140
Other Income/(Loss):					
Deferred Seabrook return - other funds	2,704				2,704
Other, net	(6,651)				(6,651)
Income taxes	24,134			8,507 [2]	32,641
Other income, net	20,187	0	0	8,507	28,694
Income before interest charges	66,327	0	0	8,507	74,834
Interest Charges:					
Interest on long-term debt	37,934				37,934
Other interest	(1,198)			21,268 [2]	20,070
Deferred Seabrook return - borrowed funds	(4,906)				(4,906)
Interest charges, net	31,830	0	0	21,268	53,098
Net Income	$ 34,497	$ 0	$ 0	$ (12,761)	$ 21,736

[1] - See adjustment a.
[2] - See adjustment b.

NORTH ATLANTIC ENERGY CORPORATION
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SHORT-TERM DEBT ADJUSTMENTS:		
a) Cash	260,000	
Notes payable to banks		260,000
To record the issuance of additional short-term debt.		
b) Other interest	21,268	
Accrued taxes	8,507	
Accrued interest		21,268
Income taxes		8,507
To record interest expense associated with increased level of		

short-term debt and related tax effect.

Exhibit 99.13

HOLYOKE WATER POWER COMPANY
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Electric	$ 100,521	$	$	$	$ 100,521
Less: Accumulated provision for depreciation	47,882				47,882
	52,639	0	0	0	52,639
Construction work in progress	1,093				1,093
Total net utility plant	53,732	0	0	0	53,732
Other Property and Investments:					
Nonutility property, at cost	3,474				3,474
Other investments, at cost	2				2
	3,476	0	0	0	3,476
Current Assets:					
Cash	1,379			5,000 [1]	6,379
Notes receivable from affiliated companies	15,500				15,500
Accounts receivable	931				931
Accounts receivable from affiliated companies	6,680				6,680
Taxes receivable	546				546
Fuel, materials and supplies, at average cost	5,761				5,761
Prepayments and other	934				934
	31,731	0	0	5,000	36,731
Deferred Charges:					
Unamortized debt expense	765				765
Other	319				319
	1,084	0	0	0	1,084
Total Assets	$ 90,023	$ 0	$ 0	$ 5,000	$ 95,023

HOLYOKE WATER POWER COMPANY
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 2,400	$	$	$	$ 2,400
Capital surplus, paid in	6,000				6,000
Retained earnings	12,316			(268)	12,048
Accumulated other comprehensive income	(5)				(5)
Total common stockholder's equity	20,711	0	0	(268)	20,443
Long-term debt	38,300				38,300
Total capitalization	59,011	0	0	(268)	58,743
Current Liabilities:					
Notes payable to banks	0			5,000 [1]	5,000
Accounts payable	2,395				2,395
Accounts payable to affiliated companies	5,506				5,506
Accrued taxes	277			(179)[2]	98
Accrued interest	533			447 [2]	980
Other	97				97
	8,808	0	0	5,268	14,076

Deferred Credits and Other

	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Long-Term Liabilities:					
Accumulated deferred income taxes	14,311				14,311
Other	7,893				7,893
	22,204	0	0	0	22,204
Total Capitalization and Liabilities	$ 90,023	$ 0	$ 0	$ 5,000	$ 95,023

HOLYOKE WATER POWER COMPANY
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

			PRO FORMA ADJUSTMENTS		PRO FORMA
	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	GIVING EFFECT TO ADJUSTMENTS
Operating Revenues	$ 67,464	$	$	$	$ 67,464
Operating Expenses:					
Operation --					
Energy and purchased capacity costs	41,257				41,257
Other	8,540				8,540
Maintenance	5,044				5,044
Depreciation	1,965				1,965
Amortization of regulatory assets, net	1,770				1,770
Federal and state income taxes	1,248				1,248
Taxes other than income taxes	4,705				4,705
Total operating expenses	64,529	0	0	0	64,529
Operating Income	2,935	0	0	0	2,935
Other Income:					
Other, net	309				309
Income taxes	2,717			179 [2]	2,896
Other income, net	3,026	0	0	179	3,205
Income before interest charges	5,961	0	0	179	6,140
Interest Charges:					
Interest on long-term debt	2,631				2,631
Other interest	(18)			447 [2]	429
Interest charges, net	2,613	0	0	447	3,060
Net Income	$ 3,348	$ 0	$ 0	$ (268)	$ 3,080

HOLYOKE WATER POWER COMPANY
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SHORT-TERM DEBT ADJUSTMENTS:		
a) Cash	5,000	
Notes payable to banks		5,000
To record the issuance of additional short-term debt.		
b) Other interest	447	
Accrued taxes	179	
Accrued interest		447
Income taxes		179
To record interest expense associated with increased level of short-term debt and related tax effect.		

Exhibit 99.14

NORTHEAST NUCLEAR ENERGY COMPANY
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS: SECURITIZATION	PRO FORMA ADJUSTMENTS: SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Electric	$ 38,215	$	$	$	$ 38,215
Less: Accumulated provision for depreciation	15,536				15,536
	22,679	0	0	0	22,679
Construction work in progress	442				442
Total net utility plant	23,121	0	0	0	23,121
Current Assets:					
Cash	10,350			75,000 [1]	85,350
Accounts receivable	5,563				5,563
Accounts receivable from affiliated companies	40,790				40,790
Materials and supplies	71,545				71,545
Prepayments and other	3,327				3,327
	131,575	0	0	75,000	206,575
Deferred Charges:					
Regulatory assets:					
Accumulated deferred income taxes	40,428				40,428
Deferred decommissioning costs - Millstone 1	44,315				44,315
Other	8,272				8,272
	93,015	0	0	0	93,015
Total Assets	$ 247,711	$ 0	$ 0	$ 75,000	$ 322,711

NORTHEAST NUCLEAR ENERGY COMPANY
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS: SECURITIZATION	PRO FORMA ADJUSTMENTS: SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 15	$	$	$	$ 15
Capital surplus, paid in	15,350				15,350
Retained earnings	1,965			(4,019)	(2,054)
Accumulated other comprehensive income	(121)				(121)
Total common stockholder's equity	17,209	0	0	(4,019)	13,190
Total capitalization	17,209	0	0	(4,019)	13,190
Current Liabilities:					
Notes payable to banks	0			75,000 [1]	75,000
Notes payable to affiliated companies	50,600				50,600
Accounts payable	32,923				32,923
Accounts payable to affiliated companies	9,458				9,458
Obligations under capital leases - current portion	1,093				1,093
Accrued taxes	1,192			(2,679)[2]	(1,487)
Accrued interest	0			6,698 [2]	6,698
Accrued pension benefits	74,758				74,758
Millstone 3 funding liability	22,612				22,612
Other	17,284				17,284
	209,920	0	0	79,019	288,939
Deferred Credits and Other Long-Term Liabilities:					
Accumulated deferred investment					

tax credits	996				996
Deferred credit - SFAS 109	9,452				9,452
Other	10,134				10,134
	20,582	0	0	0	20,582
Total Capitalization and Liabilities	$ 247,711	$ 0	$ 0	$ 75,000	$ 322,711

NORTHEAST NUCLEAR ENERGY COMPANY
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

		PRO FORMA ADJUSTMENTS			
	PER BOOK	YANKEE MERGER	SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Operating Revenues	$ 369,076	$	$	$	$ 369,076
Operating Expenses:					
Operation	241,921				241,921
Maintenance	108,719				108,719
Depreciation	1,343				1,343
Federal and state income taxes	642				642
Taxes other than income taxes	11,617				11,617
Total operating expenses	364,242	0	0	0	364,242
Operating Income	4,834	0	0	0	4,834
Other (Loss)/Income:					
Other, net	(115)				(115)
Income taxes	0			2,679 [2]	2,679
Other (loss)/income, net	(115)	0	0	2,679	2,564
Income before interest charges	4,719	0	0	2,679	7,398
Interest Charges:					
Interest on long-term debt	767				767
Other interest	2,220			6,698 [2]	8,918
Interest charges	2,987	0	0	6,698	9,685
Net Income/(Loss)	$ 1,732	$ 0	$ 0	$ (4,019)	$ (2,287)

NORTHEAST NUCLEAR ENERGY COMPANY
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SHORT-TERM DEBT ADJUSTMENTS:		
a) Cash	75,000	
Notes payable to banks		75,000
To record the issuance of additional short-term debt.		
b) Other interest	6,698	
Accrued taxes	2,679	
Accrued interest		6,698
Income taxes		2,679
To record interest expense associated with increased level of short-term debt and related tax effect.		

