

July 16, 2010

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**Subject: Electric Generation Supplier License - Application for Approval**

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Dear Secretary Chiavetta:

Hudson Energy Services, LLC, ("Hudson Energy") submits the enclosed application for a license to conduct business in the Commonwealth as an Electric Generation Supplier. Hudson Energy looks forward to working with the Commission and having the opportunity to serve residential and commercial electric customers in Pennsylvania.

Hudson Energy's application includes a specimen for a letter of credit in the amount of \$250,000 to satisfy the financial responsibility requirements of 66 PA. C.S. Section 2809(C) (1) (I). If the form is acceptable, please return to me an approved specimen. If any changes are required, please return a marked up specimen to me.

Once Hudson Energy receives notification that its application has been received, Hudson Energy will arrange for newspaper publication of the notice of its intention to become a licensed Electric Generation Supplier. A draft notice for the PA bulletin has also been provided.

Please contact me at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,



Michael Haugh  
Manager, U.S. Regulatory Affairs

Encl.: Original Application of Hudson Energy  
3 paper copies of the Application of Hudson Energy  
1 electronic copy (compact disc) of the Application of Hudson Energy  
\$350 Filing Fee



RECEIVED

2010 JUL 16 PM 3:18

PA PUC  
SECRETARY'S BUREAU

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **Hudson Energy Services, LLC**, for approval to offer, render, furnish, or supply electricity or electric generation services as Broker/Marketer engaged in the business of supplying electricity to the public in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are:  
Hudson Energy Services, LLC  
6345 Dixie Rd., Suite 200  
Mississauga, ON L5T 2E6  
Canada  
Phone: (905) 670-4440  
Fax: (905) 564-6069

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number.

None.

2. a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:

Michael Haugh Manager, U.S. Regulatory Affairs, 6345 Dixie Rd., Suite 200, Mississauga, ON, L5T 2E6  
Canada  
Phone: (614) 364-2232 (USA); Fax: (905) 564-6069 (Canada)

- b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:

Michael Haugh, Manger U.S. Regulatory Affairs, 6345 Dixie Rd., Suite 200, Mississauga, ON, L5T 2E6  
Canada  
Phone: (614) 364-2232 (USA); Fax: (905) 564-6069 (Canada)

- 3.a. **ATTORNEY:** If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:

Joseph Koval  
Hudson Energy Services  
4 Executive Blvd. Suite 301  
Suffern, NY 10901  
Tel: (845) 228-3415  
Fax: (845) 228-3422

John Povilaitis  
800 North Third Street Suite 101  
Harrisburg, Pennsylvania 17102  
Phone: (717) 236-7714  
Fax: (717) 236-7816

- b. **REGISTERED AGENT:** If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:

National Registered Agents, Inc.  
600 N. 2nd St.  
Harrisburg, PA 17101  
800-562-6429

4. **FICTITIOUS NAME:** (select and complete appropriate statement)

☐ The Applicant will be using a fictitious name or doing business as ("d/b/a"):

Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

**or**

☒ The Applicant will not be using a fictitious name.

5. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** (select and complete appropriate statement)

☐ The Applicant is a sole proprietor:

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

**or**

☐ The Applicant is a:

- ☐ domestic general partnership (\*)
- ☐ domestic limited partnership (15 Pa. C.S. §8511)
- ☐ foreign general or limited partnership (15 Pa. C.S. §4124)
- ☐ domestic limited liability partnership (15 Pa. C.S. §8201)
- ☐ foreign limited liability general partnership (15 Pa. C.S. §8211)
- ☐ foreign limited liability limited partnership (15 Pa. C.S. §8211)

Provide proof of compliance with appropriate Department of State filing requirements as indicated above.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

- ☐ \* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

**or**

- ☐ The Applicant is a :
- ☐ domestic corporation (none)
  - ☐ foreign corporation (15 Pa. C.S. §4124)
  - X domestic limited liability company (15 Pa. C.S. §8913)
  - ☐ foreign limited liability company (15 Pa. C.S. §8981)
  - ☐ Other \_\_\_\_\_

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation. **Please see Appendix A**

Give name and address of officers.

**Please see Appendix B**

The Applicant is incorporated in the state of **New Jersey**\_\_\_\_\_

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

x Affiliate(s) of the Applicant doing business in Pennsylvania are:

1. Commerce Energy, Inc.
2. Just Energy Pennsylvania Corp.

Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.

Commerce Energy Inc.  
575 Anton Blvd. Suite 650  
Costa Mesa, CA  
92626

Just Energy Pennsylvania Corp.  
6345 Dixie Road, Suite 200  
Mississauga, ON L5T 2E6  
Canada

The Affiliates are not jurisdictional utilities, rather brokers/marketers in the business of supplying electricity.

- ☐ If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.

**or**

- ☐ The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.

7. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

- ☐ The Applicant is presently doing business in Pennsylvania as a
- ☐ vertically-integrated provider of generation, transmission, and distribution services.
  - ☐ municipal electric corporation providing service outside its municipal limits.
  - ☐ electric cooperative
  - ☐ local gas distribution company
  - ☐ nonintegrated provider of electric generation, transmission or distribution services.
  - ☐ Other. (Identify the nature of service being rendered.)

**or**

- ☒ The Applicant is not presently doing business in Pennsylvania.

8. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- ☐ Generator and supplier of electric power.
- ☐ Municipal generator and supplier of electric power.
- ☐ Electric Cooperative and supplier of electric power
- ☒ Broker/Marketer engaged in the business of supplying electricity.
- ☒ Aggregator engaged in the business of supplying electricity
- ☐ Other (Describe):

9. **PROPOSED SERVICES:** Generally describe the electric services or the electric generation services which the Applicant proposes to offer.

Hudson Energy Services, LLC will provide residential, business and industrial customers with electricity and natural gas programs that reduce or eliminate their exposure to changes in the price of these essential commodities; as well as environmentally friendly energy solutions from renewable sources for example wind, biomass, etc.

10. **SERVICE AREA:** Generally describe the geographic area in which Applicant proposes to offer services.

Hudson Energy Services, LLC proposes to market in all service territories within the Commonwealth.

11. **CUSTOMERS:** Applicant proposes to initially provide services to:

- ☐ Residential Customers
- ☐ Commercial Customers - (25 kW and Under)
- ☐ Commercial Customers - (Over 25 kW)
- ☐ Industrial Customers
- ☐ Governmental Customers
- X All of above
- ☐ Other (Describe):

- 12 **FERC FILING:** Applicant has:

- ☐ Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.
- ☐ Received approval from FERC to be a Power Marketer at Docket or Case Number \_\_\_\_\_.
- ☒ Not applicable

13. **START DATE:** The Applicant proposes to begin delivering services on **September 1, 2010** (approximate date).