Exhibit 99.15

YANKEE ENERGY SYSTEM, INC. PARENT
PRO FORMA BALANCE SHEET
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Other Property and Investments:					
Investments in subsidiary companies	$477,198	$	$	$	$477,198
	477,198	0	0	0	477,198
Current Assets:					
Cash	592			25,000 [1]	25,592
Notes and accounts receivable	25,684				25,684
	26,276	0	0	25,000	51,276
Deferred Charges:					
Other deferred debits	74				74
	74	0	0	0	74
Total Assets	$503,548	$ 0	$ 0	$25,000	$528,548
Capitalization:					
Capital surplus, paid in	$472,787	$	$	$	$472,787
Retained earnings	(6,698)			(1,107)	(7,805)
Total common stockholder's equity	466,089	0	0	(1,107)	464,982
Total capitalization	466,089	0	0	(1,107)	464,982
Current Liabilities:					
Notes payable to banks	25,000			25,000 [1]	50,000
Accounts payable	9,080				9,080
Notes payable to affiliated companies	4,250				4,250
Accrued taxes	(698)			(738)[2]	(1,436)
Accrued interest	19			1,845 [2]	1,864
	37,651	0	0	26,107	63,758
Deferred Credits and Other Long-Term Liabilities:					
Other deferred credits	(192)				(192)
	(192)	0	0	0	(192)
Total Capitalization and Liabilities	$503,548	$ 0	$ 0	$25,000	$528,548

YANKEE ENERGY SYSTEM, INC. PARENT
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Operating Revenues	$ 0	$	$	$	$ 0
Operating Expenses:					
Operation expense	5,200				5,200
Total operating expenses	5,200	0	0	0	5,200
Operating Loss	(5,200)	0	0	0	(5,200)
Other Income:					
Other, net	(833)				(833)
Income taxes	186			738 [2]	924
Other income, net	(647)	0	0	738	91

Income before interest charges	(5,847)	0	0	738	(5,109)
Interest Charges:					
Other interest	1,580			1,845 [2]	3,425
Interest charges, net	1,580	0	0	1,845	3,425
Net Loss	$ (7,427)	$ 0	$ 0	$(1,107)	$ (8,534)

[1] - See adjustment a.
[2] - See adjustment b.

YANKEE ENERGY SYSTEM, INC. PARENT
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SHORT-TERM DEBT ADJUSTMENTS:		
a) Cash	25,000	
Notes payable to banks		25,000
To record the issuance of additional short-term debt.		
b) Other interest	1,845	
Accrued taxes	738	
Accrued interest		1,845
Income taxes		738
To record interest expense associated with increased level of short-term debt and related tax effect.		

Exhibit 99.16

YANKEE GAS SERVICES COMPANY
PRO FORMA BALANCE SHEET -- ASSETS
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	PRO FORMA ADJUSTMENTS: YANKEE MERGER	PRO FORMA ADJUSTMENTS: SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Utility Plant, at cost:					
Gas	$608,112	$	$	$	$608,112
Less: Accumulated provision for depreciation	240,176				240,176
	367,936	0	0	0	367,936
Construction work in progress	15,929				15,929
Total net utility plant	383,865	0	0	0	383,865
Other property and investments	294				294
Current Assets:					
Cash	1,656			60,000 [1]	61,656
Accounts receivable	45,080				45,080
Fuel supplies	1,424				1,424
Other materials and supplies	1,675				1,675
Accrued utility revenues	12,784				12,784
Other	28,523				28,523
	91,142	0	0	60,000	151,142
Deferred Charges:					
Deferred gas costs	9,193				9,193
Recoverable environmental cleanup costs	34,000				34,000
Recoverable income taxes	4,657				4,657
Recoverable postretirement benefits costs	767				767
Goodwill	303,081				303,081
Other deferred debits	42,154				42,154
	393,852	0	0	0	393,852
Total Assets	$869,153	$ 0	$ 0	$60,000	$929,153

YANKEE GAS SERVICES COMPANY
PRO FORMA BALANCE SHEET -- CAPITALIZATION AND LIABILITIES
AS OF SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	PRO FORMA ADJUSTMENTS: YANKEE MERGER	PRO FORMA ADJUSTMENTS: SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Capitalization:					
Common stock	$ 5	$	$	$	$ 5
Capital surplus, paid in	462,840				462,840
Retained earnings	(5,072)			(2,585)	(7,657)
Total common stockholder's equity	457,773	0	0	(2,585)	455,188
Long-term debt	151,440				151,440
Total capitalization	609,213	0	0	(2,585)	606,628
Current Liabilities:					
Notes payable to banks	40,000			60,000 [1]	100,000
Long-term debt - current portion	950				950
Accounts payable	26,783				26,783
Pipeline transmission costs payable	577				577
Accrued taxes	5,627			(1,723)[2]	3,904
Accrued interest	3,148			4,308 [2]	7,456
Other	5,000				5,000
	82,085	0	0	62,585	144,670
Deferred Credits and Other					
Long-Term Liabilities:					
Accumulated deferred income taxes	83,850				83,850
Accumulated deferred investment tax credits	7,571				7,571
Reserve for environmental cleanup costs	35,000				35,000
Postretirement benefits obligation	4,248				4,248

Other deferred credits	47,186				47,186
	177,855	0	0	0	177,855
Total Capitalization and Liabilities	$869,153	$ 0	$ 0	$60,000	$929,153

YANKEE GAS SERVICES COMPANY
PRO FORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED SEPTEMBER 30, 2000
Unaudited
(Thousands of Dollars)

	PER BOOK	YANKEE MERGER	PRO FORMA ADJUSTMENTS SECURITIZATION	SHORT-TERM DEBT	PRO FORMA GIVING EFFECT TO ADJUSTMENTS
Operating Revenues	$307,447	$	$	$	$307,447
Operating Expenses:					
Operation --					
Fuel, purchased and net interchange power	154,861				154,861
Other	54,273				54,273
Maintenance	6,676				6,676
Depreciation	21,700				21,700
Federal and state income taxes	10,724				10,724
Taxes other than income taxes	26,692				26,692
Total operating expenses	274,926	0	0	0	274,926
Operating Income	32,521	0	0	0	32,521
Other (Loss)/Income:					
Other, net	(5,229)				(5,229)
Income taxes	0			1,723 [2]	1,723
Other (loss)/income, net	(5,229)	0	0	1,723	(3,506)
Income before interest charges	27,292	0	0	1,723	29,015
Interest Charges:					
Interest expense, net	14,929			4,308 [2]	19,237
Interest charges, net	14,929	0	0	4,308	19,237
Net Income	$ 12,363	$ 0	$ 0	$(2,585)	$ 9,778

[1] - See adjustment a.
[2] - See adjustment b.

YANKEE GAS SERVICES COMPANY
PRO FORMA ADJUSTMENTS TO FINANCIAL STATEMENTS
(Thousands of Dollars)

	Debit	Credit
SHORT-TERM DEBT ADJUSTMENTS:		
a) Cash	60,000	
Notes payable to banks		60,000

To record the issuance of additional short-term debt.

	Debit	Credit
b) Other interest	4,308	
Accrued taxes	1,723	
Accrued interest		4,308
Income taxes		1,723

To record interest expense associated with increased level of short-term debt and related tax effect.

EXHIBIT I-2

List of Active Nonutility Subsidiaries

1. Consolidated Edison Solutions, Inc.
2. Consolidated Edison Development, Inc.
3. Con Edison Development Guatemala, Ltd
4. Energy Finance Partners of Central America, L.P
5. Generadora Electrica Del Norte, S.R.C.
6. Consolidated Edison Leasing, Inc.
7. Con Edison Leasing, LLC
8. CED Ada, Inc.
9. CED/DELTA Ada, LLC
10. Ada Cogeneration Limited Partnership
11. CED/SCS Newington, LLC
12. Newington Energy, LLC
13. CED Generation Holding Company, LLC
14. CED Management Company, Inc.
15. CED Operating Company, L.P.
16. Lakewood Cogeneration, L.P.
17. CED-Lakewood, Inc.
18. CED Generation Lakewood Company
19. Consolidated Edison Energy Massachusetts, Inc.
20. CEDST, LLC
21. CED 42, LLC
22. Consolidated Edison Energy, Inc.
23. Consolidated Edison Communications, Inc.
24. Davids Island Development Corporation
25. D.C.K. Management Corporation
26. Steam House Leasing LLC
27. Clove Development Corporation
28. O&R Development, Inc.
29. Millbrook Holdings, Inc.
30. NU Enterprises, Inc.
31. Northeast Generation Company
32. Northeast Generation Services Company
33. Select Energy, Inc.
34. HEC Inc.
35. Select Energy Contracting, Inc.
36. Reeds Ferry Supply, Inc.
37. HEC Energy Consulting, Inc.
38. HEC/Tobyhanna Energy
39. Select Energy Portland Pipeline, Inc.
40. The Quinnehtuk Company
41. Rocky River Realty, Inc.
42. Charter Oak Energy, Inc.
43. Properties, Inc.
44. Yankee Energy Financial Services, Inc.
45. R.M. Services, Inc.
46. Yankee Energy Services Company
47. CL&P Receivables Corporation
48. NorConn Properties, Inc.
49. Northeast Utilities Service Company
50. North Atlantic Energy Services Corporation

Exhibit J-1

CEI Investments in EWGs and FUCOs

Investments by Consolidated Edison, Inc ("CEI") in exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOs") are held through its wholly-owned subsidiary: Consolidated Edison Development, Inc. ("CEDI"). CEDI has interests in 3 EWG's (CEEMI, Lakewood Cogen and Newington) and 1 FUCO (GENOR).

EWGs

1. CEEMI

Consolidated Edison Energy Massachusetts, Inc. ("CEEMI"), a wholly-owned subsidiary of CEDI, owns and operates 290 MW of generation facilities acquired from Western Massachusetts Electric Company. Output from the facilities is sold at wholesale electric power market in the NEPOOL region. CEEMI is an EWG. As of September 30, 2000, the book value of CEDI's investment in CEEMI was approximately 54.5 million.

2. Lakewood Cogen

CED Generation Holding Company, LLC, a Delaware limited liability company wholly-owned by CEDI, ("Holding") owns 100% of CED-Lakewood, Inc., a New York corporation ("CEDL"), which owns 100% of CED Generation Lakewood Company, a Delaware corporation ("CGLC"). CEDL and CGLC each own a 1% general partner interest (i.e., 2% altogether) in Lakewood Cogeneration, L.P., a Delaware limited partnership which owns a 236 MW power plant located in Lakewood, New Jersey ("Lakewood Cogen"). Holding directly owns a 78% limited partnership interest in Lakewood Cogen. Lakewood Cogen is an EWG. As of September 30, 2000, the book value of CEDI's investment in Holding and its affiliates was approximately $ 99.5 million.

3. Newington

CED/SCS Newington, LLC ("CED/SCS"), a Delaware limited liability company in which CEDI has an approximately 95% ownership interest, owns 100% of Newington Energy, LLC ("Newington"), a Delaware limited liability company, which is currently developing a 525 MW electric generating facility in Newington, New Hampshire, which will qualify as an EWG. The facility will consist of two natural gas fired, combined cycle General Electric 7FA turbines, two heat recovery steam generators and a steam turbine, and will be operated by General Electric Company's operations division, General Electric International, Inc., pursuant to a long term operations and maintenance contract. As of September 30, 2000, the book value of CEDI's investment in CED/SCS was approximately $ 0.

FUCO

1. GENOR

Con Edison Development Guatemala, Ltd.("CEDG"), a wholly-owned subsidiary of CEDI organized under the laws of the Cayman Islands, owns a 92.273% interest in Energy Finance Partners of Central America, L.P, ("EFP") a Cayman Islands limited partnership, which in turn owns a 47.56% interest in Generadora Electica del Norte, S.R.L., sociedad de responsabilidad limitada organized under the laws of the Republic of Guatemala ("GENOR"). GENOR owns a 40 MW, oil fired, electric generating plant in Guatemala and is a FUCO. A portion of the output of the plant is sold to large retail customers pursuant to power purchase agreements, with the remaining output being sold into the wholesale electric power markets in Guatemala and El Salvador. As of September 30, 2000, the book value of CEDI's investment in CEDG was $12.0 million.

Consolidated Debt - 12/31/00

Maturity	Rate	Series	At Par
CECONY LONG TERM DEBT			
NYSERDA			
08/15/20	5.250%	1993B	127,715,000
08/15/20	6.100%	1995A	128,285,000
09/15/22	5.375%	1993C	19,760,000
01/01/26	7.500%	1991A	128,150,000
01/15/27	6.750%	1992A	100,000,000
12/01/27	6.375%	1992B	100,000,000
03/15/28	6.000%	1993A	101,000,000
12/01/29	7.125%	1994A	100,000,000
NYSERDA Variable			
05/01/34	Variable	1999A	292,700,000
Debentures			
12/15/05	6.625%	2000C	350,000,000
09/01/10	7.500%	2000B	300,000,000
05/01/10	8.125%	2000A	325,000,000
02/01/01	6.500%	1993B	150,000,000
02/01/02	6.625%	1993C	150,000,000
04/01/03	6.375%	1993D	150,000,000
03/01/04	7.625%	1992B	150,000,000
07/05/05	6.625%	1995A	100,000,000
12/01/07	6.450%	1997B	330,000,000
02/01/08	6.250%	1998A	180,000,000
07/01/08	6.150%	1998C	100,000,000
12/01/09	7.150%	1999B	200,000,000
06/15/23	7.500%	1993G	380,000,000
06/01/26	7.750%	1996A	100,000,000
02/01/28	7.100%	1998B	105,000,000
10/01/28	6.900%	1998D	75,000,000
02/15/29	7.125%	1994A	150,000,000
03/31/31	7.750%	QUICS1996A	275,000,000
06/30/39	7.350%	PINES1999A	275,000,000
Debentures Variable			
12/15/01	Variable	1996B	150,000,000
06/15/02	Variable	1997A	150,000,000

Maturity	Rate	Series	At Par
O&R LONG TERM DEBT			
NYSERDA			
10/01/14	7.07%		55,000,000
NYSERDA Variable			
08/01/15	Variable		44,000,000
Other			
06/15/10	7.50%	2000A	55,000,000
03/01/03	6.56%	1993D	35,000,000
02/01/07	7.125%	1997J	20,000,000 *
10/01/18	7.07%	1998C	3,200,000 **
12/01/27	6.50%	1997F	80,000,000
03/01/29	7.00%	1999G	45,000,000

*RECO
**Pike

CEI Guarantees to Outside Entities for:

Con Ed Solutions	$146,275,000
Con Ed Energy	116,569,000
Con Ed Communications	60,058,250
Con Ed Development	360,308,490
Con Ed Energy Massachusetts	-
Total:	$683,210,740

Outstanding CEI Guaranties to Outside Entities for CON ED SOLUTIONS

Guaranties to:		Amount	Signed on	End Date
NY ISO		$40,000,000	09/26/2000	04/30/01 or earlier upon 60 days notice
El Paso Merchant Energy- Gas, L.P.		2,000,000	08/14/2000	01/31/01 or earlier upon 15 days notice
Exxon Mobil Corp.	(1)	4,000,000	8/5/00	12/31/01 or earlier upon 15 days notice
Constellation Power Source, Inc.	(3)	6,000,000	08/01/2000	12/31/01 or earlier upon 15 days notice
PPL Energy Plus, LLC		2,000,000	07/14/2000	12/31/01 or earlier upon 15 days notice
American Electric Power Services Corp.		5,000,000	07/05/2000	12/31/01 or earlier upon 15 days notice
PG&E Energy Trading Power, L.P.		3,000,000	06/05/2000	12/31/01 or earlier upon 15 days notice
Western Gas Resources, Inc.		4,000,000	05/30/2000	12/31/01 or earlier upon 15 days notice
Duke Energy Trading & Marketing, LLC		5,000,000	05/24/2000	12/31/01 or earlier upon 15 days notice
EnergyUSA-TPC		6,000,000	05/04/2000	12/31/01 or earlier upon 15 days notice
Enron North America Corp.		5,000,000	05/04/2000	12/31/01 or earlier upon 15 days notice
NY ISO		45,000,000	04/28/2000	Upon 60 days notice
NY ISO		2,000,000	04/28/2000	4/30/02 or earlier upon 60 days notice
NRG Power Marketing, Inc.		5,000,000	04/10/2000	12/31/01 or earlier upon 15 days notice
PG&E Energy Trading-Gas Corporation		5,000,000	12/29/1999	12/31/01 or earlier upon 15 days notice
Public Service Electric & Gas Co.	(2)	3,000,000	10/08/1999	30 days prior notice
Transcontinental Gas Pipeline Corporation		750,000	7/27/99	Upon notice
Southern Company Energy Marketing L.P.		3,500,000	7/23/99	On the bus. day after receipt of notice
Public Service Electric & Gas Co.		25,000	7/27/98	5 bus. days after receipt of notice
Total		$146,275,000		