14. **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following:

Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Commerce Building, Suite 1102  
Small Business Advocate  
300 North Second Street  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

Any of the following Electric Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

**Duquesne Light Company:**  
Regulatory Affairs Unit  
Duquesne Light Company  
411 Seventh Street, MD 16-4  
Pittsburgh, PA 15219

**UGI:**  
UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12<sup>th</sup> Street Suite 360  
P.O. Box 12677  
Reading, PA 19612-2677

**Met-Ed, Penelec and Penn Power:**  
Legal Department  
FirstEnergy  
2800 Pottsville Pike  
Reading, PA 19612

**PPL:**  
Legal Department  
Attn: Paul Russell  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

**PECO:**  
Manager Energy Acquisitions  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

**Allegheny Power:**  
Legal Department  
West Penn Power d/b/a Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14.

**Please see Appendix C.**

15. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix B to this application. **Please see Appendix D.**
16. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.
- Hudson Energy Services, LLC, an affiliate, a predecessor of either, or a person identified in this Application has never been convicted of a crime involving fraud or similar activity. **Please See Appendix E.**
17. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.
- a. Contacts for Consumer Service and Complaints: Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission or other agencies.  
**Please see Appendix F (a)**
- b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.  
**Please see Appendix F (b)**
- c. If proposing to serve Residential and/or Small Commercial (under 25 kW) customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix C to this Application.  
**Please see Appendix F (b)**
18. **BONDING:** In accordance with 66 PA. C.S. Section 2809(C) (1)(I), the Applicant is:
- ☐ Furnishing a copy of initial bond, letter of credit or proof of bonding to the Commission in the amount of \$250,000.
- ☒ Furnishing proof of other initial security for Commission approval, to ensure financial responsibility.  
**Please see Appendix G.**
- ☐ Filing for a modification to the \$250,000 and furnishing a copy of an initial bond, letter of credit or proof of bonding to the Commission for the amount of \$\_\_\_\_\_. Applicant is required to provide information supporting an amount less than \$250,000.

At the conclusion of Applicant's first year of operation it is the intention of the Commission to tie security bonds to a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. The amount of the security bond will be reviewed and adjusted on an annual basis.

19. **FINANCIAL FITNESS:**
- A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
  - Published parent company financial and credit information.



- Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements  
**Please see Appendix H (1)**
- Such other information that demonstrates Applicant's financial fitness.  
**Please see Appendix H (2)**

B. Applicant must provide the following information:

- Identify Applicant's chief officers including names and their professional resumes.  
**Please see Appendix H (3)**
- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.  
**Please see Appendix H (4)**

20. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:  
**Please see Appendices I (a) and I (b)**

- The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes.  
**Please see Appendix H (3)**
- Proposed staffing and employee training commitments
- Business plans
- Documentation of membership in ECAR, MAAC or other regional reliability councils shall be submitted if applicable to the scope and nature of the applicant's proposed services.
- An affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service.

21. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.

22. **ASSESSMENT:** The Applicant acknowledges that Title 66, Chapter 5, Section 510 grants to the Commission the right to make assessments to recover regulatory expenses and that as a supplier of electricity or an electric generation supplier it will be assessed under that section of the Pennsylvania Code. The Applicant also acknowledges that the continuation of its license as a supplier of electricity or an electric generation supplier will be dependent upon the payment of all prior years assessments.

23. **UNIFORM STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.
24. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:
- a. **Reports of Gross Receipts:** Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.
  - b. The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.
  - c. Applicant shall report to the Commission the following information on an annual basis:
    - the percentages of total electricity supplied by each fuel source

**Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.**

25. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing.
26. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.
27. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

Applicant: Hudson Energy Services, LLC.

By: Gord Potter 

Title: **EVP, Legal and Regulatory Affairs**

# AFFIDAVIT

Province of Ontario :

SS.

Region of Peel :

**Gord Potter** , Affiant, being duly sworn according to law, deposes and says that:

He is the **EVP, Legal and Regulatory Affairs** of **Hudson Energy Services, LLC.**

That he is authorized to and does make this affidavit for said Applicant;

That **Hudson Energy Services, LLC.**, the Applicant herein, acknowledges that [Applicant] may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; ~~or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.~~

That **Hudson Energy Services, LLC.**, the Applicant herein, asserts that [he/she/it] possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That **Hudson Energy Services, LLC.**, the Applicant herein, certifies to the Commission that it is subject to , will pay and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2 ), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

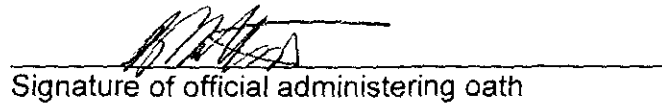
That **Hudson Energy Services, LLC.**, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

  
Signature of Affiant

Sworn and subscribed before me this 12 day of July, 2010.

  
Signature of official administering oath

My commission expires N/A.

# AFFIDAVIT

Province of **Ontario** :

SS.

Region of **Peel** :

**Gord Potter**, Affiant, being duly sworn according to law, deposes and says that:

He is the **EVP, Legal and Regulatory Affairs** of **Hudson Energy Services, LLC**.

That he/she is authorized to and does make this affidavit for said Applicant;

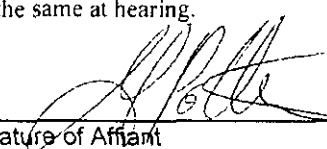
That the Applicant herein **Hudson Energy Services, LLC**, has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein **Hudson Energy Services, LLC**, has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

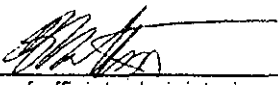
That the Applicant herein **Hudson Energy Services, LLC**, acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein **Hudson Energy Services, LLC**, acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

  
\_\_\_\_\_  
Signature of Affiant

Sworn and subscribed before me this 12 day of July, 2010.

  
\_\_\_\_\_  
Signature of official administering oath

My commission expires N/A

# Appendix A

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**COMMONWEALTH OF PENNSYLVANIA**

**DEPARTMENT OF STATE**

**JULY 15, 2010**

**TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:**

**HUDSON ENERGY SERVICES, LLC**

**I, Basil L Merenda, Acting Secretary, Secretary of the Commonwealth of Pennsylvania**

**do hereby certify that the foregoing and annexed is a true and correct  
copy of**

**Application for Registration filed on June 8, 2007**

**which appear of record in this department.**



**IN TESTIMONY WHEREOF, I have  
hereunto set my hand and caused  
the Seal of the Secretary's Office to  
be affixed, the day and year above  
written.**

*Basil L. Merenda*

**Acting Secretary of the Commonwealth**

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Application for Registration - Foreign

(15 Pa.C.S.)