Guaranties to:	Purpose
NY ISO	For ICAP for the winter 2000-2001. Replaces quasi similar 4/5/00 guarantee for $64 million.
El Paso Merchant Energy- fuel oil Gas, L.P.	For energy, capacity, ancillary services, natural gas, transactions.
Exxon Mobil Corp.	General payment obligations (replaces previous similar guarantee)
Constellation Power and Source, Inc.	For energy, capacity, ancillary services, natural gas, fuel oil, commodity swap, cap, floor, collar transactions.
PPL Energy Plus, LLC	For energy, capacity, ancillary services, natural gas, fuel oil transactions
American Electric Power Services Corp.	For energy, capacity, ancillary services, and commodity swap, cap, floor, collar transactions
PG&E Energy Trading fuel oil Power, L.P.	For energy, capacity, ancillary services, natural gas, transactions
Western Gas Resources, Inc.	For energy, capacity, ancillary services, natural gas, fuel oil transactions
Duke Energy Trading & transactions Marketing, LLC	For energy, capacity, ancillary services, natural gas
EnergyUSA-TPC	For energy, capacity, ancillary services, natural gas transactions
Enron North America Corp.	For energy, capacity, ancillary services, natural gas transactions
NY ISO	To comply with CES' Phase 3 Retail Access load requirements under the NY ISO Tariffs (extinguishes a $12.5 million guaranty dated 11/4/99 to ISO)
NY ISO	To participate in the auction of Transmission Congestion Contracts (extinguishes a $45 mm TCC given earlier)

NRG Power Marketing, Inc.	For energy, capacity, ancillary services, natural gas, fuel oil transactions
PG&E Energy Trading-Gas Corporation	For energy, capacity, ancillary services, natural gas transactions
Public Service Electric & Gas Co.	Electrical energy & capacity
Transcontinental Gas Pipeline Corporation	Obligations under natural gas transportation & storage agreements
Southern Company Energy Marketing L.P.	Electrical energy, capacity, related products
Public Service Electric & Gas Co.	Security for gas transportation payments

Legend:

** For either CES or CEE. The $ amount is currently shown and the guaranty is filed under CES, and it is a blank under CEE. As of 12/19 such 'dual' guaranties totaled $12,000,000.
(1) Amended from $2,500,000 to $4,000,000 on 12/15/00.
(2) Contract assigned to PSEG Energy Resources & Trade LLC as well as of 8/21/00.
(3) Amended to $6 million on 12/27/00.

Outstanding CEI Guarantees to Outside Entities for CON ED ENERGY

Guarantees to:	Amount	In Effect On:	End Date
NY ISO	$4,000,000	09/21/2000	10/31/2005 or earlier upon 60 days notice
KeySpan- Ravenswood, Inc.	5,000,000	09/06/2000	12/31/01 or earlier upon 15 days notice
Enron Power Marketing, Inc.	5,000,000	08/04/2000	01/31/02 or earlier upon 15 days notice
Constellation Power Source, Inc.	------	08/01/2000	12/31/01 or earlier upon 15 days notice
PG&E Energy Trading Power, L.P.	5,000,000	05/30/2000	12/31/01 or earlier upon 15 days notice
Western Gas Resources, Inc.	------	05/30/2000	12/31/01 or earlier upon 15 days notice
Duke Energy Trading & Marketing, LLC	------	05/24/2000	12/31/01 or earlier upon 15 days notice
PJM Interconnection, LLC	4,000,000	05/03/2000	5/3/01 or earlier upon 90 days notice
NRG	5,000,000	04/10/2000	12/31/01 or earlier upon 15 days notice
Milford Power Limited Partnership	5,500,000	03/28/2000	4/30/01 or earlier upon 30 days notice under certain conditions
H.Q. Energy Services (U.S.) Inc.	1,000,000	02/16/2000	Upon a written notice
Southern Company Energy Marketing L.P.**	3,500,000	01/26/2000	12/31/00 or earlier upon 30 days notice
American Electric Power	10,000,000	12/29/1999	12/31/01 or earlier upon 15 days notice
Aquila Energy Marketing (1) Corp.	10,000,000	12/29/1999	12/31/01 or earlier upon 15 days notice
Aquila Energy Marketing Corp. (1)	4,000,000	12/29/1999	12/31/01 or earlier upon 15 days notice
PG&E Energy Trading-Gas Corporation	5,000,000	12/29/1999	12/31/01 or earlier upon 15 days notice
Reliant Energy Services Inc.	3,000,000	12/29/1999	12/31/00 or earlier upon 30 days notice
NU Service Co. as Agent	4,000,000	12/14/1999	12/31/2001 for CL&P and WMECO
Western Massachusetts Electric Co.	3,500,000	12/14/1999	12/31/2000
Western Massachusetts Electric Co.	12,969,000	12/19/2000	12/31/2001
Morgan Stanley Capital Group, Inc.	15,000,000	12/08/1999	1/31/02 or earlier upon 15 days notice
Morgan Stanley Capital Group, Inc.	10,000,000	12/08/1999	1/31/01 or earlier upon 15 days notice
NY ISO	1,100,000	11/04/1999	60 days written notice
Total	$116,569,000		

Guarantees to:	Purpose
NY ISO	For Transmission Congestion Contracts (TCCs)
KeySpan- Ravenswood, Inc.	For energy, capacity, ancillary services, natural gas, fuel oil transactions
Enron Power Marketing, Inc.	For energy, capacity, ancillary services
Constellation Power and Source, Inc.	For energy, capacity, ancillary services, natural gas, fuel oil, commodity swap, cap, floor, collar transactions.
PG&E Energy Trading fuel oil Power, L.P.	For energy, capacity, ancillary services, natural gas, transactions
Western Gas Resources, fuel oil Inc.	For energy, capacity, ancillary services, natural gas, transactions
Duke Energy Trading & Marketing, LLC	For energy, capacity, ancillary services, natural gas transactions
PJM Interconnection, LLC	For transmission, power purchase/sale, and/or sale of capacity in PJM Control Area
NRG	For energy, capacity, ancillary services, natural gas, fuel oil transactions
Milford Power Limited Partnership	For energy, capacity, ancillary services, natural gas, fuel oil transactions
H.Q. Energy Services (U.S.) Inc.	All payment obligations resulting from the Master Agreement dated February 3, 2000
Southern Company Energy	For energy, capacity, ancillary services, natural gas transactions

Marketing L.P.**

American Electric Power	For energy, capacity, ancillary services, natural gas transactions
Aquila Energy Marketing (1) Corp.	For energy, capacity, ancillary services
Aquila Energy Marketing Corp.	(1) For natural gas transactions
PG&E Energy Trading- Gas Corporation	For energy, capacity, ancillary services, natural gas transactions
Reliant Energy Services Inc.	For energy, capacity, ancillary services, natural gas transactions
NU Service Co. as Agent for CL&P and WMECO	For agreement dated 10/19/89 for purchase of unit entitlement percentage from Millstone Unit 2
Western Massachusetts Wholesale Sales Electric Co.	Relating to Standard Offer And Default Service Agreement dated 12/13/89
Western Massachusetts Wholesale Sales Electric Co.	Relating to Standard Offer And Default Service Agreement dated 9/27/00
Morgan Stanley Capital Group, Inc.	For physical energy, capacity, and ancillary services transactions
Morgan Stanley Capital Group, Inc.	For commodity swap, cap, floor, collar transactions
NY ISO	ISO transactions

Legend:

** For either CES or CEE. The $ amount is currently shown under CES, and it is a blank under CEE. As of 12/19 such 'dual' guaranties totaled $12,000,000, so CEI's exposure on behalf of CEEnergy might rise to $115.6 million.
(1) Being replaced with single $10,000,000 guarantee expiring 12/31/01or earler upon 15 days notice. This guarantee will also be for CES, with a combined total of $10 million.

Note:
As of 10/31/00 there are three outstanding Promises for Guarantees from CEI to the following parties: Bangor Hydro-Electric Co. (for up to $ 44 million); Central Maine Power Co (for up to $169 million); Maine Public Service Co. (for up to $9.8 million). The issuance of actual guarantees is pending the outcome of the bidding processes conducted to provide Standard Offer Services to Electric Customers of the specified entities.

Outstanding CEI Guarantees to Outside Entities for CON ED DEVELOPMENT

Guarantee to	Amount	Signed on	End Date
Hawkeye Funding, L.P.	$353,308,490	11/14/2000	2022
Chase Manhattan Bank	7,000,000	05/24/2000	Not specified
Other-Comfort Letter			
ABN Amro Bank N.V.	Not specified	03/31/1998	Not specified
TOTAL:	$360,308,490		

Guarantee to	Purpose
Hawkeye Funding, L.P.	The Guaranty and Promissory Note from CEI to Hawkeye Funding, LP for the financing of the Newington project.
Chase Manhattan Bank	To support the performance letter of credit issued to Mellon Bank for CED in connection with the Lakewood Cogeneration project. The letter of credit was issued on May 26, 2000 and will expire on April 30, 2001.

Other-Comfort Letter

ABN Amro Bank N.V.	Not specified	03/31/1998	Not specified

Outstanding CEI Guarantees to Outside Entities for CON ED COMMUNICATIONS

Guarantees to:	Amount	Signed on	End Date
White Plains	$150,000	2000	2015
Greenburgh	150,000	2000	2015
Mt.Vernon	150,000	2000	2015
Chase	250,000	05/24/2000	No end date; to the end of telecom. franchise
NEON	50,000,000	11/23/1999	1) May be terminated at any time in writing prior to closing if termination is mutual. 2) If closing does not occur on or before the six month period on which the request for

Private Letter Ruling is filed with the IRS.

111 Chelsea LLC	9,358,250	01/31/2000	15 year office lease.
Total	$60,058,250		

Guarantees to:	Purpose
White Plains Greenburgh Mt.Vernon	Re: Various Westchester County broadband telecom franchises.
Chase	To support a performance letter of credit issued to the City of New York for the account of CEC. The L/C expires on 6/15/01 and is renewable annually.
NEON	Guarantees prompt payments, but not performance, of all of CEC's obligations set forth in the NEON agreement. CEI does not guarantee the performance of CEC's obligations in the NEON agreement, including without limitation, the performance of any actions requiring any Governmental Authority consent or approvals.
111 Chelsea LLC	Guarantees payment of all fixed rents, additional rents and other charges relating to the Agreement of Lease for CEC's office at 111 Eighth Avenue. The guaranteed amount will be reduced beginning with the sixth year and in each succeeding year until the thirteenth year. In year 13, the guaranteed amount is reduced to $1.1 million, which is the annual fixed rent, and remains constant through year fifteenth.

EXHIBIT L-1

PROPOSED TERMS OF THE CEI SYSTEM MONEY POOL
(Revised October, 2000)

GENERAL

1. The members of the Money Pool (the Pool) are Consolidated Edison, Inc. (CEI), Consolidated Edison of New York, Inc. (CECONY), Consolidated Edison Solutions, Inc. (Solutions), Consolidated Edison Energy, Inc. (CEEI), Consolidated Edison Development, Inc. (CEDI), CED/SCS Newington, LLC (CED/SCS), CED Generation Holding Company, LLC (CED Generation), CED Management Company, Inc. (CED Management), CED Operating Company, L.P. (CED Operating), Consolidated Edison Energy Massachusetts, Inc. (CEEM), CED Ada, Inc. (CED ADA), Lakewood Cogeneration LP (Lakewood), HCE-Lakewood, Inc. (HCE Lakewood), CED Generation Lakewood Company (CED Generation), CED-GTM 1, LLC (CED-GTM), Consolidated Edison Communications, Inc. (CECI), Orange and Rockland Utilities, Inc. (O&R), Rockland Electric Company (RECO), Pike County Light & Power Company (Pike), Northeast Utilities (NU), The Connecticut Light and Power Company (CL&P), Western Massachusetts Electric Company (WMECO), Northeast Nuclear Energy Company (NNECO), Holyoke Water Power Company (HWP), The Rocky River Realty Company (RR), The Quinnehtuk Company (Quinnehtuk), Public Service Company of New Hampshire (PSNH), North Atlantic Energy Corporation (North Atlantic), HEC Inc. (HEC), Mode 1 Communications, Inc. (Mode 1), Select Energy, Inc. (Select), NU Enterprises, Inc. (NUEI), Northeast Generation Company (NGC), Northeast Generation Services Company (NGS), Yankee Energy Systems, Inc. (YES), Yankee Gas Services Company (Yankee Gas), Yankee Energy Financial Services Company (Yankee Financial), NorConn Properties, Inc. (NorConn), Yankee Energy Services Company (Yesco) and RMS Services, Inc. (RMS) (collectively, Pool Participants).

2. The Pool will be administered by [Consolidated Edison Service Company] (Agent).

3. Each member will determine each day, on the basis of cash flow projections, the amount of surplus funds it has available for contribution to the Pool (Surplus Funds). In addition to its own Surplus Funds, CEI may borrow funds from third party lenders (Excess Funds) in order to make these Excess Funds available to meet the borrowing needs of the Pool Participants other than the Nonborrowing Companies (as defined below).

CONTRIBUTIONS TO THE POOL

4. Each member may contribute its Surplus Funds to the Pool. CEI may also contribute any Excess Funds to the Pool. PSNH may only contribute its Surplus Funds to the Pool if permitted by the New Hampshire Public Utilities Commission.

5. Each member will receive as interest with respect to its Surplus Funds that fraction of the total interest received by the Pool equal to the ratio of the Surplus Funds the member has contributed, times the period in which such Surplus Funds were available, to the total Surplus Funds in the Pool, times the period in which all Surplus Funds were in the Pool. CEI will receive the same interest with respect to its Excess Funds that it pays for its Excess Funds. Such interest will be computed on a daily basis and settled once per month.

6. Each member may withdraw any of its Surplus Funds at any time without notice. CEI may withdraw its Excess Funds at any time without notice.

BORROWINGS FROM THE POOL

7. Neither CEI, NU, O&R nor YES, as public utility holding companies, NGC, CEEM, Lakewood nor CED/SCS, as Exempt Wholesale Generators, nor CECI nor Mode 1, as Exempt Telecommunications Companies, (collectively the "Nonborrowing Companies") shall be entitled to borrow from the Pool.

8. No member shall be entitled to borrow Surplus Funds that are attributable to contributions from WMECO until the Massachusetts Department of Telecommunications and Energy (MDTE) or other appropriate Massachusetts regulatory agency which regulates WMECO has issued an order authorizing WMECO to lend funds to the companies in the CEI system through the Pool.

9. All short-term borrowing needs of members other than the Nonborrowing Companies will be met by Surplus Funds in the Pool to the extent such funds are available and to the extent they are not restricted by the conditions specified in paragraph 8,. All Pool Participants other than the Nonborrowing Companies may meet their short-term borrowing needs through Excess Funds made available from CEI. The aggregate amount of short-term debt of utility companies in the CEI system that may be outstanding at any one time, whether through borrowings from the Pool or otherwise may not exceed the following limits:

CECONY	$800 million
O&R	$100 million
Pike	$ 25 million
RECO	$ 50 million
CL&P	$375 million
WMECO	$250 million
PSNH	$225 million
North Atlantic	$260 million
Yankee Gas	$100 million
HWP	$ 5 million
NNECO	$ 75 million

or such other amount which may be approved and authorized by the Securities and Exchange Commission or the appropriate state agency and the respective board of directors from time to time.

10. All Pool Participants, other than the Nonborrowing Companies may borrow from Surplus Funds in the Pool, to the extent they are not restricted by the conditions specified in paragraph 8, above and from CEI's Excess Funds through the Pool. Loans will be made first to those Pool Participants that cannot access the commercial paper market.

11. Members borrowing Surplus Funds will pay interest at a rate equal to the daily Federal Funds Effective Rate as quoted by the Federal Reserve Bank of New York. The rate to be used for weekends and holidays will be the prior business day's rate. Members borrowing Excess Funds will pay interest at the same rate that CEI pays for those Excess Funds.

12. Loans made by the Pool will be open account advances for periods of less than 12 months, although the Agent may receive upon demand a promissory note evidencing the transaction.

13. All loans made by the Pool from Surplus Funds are payable on demand by the Agent.

14. All loans made by the Pool from Surplus Funds may be prepaid by the borrower without penalty. No loans from Excess Funds shall be prepaid prior to the maturity of the CEI borrowing that resulted in the Excess Funds, unless the prepayment can be made without CEI incurring additional costs or unless the prepayment is accompanied by payment of any additional costs incurred by CEI as a result of such prepayment.

15. If there are more Surplus Funds in the Pool than are necessary to meet the borrowing needs of the members, the Agent will use the Surplus Funds to meet the CEI system's compensating balance requirements or invest them on behalf of the Pool directly, or indirectly through an investment fund, in one of the following instruments:

(i) interest-bearing accounts with banks;

(ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements;

(iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than "A" (or "A-1" or "P-1" or their equivalent for short term debt) by a nationally recognized rating agency;

(iv) commercial paper rated not less than "A-1" or "P-1" or their equivalent by a nationally recognized rating agency;

(v) moneymarket funds;

(vi) bank certificates of deposit,

(vii) Eurodollar funds; and

(viii) such other investments as are permitted by Section 9(c) of the Act and Rule 40 thereunder and, as to funds contributed by WMECO, approved by the MDTE pursuant to Massachusetts General Laws Chapter 164, Section 17A and the regulations thereunder.

TERMINATION

16. Any member may terminate its participation in the Pool at any time without notice.

Draft December 22, 2000
Exhibit M-1

FORM OF
CONSOLIDATED EDISON SERVICE COMPANY
SERVICE CONTRACT

AGREEMENT made and entered into as of the day of , , by and between [NAME OF SERVICE COMPANY] (hereinafter referred to as Service Company) and , (hereinafter referred to as Associate Company).