- ☐ Registered Limited Liability General Partnership (§ 8211)  
☐ Registered Limited Liability Limited Partnership (§ 8211)  
☐ Limited Partnership (§ 8582)  
☒ Limited Liability Company (§ 8981)

Name Avi Schoenfeld C/O Hudson Energy Services, LLC		
Address 4 Executive Blvd Suite 301		
City Suffern	State NY	Zip Code 10901

Document will be returned to the  
name and address you enter to  
the left.

Commonwealth of Pennsylvania  
APPLICATION FOR REGISTRATION 5 Page(s)



T0716260102

Fee: \$250

In compliance with the requirements of the applicable provisions (relating to registration), the undersigned, desiring to register to do business in this Commonwealth, hereby states that:

1. The name to be registered is:  
Hudson Energy Services, LLC

2. (If the name set forth in paragraph 1 is not available for use in this Commonwealth, complete the following):

The name under which the limited liability company/limited liability partnership/limited partnership proposes to register and do business in this Commonwealth is:

3. The name of the jurisdiction under the laws of which it was organized and the date of its formation:

Jurisdiction: NJ Date of Formation: 09/01/02

4. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
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(b) Name of Commercial Registered Office Provider National Registered Agents, Inc.	County Dauphin
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PA DEPT. OF STATE

PA DEPT. OF STATE

Certification# 1889170-1 Page 1 of 2

MAY 04 2007

JUN 08 2007



## 5. Check and complete one of the following:

- ☐ The address of the office required to be maintained by it in the jurisdiction of its organization by the laws of that jurisdiction is:

Number and street	City	State	Zip
-------------------	------	-------	-----

- ☒ It is not required by the laws of its jurisdiction of organization to maintain an office therein and the address of its principal office is:

4 Executive Blvd Suite 301	Suffern	NY	10901
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Number and street	City	State	Zip
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6. For Restricted Professional Limited Liability Company Only. Strike out if inapplicable: The company is a restricted professional company organized to render the following professional service(s):

**Limited Liability Partnership and Limited Partnership: Complete paragraphs 7 and 8**

7. The name and business address of each general partner.

Name	Business Address
------	------------------

Abe Grohman	4 Executive Blvd Suite 301 Suffern, NY 10901
-------------	--

David Rosenberg	4 Executive Blvd Suite 301 Suffern, NY 10901
-----------------	--

8. The address of the office at which is kept a list of the names and addresses of the limited partners and their capital contribution is:

4 Executive Blvd Suite 301	Suffern	NY	10901	Rockland
----------------------------	---------	----	-------	----------

Number and street	City	State	Zip	County
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The registered partnership hereby undertakes to keep those records until its registration to do business in the Commonwealth is canceled or withdrawn.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer/member or manager thereof this

25 day of April, 2007.

Hudson Energy Services, LLC

Name of Partnership/Company

[Signature]  
Signature

Sr VP

Title

NEW JERSEY DEPARTMENT OF TREASURY  
DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES

CERTIFICATE OF FORMATION

HUDSON ENERGY SERVICES LLC  
0400015448

The above-named DOMESTIC LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 09/01/2002 and was assigned identification number 0400015448. Following are the articles that constitute its original certificate.

1. Name:  
HUDSON ENERGY SERVICES LLC

2. The Registered Agent:  
LEAH KLEIN

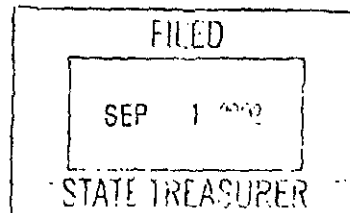
3. The Registered Office:  
146 PENNINGTON AVE  
PASSAIC, NJ 07055

4. Business Purpose:  
Miscellaneous Service

5. Members/Managers:  
ABE GROHMAN  
24 CORTLAND ROAD  
MONSEY, NJ 10952  
DAVID ROSENBERG  
56 FORSHAY ROAD  
MONSEY, NY 10952

6. The Main Business Address:  
24 CORTLAND ROAD  
MONSEY, NY 10952

Signatures:  
KERRY WALSH  
AUTHORIZED REPRESENTATIVE



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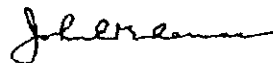
0400015448

NEW JERSEY DEPARTMENT OF TREASURY  
DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES

CERTIFICATE OF FORMATION

HUDSON ENERGY SERVICES LLC  
0400015448

IN TESTIMONY WHEREOF, I have  
hereunto set my hand and  
affixed my Official Seal  
at Trenton, this  
09/03/2002



John E. McCormac, CPA  
Treasurer of the State of New Jersey

AMC  
**FILED**

New Jersey Division of Revenue

NOV 20 2003

**Certificate of Amendment  
Limited Liability Company**

**State Treasurer**

This form may be used to amend a Certificate of Formation of a Limited Liability Company on file with the Department of the Treasury. Applicants must insure strict compliance with NJSA 42, the New Jersey Limited Liability Act, and insure that all applicable filing requirements are met.

1. Name of Limited Liability Company:

Hudson Energy Services LLC

2. Identification Number:

0400015448

3. New LLC Name (if applicable):

4. Effective Date:

Upon filing

5. The Certificate of Formation is amended as follows (provide attachments if needed):

David Rosenberg has resigned as a Member/Manager.

The Sole Member/Manager is:

Abe Grohman  
24 Cortland Road  
Monsey, New York 10952

The Main Business Address of the Company is:

545 Route 17 South  
Ridgewood, New Jersey 07450

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form behalf of the Limited Liability Company.

Signature:

*Abe Grohman*

Name: Abe Grohman

Date:

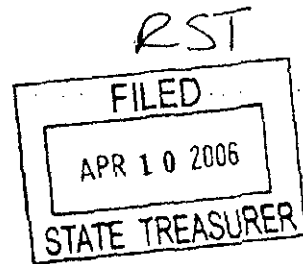
11-19-03

0400015448

S/1328243  
J2546418

L-112 (4/94)

New Jersey Division of Revenue  
Restated and Amended Certificate of Formation  
(For use by a Limited Liability Company)



This form may be used to restate and integrate, AND FURTHER AMEND, the Certificate of Formation of a Limited Liability Company on file with the Department of the Treasury, as supplemented and amended by any instrument that was executed and filed pursuant NJSA 42.

1. Name of Limited Liability Company: Hudson Energy Services LLC
2. Identification Number (10 digit) 0400013448
3. New LLC Name: (If applicable)
4. Other Provisions:
5. The Restated Certificate of Formation is amended as follows: (Use statements if required)  
See Schedule A attached hereto and made a part hereof.
6. Attachments:

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form on behalf of the LLC.