WHEREAS, by order in File No. 37-65 or File No. 70-9711, as the case may be, the Securities and Exchange Commission (hereinafter referred to as SEC) approved and authorized in connection with the merger of Northeast Utilities and Consolidated Edison, Inc. (hereinafter referred to as CEI), under the Public Utility Holding Company Act of 1935 (hereinafter referred to as the Act), the conduct of business of Service Company in accordance herewith, as a wholly owned subsidiary service company of CEI; and

WHEREAS, Service Company is willing to render services as provided herein to CEI and its associated subsidiaries (hereinafter collectively referred to as the System) at cost, determined in accordance with applicable rules and regulations under the Act or by such other method as may be permissible under the Act; and

WHEREAS, economies, increased efficiencies and other benefits will result to the System from the performance by Service Company of services as herein provided:

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein, it is agreed as follows:

Section 1. Agreement to Furnish Services.

Service Company agrees to furnish to Associate Company and other System companies, upon the terms and conditions herein provided, the services hereinafter referred to in Section 2 hereof at such times and for such periods as may be required, and Service Company will, as and to the extent required to provide such services to the System, keep itself and its personnel available and competent to render such services to the System so long as it is authorized so to do by federal and state regulatory agencies having jurisdiction.

For the purpose of providing services as herein provided, Service Company proposes to establish various departments, one or more of which will participate in providing particular services hereinafter described. Service Company reserves to itself the privilege, without amendment hereof or express prior agreement by Associate Company or other System companies, from time to time to establish new departments, to subdivide or otherwise reorganize any of the departments established by it, and to reallocate services among various departments.

Service Company will provide for Associate Company and other System companies as required such other services not referred to in Section 2 hereof as Service Company may conclude it may furnish with economies and increased efficiencies to the System or such other services as Associate Company or other System companies may require and Service Company is competent to perform.

Services will also be furnished to other System companies under agreements similar in all respects hereto and may also be furnished, in Service Company's discretion, to others, provided that by so doing the cost of services to Associate Company or other System companies will not be increased.

In supplying services hereunder, Service Company may arrange for services of such executives, financial advisers, accountants, attorneys, technical advisers, engineers and other persons as are required for or pertinent to the rendition of such services.

Section 2. Services to be Performed.

Subject to the provisions of Section 1 hereof, Service Company may provide to Associate Company and other System companies services including, but not limited to the following:

(A) General System Management: Executive, administrative, managerial, coordinating and advisory services, particularly with respect to the formulation and effectuation of policies and programs affecting or relating to the System as a whole, including financial, corporate strategy, accounting, and economic policies and programs, power supply, public and employee relations, regulation, contractual arrangements, administrative and other proceedings, industry-wide activities and like matters.

(B) Other Functions and Activities: Studying, planning, advice, assistance, guidance, supervision, direction, administration, maintenance, handling, performance and operation, as may be required, in connection with the following functions and activities:

(i) Corporate and Secretarial: Policies and practices relating to the performance of corporate secretarial functions and activities, including the preparation and maintenance of official corporate records, reports, minutes and correspondence in accordance with assigned responsibilities and duties.

(ii) Financial Planning: Financial structures; financial programs to raise funds required or to effect savings through refinancing; relations with commercial banks and negotiation of short-term borrowings; relationships with investment bankers, analysts, analyst societies, securities holders, stock holders, stock exchanges and indenture trustees, transfer agents and registrars; general treasury, banking and financial matters.

(iii) Accounting: General accounting, customer accounting and related records; depreciation, accounting procedures and practices to improve efficiency; auditing, relations with independent auditors and appearances before and requirements of regulatory bodies with respect to accounting matters; and financial and operating reports and other statistical matters and analyses thereof.

(iv) Taxes: Consolidated and other income tax returns and other federal, state and municipal tax returns, and all matters related thereto, including relations with the Internal Revenue Service and other taxing authorities, the examination and processing of tax returns, assessments and claims, and developments in federal, state and municipal taxes.

(v) Insurance: Insurance programs and matters, including pension and other employee benefit plans and programs; and relations with insurance brokers and agents.

(vi) Budgets: Operating, construction and cash budgets, and similar studies or documents, including estimates and other information required therefor or related thereto.

(vii) Data Processing: Computer and other data processing activities.

(viii) Bulk Power Supply: The bulk power supply system from sources of supply through to bulk substations, to achieve reliable service at minimum cost, including forecasts of electric loads; power supply arrangements among System companies; power supply relations with other utilities; forecasts of gas requirements and the procurement of gas supplies; design, engineering and scheduling of electric and gas production and transmission facilities; the design, engineering and scheduling of major and unusual distribution facilities; and System electric load dispatching operations and related matters.

(ix) Engineering Research and Standardization: Engineering activities in the fields of research, design, construction and standardization; technical specifications and standard designs for and procedures and methods of utilizing materials, equipment and associated services; technical support and engineering as required in all areas of the System's operations.

(x) System Operations: Electric and gas operations, including production, transmission and distribution of electricity and gas; the construction, operation and maintenance of electric and gas facilities; and in general all electric and gas construction, maintenance and operating activities.

(xi) Other Administrative Services: Management-union and all other employee relation activities, including the definition of major organizational responsibilities and the translation of those responsibilities into effective organization structures; employee welfare and other programs and problems; business methods and procedures; and transportation activities and matters.

(xii) Purchasing and Stores: The purchasing and handling of materials and supplies, fuel and equipment, including such activities as buying, traffic, expediting and stock control, and scrap and salvage sales; major and long-term purchase contracts pertaining to the foregoing; and contacts with market conditions and principal suppliers.

(xiii) Commercial Activities: Electric, gas and other sales; customer service facilities; rate matters and rate structures; and area development plans and activities.

(xiv) Marketing and Sales Activities: Marketing, sales and pricing strategies and plans; market research and support activities; technical services; new business and product development; trade ally and strategic alliance services; and marketing and sales training and support.

(C) Officers and other employees of Service Company will, on request of Associate Company, serve, without charge other than as herein provided, as officers or representatives of such Company.

Section 3. Agreement to Take and Pay for Services

Associate Company agrees to take from Service Company such of the services to be performed by Service Company as may be required and to pay to Service Company the cost of such services determined as herein provided. It is the intent of this Agreement that the payment for services rendered by the Service Company to the System shall cover all the costs of its doing business (less credits for services to others and any other miscellaneous income items), including reasonable compensation for necessary capital as permitted by Rule 91 of the SEC under the Act. The methods and procedure for determining the cost of services performed for Associate Company are set forth in Appendix A hereto.

Bills will be rendered for each calendar month on or before the twentieth day of the succeeding month and will be payable on presentation and not later than the last day of that month. Monthly charges may be made in whole or in part for particular expenses on an estimated basis, subject to adjustment, so that all charges for services during a calendar year will be made on an actual basis.

Section 4. Effective Date; Term; and Cancellation.

This Agreement shall become and be effective as of the date hereof and it shall continue in effect, unless sooner terminated as herein provided, for a period of one year. It may be renewed from time to time for similar one-year periods by mutual agreement. This Agreement shall also be subject to termination and shall terminate, without any action by either of the parties, to the extent and from the time that performance may conflict with the Act or with any rule, regulation or order of the SEC adopted before or after the making hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, by their respective officers thereunto duly authorized, all as of the day and year first above written.

CONSOLIDATED EDISON SERVICE COMPANY

By:
Its President

Attest:

Assistant Secretary

ASSOCIATE COMPANY

BY:
Its President

Attest:

Assistant Secretary

APPENDIX A

DESCRIPTION OF METHODS AND PROCEDURE
FOR ALLOCATING COST OF SERVICES

JOB OR WORK ORDERS FOR SERVICE

There shall be job or work orders covering services to be performed for Associate Company or other System companies. These orders may be either general or specific. Services of a continuing nature, such as accounting, financial planning and dispatching, will be covered by general job or work orders; specific job or work orders will cover such things as issues of securities, special studies or construction projects. General orders, as well as specific orders, will specify the nature of the services to be performed thereunder in sufficient detail that charges therefor may be determined as herein provided and properly accounted for by the Associate Company under its prescribed Uniform System of Accounts.

CHARGES FOR SERVICES

General

Charges for services rendered to Associate Company and other System companies will be made on the bases of benefits conferred and of actual cost (including reasonable compensation for necessary capital as permitted by Rule 91 of the SEC under the Act), fairly and equitably allocated.

Specific Services

Charges for specific services performed will be made to the appropriate specific job or work order number assigned to accumulate the charges applicable to the particular activity. These charges will include both direct and indirect costs involved in providing the specific services.

General Services

Charges for general services performed will be made to the appropriate general job or work order number assigned to accumulate the charges applicable to the particular activity. These charges will include both direct and indirect costs involved in providing the general services.

NATURE OF CHARGES AND METHOD OF ALLOCATION

Direct Charges

Direct charges consist of those costs which can practicably be recorded separately and identified not only by job or work order number and department but also as to source, such as time reports for each employee, vehicle reports, invoices and other source documents. Time reports will be maintained for each employee, including officers, in such detail as may be appropriate for such employee and the nature of the services performed. Employees (other than stenographic, secretarial, clerical, and other workers engaged in rendering support services) will record on their time reports hours chargeable to the appropriate job or work order numbers and the nature of the work performed.

CEI will be charged with 25% of the costs chargeable to job or work orders for general services not of an operating or functional nature related primarily to the System subsidiary companies but primarily of benefit to and performed for CEI and the System as a whole. The balance of the charges to such job or work orders will be allocated to among System subsidiary companies as provided hereafter under "Charges to System Companies - General Services."

Indirect Charges or Overhead Expenses

Indirect charges or overhead expenses consist of all costs of the Service Company, other than direct charges described above. These charges may be classified into the following two general categories:

1. General Service Company Overheads - These charges include costs which cannot be identified as applicable to either a particular job or work order number or department and which must be allocated to the various Service Company departments on a fair and equitable basis. The following items are illustrative, and not all-inclusive, of the types of costs which may be so-allocated to the extent above provided: rents; office supplies and expenses; depreciation; building operation and maintenance; insurance; reasonable compensation for necessary capital; general services, such as stenographic, files, mail, etc., including salaries, employee benefits, and expenses of related employees; and other general overheads.

These overhead costs will be allocated to each department on the basis of functional relationship, such as number of personnel, space occupied, use, etc.

2. Department Overheads - These charges include costs which can be identified as applicable to a particular department but which cannot be directly associated with a particular job or work order number. These costs will consist of the following:

(a) Wages and salaries of stenographic, secretarial, clerical and other workers in the department engaged in rendering support services.

(b) Lost or nonproductive time for vacations, personal time off, sickness, holidays, etc., of all employees in department.

(c) Payroll-related Federal and State taxes and group benefit plans for pension, life insurance, hospitalization and medical, etc., of all employees in department.

(d) Miscellaneous supplies and expense.

(e) General Service Company overheads allocated to the particular department as set forth in item 1 above.

The indirect charges of a particular department, as outlined in this item 2, will be distributed to the active specific or general job or work orders for which work is being performed by that department on the same proportionate basis as the actual direct payroll charges of that department.

CHARGES TO OTHER THAN SYSTEM COMPANIES

Services performed for other than System companies will be billed and paid for by them on an appropriate basis. All amounts so billed will be credited to the appropriate job or work orders before any charges are made therefrom to System companies.

CHARGES TO SYSTEM COMPANIES

Specific Services

Charges for specific services recorded in the appropriate job or work order numbers including overhead items, will be billed to the company or companies for whom the services are performed.

General Services

Charges for general services recorded in the appropriate job or work order numbers, including overhead items, will be allocated among System subsidiary companies on one of the following bases determined on the basis of functional relationship to be the most fair and equitable:

1. Revenues - The relation of each company's gross operating revenues (electric, gas or total, as may be appropriate) to the sum of the operating revenues of all System companies (electric, gas or total, as may be appropriate) for the preceding calendar year.

2. Electric Peak Load - The relation of each company's annual electric peak load to the combined electric peak load of all System companies for the preceding calendar year.

3. Peak Day Sendout - The relation of each company's gas peak day sendout to the combined gas peak day sendout of all System companies for the

preceding calendar year.

4. Customers Billed - The relation of each company's total customers billed to the combined total customers billed of all System companies for the preceding calendar year.

5. Other - Such other basis or bases as experience may show will provide, on a functional relationship, a more fair and equitable allocation of particular charges than any of the foregoing.

DEPARTMENT COST CONTROLS

Annual operating budgets, on a departmental basis, will be used and costs will be controlled independently for each department so as to maintain a periodic check on the balances, if any, over or underbilled to insure that services rendered are being billed at cost. Each department will be charged with all of its expenses, including overhead items allocated to it, and will be credited with amounts billed from the department for services rendered. The accounts of each department will be maintained so as to be substantially in balance at all times. Accordingly, semiannual reviews will be made of balances to determine to what extent the billings should be adjusted to reflect actual cost.

BILLING

Bills will be provided Associate Company in sufficient detail so as to identify the services rendered and permit proper accounting distribution of the charges under the Associate Company's prescribed Uniform System of Accounts. Detail on the bill will include: (1) Department; (2) Function or type of service; (3) Nature of charges, whether direct or indirect (overhead); and (4) Source of charges, if direct.

Exhibit M-2

NEW CONSOLIDATED EDISON SERVICE COMPANY
POLICIES AND PROCEDURES

New CEI anticipates that services provided by the New CEI Service Company and the Non Utility Service Co. will be documented through Service Level Agreements (SLA's). The SLA's will document the types of services being provided, the performance measures applicable to such services, and the estimated cost and allocation method for the services. The SLA's will be signed by the service provider and a representative of each subsidiary that will receive the services.

Charges will be accumulated and billed to each New CEI subsidiary company at the end of each month through the Accounting system. A time keeping system is expected to be implemented which will allow for each employee in the Service company to complete time records which will be approved by work group supervisors. The New CEI subsidiary companies will have the ability to review the charges on a monthly basis compared to the SLA estimates. Meetings will be held quarterly, as needed, between service providers and the subsidiary representatives to review performance against the SLA's.

Management plans to develop strategic performance measures for New CEI and its subsidiary companies as a business enterprise. These measures are expected to include financial, operational and employee goals. Management will develop targets against which to measure the performance of New CEI and its subsidiaries on a consolidated basis. In addition, based upon these strategic performance measures and targets, management will develop performance measures and targets for each subsidiary. The financial targets of the subsidiaries will encompass the SLA costs as well. In addition, the Service Company functions will have cost and quality performance measures and targets.

Service Level Agreements will be developed as part of the annual planning and budgeting process. The cost estimates and allocations will be reviewed by the subsidiary companies and meetings will be held to discuss the level of services and cost of services proposed to be provided by the Service Company functions. The New CEI subsidiaries will then include the SLA costs in their business plans and these costs will become part of the financial targets that are developed as part of the planning and budgeting process.

New CEI's Auditing Department will continuously conduct audits of the functions of New CEI and its subsidiaries, including those of the Service Companies, to ensure that proper internal controls exist and to determine if they are functioning as intended and are efficient and effective. As a part of the audit plan, the Internal Audit Department will perform audits of the accounting system and related billings to New CEI subsidiary companies. The purpose of the audits will be to render an opinion on the internal controls over the allocation and billing process and compliance with Commission-approved cost allocation billing methodologies. The Auditing Department will perform its audit of the cost allocations and related billings every three years.

The [Vice President and General Auditor of Internal Audits] (the "Vice President") will report to the Chairman of the Audit Committee of the Board of Directors of New CEI (the "Audit Committee"). Administratively, the Vice President will report to the President of the respective service company. The Vice President will attend each meeting of the Audit Committee. In accordance with New York Stock Exchange listing requirements, the Audit Committee will be comprised solely of outside directors.

In November or December of each year, the results of the year's audit activities will be reviewed with the Audit Committee and the following year's audit plan will be reviewed and approved by the Audit Committee. The Audit Committee will annually review its Charter to ensure that it will sufficiently allow the Vice President to carry out his duties. The Vice President will meet privately with the Audit Committee several times during the year and will have the addresses and telephone numbers of the Audit Committee members and will be free to contact them at any time. The Vice President will be reminded in these private meeting sessions that he has such freedom.

Exhibit N-1

TAX ALLOCATION AGREEMENT

This Agreement, dated as of   , 2001, the date on which each of the following companies became a member of the Parent Company affiliated group, as defined in Section 1504(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code")) (the "Effective Date"), is made by and among Consolidated Edison, Inc., (the "Parent Company"), Northeast Utilities, The Connecticut Light and Power Company, Western Massachusetts Electric Company, Holyoke Water Power Company, Northeast Utilities Service Company, Northeast Nuclear Energy Company, Holyoke Power and Electric Company, The Rocky River Realty Company, The Quinnehtuk Company, Charter Oak Energy, Inc., Charter Oak Paris, Inc., HEC, Inc., Public Service Company of New Hampshire, North Atlantic Energy Corporation, North Atlantic Energy Service Corporation, Properties Inc., COE Development Corporation, COE Argentina II Corp., COE Ave Fenix Corporation, HEC International Corporation, Mode I Communications Inc., Select Energy, Inc., CL&P Receivables Corporation, NU Enterprises, Inc., Northeast Generation Company, Northeast Generation Services Company, Select Energy Portland Pipeline, Inc., Reeds Ferry Supply Co., Inc., HEC/Tobyhanna Energy Project, Inc., Yankee Energy System, Inc., Yankee Energy Financial Services Company, NorConn Properties, Inc., Yankee Energy Services Company, Yankee Gas Services Company and R.M. Services, Inc., Consolidated Edison of New York, Inc., Consolidated Edison Solutions, Inc., Consolidated Edison Energy, Inc., Consolidated Edison Development, Inc., CED Ada, Inc., Consolidated Edison Leasing, Inc., CED Management Company, Inc., Consolidated Edison Energy Massachusetts, Inc., CED - Lakewood Inc., CED Generation Lakewood Company, Consolidated Edison Communications, Inc., Orange and Rockland Utilities, Inc., Rockland Electric Company and Pike County Light & Power Company (hereinafter collectively "subsidiaries" and singly "subsidiary") in accordance with Rule 45(c). The subsidiaries join in the annual filing of a consolidated federal income tax return with the Parent Company.