Signature *Abraham Grobman*

Date April 7, 2006

Name Abraham Grobman

NJ Division of Revenue, PO Box 308, Trenton NJ 08623  
Instructions

51683550  
T316-0170 T316-0130

0400013448

Schedule A to  
New Jersey Division of Revenue  
Restated and Amended Certificate of Formation  
(For use by a Limited Liability Company)  
For  
Hudson Energy Services LLC

1. The name of the Limited Liability Company is Hudson Energy Services LLC (the "Company").
2. The identification number for the Company is 0400015448.
3. The Company was formed on September 1, 2002.
4. The Registered Agent for the Company is Leah Klein.
5. The Registered Office Address is 146 Pennington Avenue, Passaic, New Jersey 07055.
6. The Main Business Address of the Company is 545 Route 17 South, Ridgewood, New Jersey 07450.
7. The Company shall have Perpetual Existence.
8. The business purpose of the Company shall to engage in any activity within the purposes for which limited liability companies may be organized under N.J.S.A. 42.
9. The Sole Member of the Company is as follows:

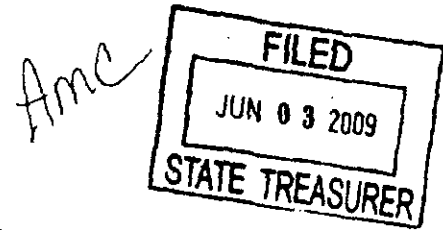
<u>Name</u>	<u>Address</u>
Hudson Parent Holdings LLC	545 Route 17 South Ridgewood, New Jersey 07450

The undersigned represent(s) that this filing complies with State law as detailed in NISA  
42 and that they are authorized to sign this form on behalf of the LLC.

Abraham Grobman  
Abraham Grobman

April 7, 2006

L-102 NJSA 42 (2/94)



New Jersey Division of Revenue

**Certificate of Amendment**  
Limited Liability Company

0400015448

This form may be used to amend a Certificate of Formation of a Limited Liability Company on file with the Department of the Treasury. Applicants must insure strict compliance with NJSA 42, the New Jersey Limited Liability Act, and insure that all applicable filing requirements are met.

1. Name of Limited Liability Company:

Hudson Energy Services LLC

2. Identification Number:

0400015448

3. New LLC Name (if applicable):

4. Effective Date:

5. The Certificate of Formation is amended as follows (provide attachments if needed):

The Restated and Amended Certificate of Formation is amended as follows:

Schedule A

No. 9 listing the name and address of the Sole Member of the Company should be deleted in its entirety and no replacement should be in its place.

The undersigned represent(s) that this filing complies with State law as detailed in NJSA 42 and that they are authorized to sign this form behalf of the Limited Liability Company.

Signature:

*Cindy Oberdorff*

Name: Cindy Oberdorff, Authorized Signatory

Date: 6/3/09

02164302

NJ Division of Revenue, PO Box 308, Trenton, NJ 08646

NJ2000 - 07/12/2000 C.T. Systems Online

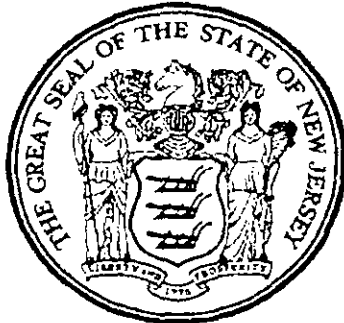
033965656



STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
FILING CERTIFICATION (CERTIFIED COPY)

HUDSON ENERGY SERVICES LLC  
0400015448

I, the Treasurer of the State of New Jersey,  
do hereby certify, that the above named business  
did file and record in this department the below  
listed document(s) and that the foregoing is a  
true copy of the  
Certificate Of Formation  
Amendments  
And Restated Certificate  
as the same is taken from and compared with the  
original(s) filed in this office on the date set  
forth on each instrument and now remaining on file  
and of record in my office.



Certificate Number: 117011265

Verify this certificate online at

[https://www1.state.nj.us/TYTR\\_StandingCervJSP/Verify\\_Cert.jsp](https://www1.state.nj.us/TYTR_StandingCervJSP/Verify_Cert.jsp)

IN TESTIMONY WHEREOF, I have  
hereunto set my hand and affixed  
my Official Seal at Trenton, this  
30th day of April, 2010

Andrew P Sidamon-Eristoff  
State Treasurer

**FIFTH AMENDED AND RESTATED  
OPERATING AGREEMENT  
OF  
HUDSON ENERGY SERVICES LLC**

A New Jersey Limited Liability Company

**THIS FIFTH AMENDED AND RESTATED OPERATING AGREEMENT** (the "Agreement") is made and entered into as of this 7<sup>th</sup> day of May, 2010, by **HE HOLDINGS, LLC**, a Delaware limited liability company (sometimes hereinafter referred to herein as the "Member").

**W I T N E S S E T H :**

**WHEREAS**, the Member is the sole member of a New Jersey limited liability company named Hudson Energy Services LLC (the "Company");

**WHEREAS**, the Member declares that this document is intended to be the Operating Agreement of the Company and desires to have no liability to third parties to the fullest extent provided under the New Jersey Limited Liability Company Act; and

**WHEREAS**, the Member intends that the Company be disregarded as a separate entity for federal income tax purposes pursuant to Treasury Regulations § 301.7701-3;

**NOW, THEREFORE**, the Member hereby sets forth the following:

**ARTICLE I  
DEFINITIONS**

1.1 **Certain Definitions.** As used in this Agreement, the following terms have the following meanings:

"**Act**" means the New Jersey Limited Liability Company Act and any successor statute, as amended from time to time.

"**Affiliate**" means, with respect to a Person, another Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

"**Agreement**" has the meaning given such term in the introductory paragraph of this Agreement.

"**Available Cash**" means all cash of the Company on hand as of any given time after the payment of all then due debts and liabilities of the Company and after any prepayments of any debts and liabilities of the Company that the Board deems appropriate to cause the Company to make, less any reserves deemed necessary by the Board, consistent with the provisions of this Agreement, for (a) the repayment of any debts or liabilities of the Company, (b) the working capital or other requirements of the Company, and (c) any contingent or unforeseen liabilities of the Company.

"**Board**" means the Board of Directors of the Company, comprised of the individuals designated pursuant to **Section 3.2**.

"**Code**" means the United States Internal Revenue Code of 1986, as amended, and any successor thereto.

**"Company"** means HUDSON ENERGY SERVICES LLC, a New Jersey limited liability company.

**"Company Interest"** means a limited liability company interest in the Company as defined in the Act. The Member's Company Interest, regardless of such Member's capital account (or otherwise), shall be equal to a percentage, the numerator being the number of Units then held by such Member, and the denominator being all Units outstanding in the Company. The Member's Unit holdings and Company Interest are set forth on Exhibit A, which may be amended from time to time by the Member to reflect changes in Unit holdings and Company Interest as contemplated by this Agreement.

**"Entity"** means any general partnership, limited partnership, corporation, association, cooperative, joint stock company, trust, limited liability company, business trust, joint venture, unincorporated organization and governmental entity (or any department, agency or political subdivision thereof).

**"Member"** means HE Holdings, LLC, and such other Persons, if any, who are subsequently admitted to the Company as additional Members.

**"Person"** means ~~any individual or Entity~~, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person.

**"Units"** are a representative measure of the Member's Company Interests, as further described in this Agreement.

1.2 **Other Defined Terms.** Other terms defined in this Agreement have the meanings so given them where defined in this Agreement.

1.3 **Construction.** Whenever the context requires, the gender of all words used in this Agreement includes the masculine, feminine and neuter. Unless otherwise expressly stated, all references to Articles and Sections refer to articles and sections of this Agreement.

## ARTICLE II THE LIMITED LIABILITY COMPANY

2.1 **Formation.** The Company was organized as a New Jersey limited liability company by the filing of the certificate of formation with the Secretary of State of New Jersey. It is the Member's intention that the Company be disregarded as a separate entity for federal income tax purposes pursuant to Treasury Regulations § 301.7701-3, and, accordingly, that no election to the contrary shall be filed by or on behalf of the Company and all income, gain, loss, deduction and credit of the Company shall be reported by the Member on its returns.

2.2 **Name.** The name of the Company is "Hudson Energy Services LLC" wherever such d/b/a is available and otherwise under such other names that comply with applicable law as the Board may select from time to time.

2.3 **Registered Office; Registered Agent; Principal Office; Other Offices.** The registered office of the Company required by the Act to be maintained in the State of New Jersey shall be such office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by law. The registered agent of the Company in the State of New Jersey shall be such Person or Persons as the Board may designate from time to time in the manner provided by law. The principal office of the Company shall be at such place as the Board may designate from time to time, which need not be in the State of New Jersey, and the Company shall maintain records there. The Company may have such other offices as the Board may designate from time to time.

2.4 **Purposes.** The purpose of the Company and the nature of its business shall be to pursue any activities which are not prohibited by the Act or the laws of the jurisdictions in which the Company engages in that business.

2.5 **Foreign Qualification.** The Company will be qualified as a foreign limited liability company in the jurisdiction where such qualification is necessary.

2.6 **Term.** The term of the Company commenced on the date the certificate of formation was filed with the office of the Secretary of State of New Jersey, and shall be perpetual, and the Company shall continue in existence until termination and dissolution of the Company as determined under Section 10.1 of this Agreement.

### ARTICLE III MANAGEMENT OF THE COMPANY

3.1 **Management of the Company.** Except for cases in which the approval of the Member is required by this Agreement or the Act, (a) the powers of the Company shall be exercised exclusively by or under the authority of, and the business and affairs of the Company shall be exclusively managed under the direction of, the Board, and (b) the Board may make all decisions and take all actions for the Company that are necessary or appropriate to carry out the Company's purposes. The members of the Board shall be managers of the Company for the purposes of the Act.

3.2 **Composition and Election of the Board.** The Board shall be comprised of such number of individuals as established by the Member from time to time (each, a "Board Representative"). The individuals listed below shall serve as the initial Board Representatives and are hereby elected to serve as Board Representatives:

Ken Hartwick  
R. Scott Gahn  
Gordon D. Giffin  
Bruce Gibson

Each of the initial Board Representatives shall hold office until the first annual meeting of the Member or until his or her successor is elected and qualified. At the first annual meeting of the Member and at each annual meeting thereafter, the Member shall elect Board Representatives, each of whom shall hold office for a term of one year or until a successor is elected and qualified.

3.3 **Resignation; Removal.** Any Board Representative may resign at any time by giving written notice to the Board or to the Secretary of the Company. Any such resignation shall take effect at the time specified therein or, if the time is not specified, immediately upon its receipt by the Board or Secretary. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. Any Board Representative may be removed at any time, with or without cause, by the Member.

3.4 **Vacancies.** Any vacancy in the Board, whether because of death, resignation, disqualification, an increase in the number of Board Representatives or any other cause, may be filled by the remaining Board Representatives or by the Member. Each Board Representative so chosen to fill a vacancy shall hold office until his successor shall have been elected and shall qualify or until he shall resign or shall have been removed in the manner provided herein.

3.5 **Place of Meeting.** The Board may hold any of its meetings at such place or places within or without the State of New Jersey as the Board may from time to time by resolution designate or as shall be designated by the person or persons calling the meeting or in the notice or a waiver of notice of any such

meeting. Board Representatives may participate in any regular or special meeting of the Board by means of conference telephone or similar communications equipment pursuant to which all persons participating in the meeting of the Board can hear each other, and such participation shall constitute presence in person at such meeting.

3.6 **Regular Meetings.** Regular meetings of the Board may be held at such times as the Board shall from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting shall be held at the same hour and place on the next succeeding business day not a legal holiday. Except as required by law, notice of regular meetings need not be given.

3.7 **Special Meetings.** Special meetings of the Board shall be held whenever called by the President or a majority of the Board Representatives. Except as otherwise provided by law or by this Agreement, notice of the time and place of each such special meeting shall be mailed to each Board Representative, addressed to him at his residence or usual place of business, at least three (3) days before the day on which the meeting is to be held, or shall be sent to him at such place by facsimile telecommunication, telegraph or cable or be delivered personally not less than forty-eight (48) hours before the time at which the meeting is to be held. Except where otherwise required by law or by this Agreement, notice of the purpose of a special meeting need not be given. Notice of any meeting of the Board shall not be required to be given to any Board Representative who is present at such meeting other than a Board Representative who attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

3.8 **Quorum and Manner of Acting.** Except as otherwise provided in this Agreement or by law, the presence of a majority of the Board Representatives shall be required to constitute a quorum for the transaction of business at any meeting of the Board, and all matters shall be decided at any such meeting, a quorum being present, by the affirmative votes of a majority of the Board Representatives present. If no quorum exists, a majority of the Board Representatives present at any meeting may adjourn the same from time to time until a quorum is present. Notice of any adjourned meeting need not be given.

3.9 **Action by Consent.** Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or committee.

3.10 **Compensation.** The Board Representatives shall receive only such compensation for their services as Board Representatives as may be allowed by resolution of the Board. The Board may also provide that the Company shall reimburse each Board Representative for any expense incurred on account of attendance at any meetings of the Board or committees of the Board. Neither the payment of such compensation nor the reimbursement of such expenses shall be construed to preclude any Board Representative from serving the Company or its subsidiaries in any other capacity and receiving compensation therefor.

3.11 **Committees.** By resolution passed by a majority of the whole Board, the Board may designate one or more committees, each committee to consist of one or more of the Board Representatives of the Company. Any such committee, to the extent provided in the Board's resolution and except as otherwise limited by law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Any such committee shall keep written minutes of its meetings and report the same to the Board at the next regular meeting of the Board. In the absence or disqualification of a member of a committee and that member's alternate, if the Board appoints alternates, the member or members thereof present at any meeting and not disqualified from voting (whether or not the member or

members constitute a quorum) may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

3.12 **Delegation of Authority.** The Board may, from time to time, in its sole discretion delegate in writing to one or more Persons (including any officer of the Company pursuant to **Article IV**) any of its authority and duties. Any delegation pursuant to this **Section 3.12** may be revoked at any time by the Board, unless there is a written agreement pursuant to which the Board delegated authority to one or more Persons that provides otherwise.

#### **ARTICLE IV OFFICERS**

4.1 **Designation of Officers.** The officers of the Company shall be chosen by the Board and shall initially consist of a President, a Secretary, a Chief Financial Officer and such other officers and assistant officers as may be deemed necessary or desirable by the Board. The Board may, if it so determines, elect one or more Vice Presidents and may choose a Chairman of the Board from among its members. ~~Any number of offices may be held by the same person.~~ In its discretion, the Board may choose not to fill any office for any period as it may deem advisable, except the offices of President and Secretary. No officer need be a resident of the State of New Jersey. Any officers so designated shall have such authority and perform such duties as the Board may, from time to time, prescribe or as may be provided in this Agreement. The Board may assign titles to particular officers. Unless the Board otherwise specifies, if the title is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such officer by the Board. Each officer shall hold office until his or her successor shall be duly designated and shall qualify or until his or her death or until he or she shall resign or shall have been removed. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Board.

4.2 **Assistants, Agents and Employees.** In addition to the officers specified in **Section 4.1**, the Board may appoint such other assistants, agents and employees as it may deem necessary or advisable, each of whom shall hold office for such period, have such authority and perform such duties as the Board may from time to time determine. The Board may delegate to any officer of the Company or any committee of the Board the power to appoint, remove and prescribe the duties of any such assistants, agents or employees.

4.3 **Resignation; Removal.** Any officer or agent may resign at any time upon written notice to the Board or the Secretary of the Company. Any officer or agent elected or appointed by the Board may be removed by the Board in its judgment that the best interests of the Company would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person removed.

4.4 **Vacancies.** A vacancy in any office caused by death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term of that office by a majority vote of the Board Representatives then in office.

4.5 **Chief Executive Officer.** The Chief Executive Officer shall be responsible for the administration of the Company, including general supervision of the policies of the Company and general and active management of the financial affairs of the Company. The Chief Executive Officer shall have the power to make and execute contracts on behalf of the Company and to delegate such power to others. The Chief Executive Officer also shall have such powers and perform such duties as are specifically imposed on him by law and as may be assigned to him by the Board of Directors.

4.6 **President.** The President shall perform such duties as a President customarily performs and shall perform such other duties and shall exercise such other powers as the Chief Executive Officer or the

Board of Directors may from time to time designate. The President, in the absence or disability or at the direction of the Chief Executive Officer, shall perform the duties and exercise the powers of the Chief Executive Officer.

4.7 **Chief Operating Officer.** The Chief Operating Officer shall perform such duties as a Chief Operating Officer customarily performs and shall perform such other duties and shall exercise such other powers as the Chief Executive Officer or the Board of Directors may from time to time designate.

4.8 **Chief Financial Officer.** The Chief Financial Officer shall have the custody of the company funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company; shall deposit all monies and other valuable effects in the name and to the credit of the Company; and shall render to the Chief Executive Officer and to the Board, at its regular meetings or when the Board so requires, an account of the Company.

4.9 **Vice President.** The Vice President, or if there shall be more than one, the vice presidents in the order determined by the Board, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the Board may, from time to time, determine or this Agreement may prescribe.

4.10 **Secretary.** The Secretary shall attend all meetings of the Board and all meetings of the Member; shall record all the proceedings of the meetings of the Member and of the Board in a book to be kept for that purpose; and shall perform like duties for the Board's standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Member and special meetings of the Board; shall perform such other duties as may be prescribed by the Board or President, under whose supervision he shall act.

The following individuals are hereby appointed as the initial officers of the Company:

<u>Office</u>	<u>Officer</u>
Ken Hartwick	Chief Executive Officer
Scott Gahn	President and Chief Operating Officer
Beth Summers	Chief Financial Officer
Deb Merrill	Executive Vice President - Commercial Sales
Deryl Brown	Executive Vice President
Dan Marzoula	Vice President - Sales
Arthur Gruen	Controller
Steven Lichtenstein	Vice President - Operations
Charlie Hewitt	Vice President - Commercial Supply
Gord Potter	Executive Vice President - Regulatory and Legal Affairs
Jonah Davids	Vice President and General Counsel
Bob Donaldson	Secretary

4.11 **Duties of Officers Generally.** Each officer shall owe to the Company and its Members the same duties of care and loyalty that such person would owe to a corporation and its stockholders as an officer thereof under the laws of the State of New Jersey.

## ARTICLE V CAPITAL CONTRIBUTIONS

5.1 **Capital Contributions.** At any time, the Member may contribute to the Company such additional capital as the Member or the Board deems necessary. Records of such capital contributions shall be maintained as provided for in **Article VIII** of this Agreement. The name of the Member and the

aggregate amount of the Member's initial Unit holdings and Company Interests are set forth on Exhibit A, which shall be amended from time to time to reflect any changes thereto. The Board may cause the Company to issue to the Member certificates representing the Units held by such Member.

5.2 **Additional Members.** Additional Members may be admitted to the Company as provided herein, upon such additional terms and conditions as may be approved by the Board; provided, however, no Person shall be admitted as an additional Member unless and until such Person has first agreed to enter into an amended and restated limited liability company agreement for the Company, setting forth such terms and conditions as determined by the Board. The amended and restated limited liability company agreement for the Company shall contain all necessary provisions reflecting that the Company will then be taxed as a "partnership" under the Code.

## ARTICLE VI DISTRIBUTIONS

6.1 **Distributions.** Except as may be limited by the Act, from time to time, and as determined by the Board, the Company's Available Cash may be distributed to the Member.

6.2 **Distributions Upon Dissolution.** Notwithstanding anything herein to the contrary, upon the occurrence of an event of dissolution as provided in Section 10.1 hereof, cash distributions occurring in connection with such event of dissolution and thereafter shall be made in accordance with Article X.

## ARTICLE VII EXCULPATION AND INDEMNIFICATION

7.1 **Exculpation.** Notwithstanding any other provisions of this Agreement, whether express or implied, any obligation or duty at law or in equity, neither the Member nor any officers, directors, stockholders, partners, employees, affiliates, representatives or agents of the Company (individually, a "Covered Person" and, collectively, the "Covered Persons") shall be liable to the Company or any other Person for any act or omission (in relation to the Company, its property or the conduct of its business or affairs, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Covered Person by this Agreement, provided such act or omission does not constitute fraud, willful misconduct, bad faith, or gross negligence.

7.2 **Indemnification.** To the fullest extent permitted by law, the Company shall indemnify and hold harmless each Covered Person from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative ("Claims"), in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or the exercise of its rights and powers under this Agreement or which relates to or arises out of the Company or its property, business or affairs. A Covered Person shall not be entitled to indemnification under this Section 7.2 with respect to (i) any Claim with respect to which such Covered Person has engaged in fraud, willful misconduct, bad faith or gross negligence or (ii) any Claim initiated by such Covered Person unless such Claim (or part thereof) (A) was brought to enforce such Covered Person's rights and powers hereunder or rights to indemnification hereunder or (B) was authorized or consented to by the Board. Expenses incurred by a Covered Person in defending any Claim shall be paid by the Company in advance of the final disposition of such Claim upon receipt by the Company of an undertaking by or on behalf of such Covered Person to repay such amount if it shall be ultimately determined that such Covered Person is not entitled to be indemnified by the Company as authorized by this Section 7.2.



7.3 **Amendments.** Any repeal or modification of this **Article VII** shall not adversely affect any rights of any Covered Person pursuant to this **Article VII**, including the right to indemnification and to the advancement of expenses of a Covered Person existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification..

7.4 **Insurance.** Upon resolution passed by the Board, the Company may purchase and maintain insurance on behalf of any person who is or was a Board Representative, director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a Board Representative, director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this **Article VII**.

#### **ARTICLE VIII BOOKS AND RECORDS**

8.1 **Maintenance of Books.** The Company will maintain its books and records for financial reporting purposes on such basis of accounting as the Board may determine.

#### **ARTICLE IX TRANSFERS**

9.1 **Transfers.** The Member may transfer all or any portion of its Company Interest; provided, however, if the Member (or its Affiliate) shall own a Company Interest subsequent to such Transfer, then as a condition to such Transfer, the Member (or its Affiliate) and such transferee(s) shall enter into an amended and restated limited liability company agreement for the Company, setting forth such terms and conditions as determined by the Member. The amended and restated limited liability company agreement for the Company shall contain all necessary provisions to reflect that the Company shall then be taxed as a "partnership" under the Code.

#### **ARTICLE X DISSOLUTION, LIQUIDATION AND TERMINATION**

10.1 **Dissolution.** The Company shall be dissolved and its affairs shall be wound up on the vote of the Board.

10.2 **Liquidation and Termination.** On dissolution of the Company, the Board shall appoint one or more liquidator(s) who shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator(s) shall continue to operate the Company properties with all of the power and authority of the Board. The steps to be accomplished by the liquidator(s) are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidator(s) shall cause a proper accounting to be made of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the liquidator(s) shall cause the notice described in the Act to be mailed to each known creditor of and claimant against the Company in the manner described thereunder;

(c) the liquidator(s) shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation)

or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidator(s) may reasonably determine); and

(d) all remaining assets of the Company shall be distributed to the Member.

10.3 **Certificate of Cancellation.** On completion of the distribution of Company assets as provided above, the Company shall be deemed to have terminated and the Board (or such other Person or Persons as the Act may require or permit) shall file a certificate of cancellation with the Secretary of State of New Jersey, cancel any other filings made pursuant to **Section 2.5** and take such other actions as may be necessary to terminate the Company.

## ARTICLE XI MISCELLANEOUS

11.1 **Entire Agreement.** Except as expressly provided herein, this Agreement constitutes the entire agreement of the Member relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written, relating to the subject matter hereof.

11.2 **Amendment, Modification or Waiver.** Except as otherwise expressly provided herein, this Agreement may be amended, modified or waived from time to time only by a written instrument adopted by the Member.

11.3 **Binding Effect.** This Agreement is binding on and shall inure to the benefit of the Member and its legal representatives, successors and assigns.

11.4 **Governing Law.** All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New Jersey.

11.5 **Severability.** If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

11.6 **Headings.** Article, Section and other headings contained in this Agreement are for reference purposes only and are in no way intended to define, interpret, describe or limit the scope, extent or intent of this Agreement or any provision hereof.

11.7 **Further Assurances.** In connection with this Agreement and the transactions contemplated hereby, the Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

11.8 **Parties in Interest.** Except as expressly provided in the Act and this Agreement, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Member and its successors and assigns nor shall anything in this Agreement relieve or discharge the obligation or liability of any other Person to any party to this Agreement, nor shall any provision give any other Person any right of subrogation or action over or against any party to this Agreement.

\* \* \* \* \*

IN WITNESS WHEREOF, the Member has executed this Agreement effective as of the date first written above.

**"MEMBER":**

**HE HOLDINGS, LLC**

By: 

Beth Summers  
Chief Financial Officer

[Limited Liability Company Agreement of Hudson Energy Services LLC]

**EXHIBIT A**

**UNIT HOLDINGS AND COMPANY INTERESTS**

<b><u>Name</u></b>	<b><u>Units</u></b>	<b><u>Company Interest</u></b>
HE Holdings, LLC	1,000 Class A Membership Units	100%

# Appendix B

## LIST OF OFFICERS - HUDSON ENERGY SERVICES, LLC

Name	Business Address	Telephone
Ken Hartwick Chief Executive Officer	6345 Dixie Road, Suite 200 Mississauga, Ontario L5T 2E6 Canada	905-795-3557
R.Scott Gahn President and COO	5333 Westheimer Road, Suite 450, Houston, Texas 77056	713-544-8128
Beth Summers Chief Financial Officer	6345 Dixie Road, Suite 200 Mississauga, Ontario L5T 2E6 Canada	905-795-4206
Deb Merrill EVP, Commercial Sales	5333 Westheimer Road, Suite 450, Houston, Texas 77056	713-544-8125
Deryl Brown EVP	5100 N. O'Connor Blvd., Suite 300, Irving, Texas, 75039	972-373-1603
Dan Marzuola VP, Sales	5100 N. O'Connor Blvd., Suite 300, Irving, Texas, 75039	845-228-3400
Arthur Gruen Controller	Four Executive Boulevard, Suite 301 Suffern, NY 10901	845-228-3420
Steve Lichtenstein VP, Operations	Four Executive Boulevard, Suite 301 Suffern, NY 10901	845-228-3403
Charlie Hewitt VP, Commercial Supply	5100 N. O'Connor Blvd., Suite 300, Irving, Texas, 75039	972-373-1600
Gord Potter EVP, Regulatory and Legal Affairs	6345 Dixie Road, Suite 200 Mississauga, Ontario L5T 2E6 Canada	905-795-4214
Jonah Davids VP and General Counsel	6345 Dixie Road, Suite 200 Mississauga, Ontario L5T 2E6 Canada	905-795-3563
Bob Donaldson Corporate Secretary	6345 Dixie Road, Suite 200 Mississauga, Ontario L5T 2E6 Canada	416-367-2998

# Appendix C

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Hudson Energy Services, LLC :  
to Become a Licensed Supplier of : Docket No. A-2010 -  
Electric Generation Services :

**CERTIFICATE OF SERVICE**

I herby certify that I have this day served a copy of the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 et seq. (relating to service by a participant).

VIA FIRST CLASS MAIL

Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120-1921

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Office of the Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD-16-4  
Pittsburgh, PA 15219

Legal Department  
Attn: Paul Russell  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

Legal Department  
First Energy Corporation  
2800 Pottsville Pike  
Reading, PA 19612


Legal Department  
West Penn Power d/b/a Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12<sup>th</sup> Street, Suite 360  
P.O. Box 12677  
Reading, PA 19612

Manager Energy Acquisitions  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699



Date: July 16, 2010



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John F. Povilaitis  
RYAN, RUSSELL, OGDEN & SELTZER P.C.  
800 North Third Street, Suite 101  
Harrisburg, Pennsylvania 17102  
(717) 236-7714  
(717) 236-7816  
[JPovilaitis@RyanRussell.com](mailto:JPovilaitis@RyanRussell.com)

# Appendix D

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## APPENDIX A

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

### TAX CERTIFICATION STATEMENT

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 8 1/2" x 11" paper. Type or print all information requested.

<b>1. CORPORATE OR APPLICANT NAME</b>  Hudson Energy Services, LLC	<b>2. BUSINESS PHONE NO.</b> (905) 670-4440 <b>CONTACT PERSON(S) FOR TAX ACCOUNTS:</b> Arthur Gruen
--	--

<b>3. TRADE/FICTITIOUS NAME (IF ANY)</b>				
N/A				

<b>4. LICENSED ADDRESS</b>	(STREET, RURAL ROUTE, P.O. BOX NO.)	(POST OFFICE)	(STATE)	(ZIP)
6345 Dixie Road, Suite 200, Mississauga, On, Canada L5T 2E6				

<b>5. TYPE OF ENTITY</b> <input type="checkbox"/> SOLE PROPRIETOR	<input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION
---	--

**8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)**

NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
Ken Hartwick	
R.Scott Gahn	
Beth Summers	
Gord Potter	
Jonah Davids	

**9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. (ALL ITEMS: A, B, AND C MUST BE COMPLETED)**

<b>A. SALES TAX LICENSE (8 DIGITS)</b> <table style="width: 100%;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">8</td> <td style="border: 1px solid black; width: 20px; text-align: center;">4</td> <td style="border: 1px solid black; width: 20px; text-align: center;">-</td> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">4</td> <td style="border: 1px solid black; width: 20px; text-align: center;">4</td> <td style="border: 1px solid black; width: 20px; text-align: center;">3</td> <td style="border: 1px solid black; width: 20px; text-align: center;">5</td> <td style="border: 1px solid black; width: 20px; text-align: center;">-</td> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> </tr> </table> <div style="display: flex; justify-content: space-between;"> <div>APPLICATION PENDING <input checked="" type="checkbox"/></div> <div>N/A <input type="checkbox"/></div> </div>	8	4	-	2	4	4	3	5	-	1	<b>C. CORPORATE BOX NUMBER (7 DIGITS)</b> <table style="width: 100%;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">9</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> <td style="border: 1px solid black; width: 20px; text-align: center;">8</td> <td style="border: 1px solid black; width: 20px; text-align: center;">5</td> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> </tr> </table> <div style="display: flex; justify-content: space-between;"> <div>APPLICATION PENDING <input checked="" type="checkbox"/></div> <div>N/A <input type="checkbox"/></div> </div>	2	9	7	8	5	1	7
8	4	-	2	4	4	3	5	-	1									
2	9	7	8	5	1	7												
<b>B. EMPLOYER ID (EIN) (9 DIGITS)</b> <table style="width: 100%;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; text-align: center;">-</td> <td style="border: 1px solid black; width: 20px; text-align: center;">1</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; text-align: center;">2</td> <td style="border: 1px solid black; width: 20px; text-align: center;">6</td> <td style="border: 1px solid black; width: 20px; text-align: center;">7</td> </tr> </table> <div style="display: flex; justify-content: space-between;"> <div>APPLICATION PENDING <input checked="" type="checkbox"/></div> <div>N/A <input type="checkbox"/></div> </div>	1	6	-	1	6	2	6	2	6	7								
1	6	-	1	6	2	6	2	6	7									

10. Do you have PA employees either resident or non-resident?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
11. Do you own any assets or have an office in PA?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

**NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS**

Arthur Gruen	Arthur Gruen	Arthur Gruen
PA SALES AND USE TAX	EMPLOYER TAXES	CORPORATE TAXES
PHONE 845-228-3400	PHONE 845-228-3400	PHONE 845-228-3400

Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers:  
(717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)

# Appendix E

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## APPENDIX E

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### COMPLIANCE

The following are particulars of penalties, fines, and voluntary payments for Hudson Energy Services LLC. associated entities resulting from proceedings by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which an affiliate, a predecessor of either, has been a defendant or a respondent.

#### Just Energy Pennsylvania Corp.

The Pennsylvania Public Utilities Commission granted an EGS license on December 17, 2009 in Docket No. A-2009-2097544. The Opinion and Order listed a number of conditions to protect consumers. For a more detailed discussion of the compliance issues, see the Just Energy Application with supporting materials and Petition for Reconsideration filed at A-2009-2097544.

#### Universal Energy Corporation

Universal Energy Corporation was purchased by Just Energy Income Fund on July 2, 2009. All of the below proceedings of Universal Energy Group occurred prior to the purchase by Just Energy

British Columbia Utilities Commission (BCUC) – March 2008. In Commission Order no.G-47-08 UEC was found in violation of Articles 14 & 29 of the Commission's *Code of Conduct*. The incident in question involved allegation that an independent agent representing UEC conducted himself in an aggressive manner towards a customer. UEC acknowledged the incident, and was ordered to pay a penalty of \$7,000.00, re-train and certify all agents in British Columbia within 14 days of the Order, and train all new agents in accordance with the Order.

Ontario Energy Board (OEB) – EB – 2009