In consideration of the mutual benefits and obligations provided for herein, the Parties to this Agreement hereby agree that the consolidated federal income tax, as defined by Rule 45(c)(1), of the Parent Company and the subsidiaries shall be allocated as follows:

(1) Apportionment of Parent Company Income or Loss. The net taxable income or loss of the Parent Company computed on a separate return basis ("separate taxable income") shall be apportioned among such subsidiaries in proportion to the dividends paid by each subsidiary to the Parent Company. The separate taxable income of the Parent Company or a subsidiary is the income or loss of such company for a tax year, computed as though such company had always filed a separate return on the same basis as used in the consolidated return, with the following adjustments:

FN

References to Rule 45 are to Rule 45 of the Public Utility Holding Company Act of 1935.

(a) Gains and losses on intercompany transactions shall be taken into account as provided in Treas. Reg. Section 1.1502-13 and 13T.

(b) Gains and losses relating to inventory adjustments shall be taken into account as provided in Treas. Reg. Section 1.1502-18.

(c) Dividends and other transactions with respect to stock, bonds, or other obligations of members shall be reflected as provided in Treas. Reg. Section 1.1502-13(f) and -13(g).

(d) Excess losses shall be included in income as provided in Reg. Section 1.1502-19.

(e) In the computations of tax credits and recapture, Treas. Reg. Section 1.1502-3(f)(2) shall apply.

(f) Basis shall be determined under Treas. Reg. Section 1.1502-31 or Section 1.1502-32, and earnings and profits shall be determined under Treas. Reg. Section 1.1502-33.

(g) Payments made or received under this Agreement shall be eliminated.

(h) tems attributable to a consolidated return year but not allowable on a separate company basis (such as deductions for percentage depletion or net operating loss carryovers or carrybacks), to the extent such items were previously taken into account to reduce the consolidated taxable income shall be excluded.

(2) Allocation of Consolidated Tax. The consolidated federal income tax, as defined by Rule 45(c)(1), exclusive of capital gains taxes (see paragraph (3)), and the alternative minimum tax (see paragraph (7)), and before the application or recapture of any credits (see paragraph (4)) and the results of any special benefits (see paragraph (5)), shall be allocated among the subsidiaries based on their separate taxable income or loss, computed without regard to net capital gains or losses, and after the application of paragraph (1). Subject to the limitation provided in paragraph (10), such consolidated federal income tax allocated to a subsidiary, which may be either positive or negative, shall be equal to the separate taxable income of the subsidiary (after elimination of capital gains and losses) multiplied times the highest effective corporate federal income tax rate set forth in Section 11 of the Code. However, no company shall receive a negative allocation greater (in absolute value) than the amount by which its loss has reduced the consolidated federal income tax liability. Conversely, a company shall receive a negative allocation for any loss or deduction it cannot use currently to the extent such loss or deduction reduces the consolidated federal income tax liability. If the consolidated tax liability is greater than the aggregate tax on the separate taxable income of the Parent Company and each subsidiary ("separate return tax"), then no subsidiary shall receive an allocation greater than its separate return tax, and the Parent Company shall be liable for the excess of the consolidated tax over the sum of the separate return taxes of the subsidiaries, subject to recovery in later years from subsequent consolidated tax benefits.

(3) Allocation of Capital Gains Taxes. The portion of the consolidated tax attributable to net capital gains and losses shall be allocated directly to the subsidiaries giving rise to such items. The effects of netting capital

gains and losses in the current year shall follow the principles of paragraph (2). The effects of capital loss carrybacks or carryforwards shall follow the principles of paragraph (6). See Rules 45(c)(3) and 45(c)(5).

(4) Allocation of General Business Credits. General business credits arising in a particular year shall be allocated among the subsidiaries giving rise to such credits by multiplying the amount of consolidated general business credits for such year utilized by a fraction, the numerator of which is the amount of general business credit of the subsidiary for such year and the denominator of which is the total amount of general business credit of all such subsidiaries for such year. If the consolidated group is in a credit carryforward situation, the utilized credit shall be allocated based on the vintages that comprise the utilized credit. For purposes of the consolidated return, the credits utilized are determined on a first-in first-out basis with all credits generated by all subsidiaries in the earliest year utilized first before credits generated in a subsequent year can be utilized. For purposes of allocating the credits pursuant to this agreement, and in accordance with the separate return limitation of paragraph (10), the credits utilized shall be determined on a first-in first-out basis with the credits generated by subsidiaries allocated positive taxes in paragraphs (2) and (3) utilized first, for all available vintages, before credits generated by subsidiaries allocated negative taxes in paragraphs (2) and (3) are utilized. If the vintages of credits utilized pursuant to this agreement differ from those utilized according to the consolidated return for a subsidiary, then the vintages of credits utilized pursuant to this agreement shall be exchanged among the affected subsidiaries. General business credits that are lost due to reductions, limitations and expirations imposed by the Code or the regulations thereunder shall be allocated in an appropriate and reasonable manner.

(5) Allocation of Special Benefits. Any special benefits, such as the effects of Section 1341 of the Code, shall be allocated directly to the subsidiaries giving rise to them. See Rule 45(c)(3).

(6) Allocation of a Net Operating Loss. Should the Parent Company's affiliated group generate a net operating loss for a tax year, each company shall first receive an allocation of consolidated federal income tax, which may be either positive or negative, as provided in paragraph (2); provided, however, a negative allocation of the consolidated federal income tax shall be made only to the extent that separate taxable income reduces consolidated federal income tax for such tax year. The current consolidated net operating loss shall then be apportioned to each subsidiary with a taxable loss and carried back or forward to year(s) when the consolidated net operating loss can be utilized. The consolidated reduction in tax resulting from the carryback or carryforward of the net operating loss shall be apportioned to loss subsidiaries in accordance with paragraphs (2) through (5). For purposes of the consolidated return, the utilization of net operating losses carried back or carried over is determined on a first-in first-out basis with all net operatingMPANY

By:
Name:
Title:

Attest:

NORTHEAST GENERATION SERVICES COMPANY

By:
Name:
Title:

Attest:

SELECT ENERGY PORTLAND PIPELINE, INC.

By:
Name:
Title:

Attest:

REEDS FERRY SUPPLY CO., INC.

By:
Name:
Title:

Attest:

HEC/TOBYHANNA ENERGY PROJECT, INC.

By:
Name:
Title:

Attest:

YANKEE ENERGY SYSTEM, INC.

By:

Name:
Title:

Attest:

YANKEE ENERGY FINANCIAL SERVICES COMPANY

By:
Name:
Title:

Attest:

NORCONN PROPERTIES, INC.

By:
Name:
Title:

Attest:

YANKEE ENERGY SERVICES COMPANY

By:
Name:
Title:

Attest:

YANKEE GAS SERVICES COMPANY

By:
Name:
Title:

Attest:

R.M. SERVICES, INC.

By:
Name:
Title:

Attest:

CONSOLIDATED EDISON OF NEW YORK, INC.

By:
Name:
Title:

Attest:

CONSOLIDATED EDISON SOLUTIONS, INC.

By:
Name:
Title:

Attest:

CONSOLIDATED EDISON ENERGY, INC.

By:
Name:
Title:

Attest:

CONSOLIDATED EDISON DEVELOPMENT, INC.

By:
Name:
Title:

Attest:

CONSOLIDATED EDISON LEASING, INC.

By:
Name:
Title:

Attest:

CED ADA, INC.

By:
Name:
Title:

Attest:

CED MANAGEMENT COMPANY, INC.

By:
Name:
Title:

Attest:

CONSOLIDATED EDISON ENERGY MASSACHUSETTS, INC.

By:
Name:
Title:

Attest:

CED - LAKEWOOD INC.

By:
Name:
Title:

Attest:

CED GENERATION LAKEWOOD COMPANY

By:
Name:
Title:

Attest:

CONSOLIDATED EDISON COMMUNICATIONS, INC.

By:
Name:
Title:

Attest:

ORANGE AND ROCKLAND UTILITIES, INC.

By:
Name:
Title:

Attest:

ROCKLAND ELECTRIC COMPANY

By:
Name:
Title:

Attest:

PIKE COUNTY LIGHT & POWER COMPANY

By:
Name:
Title: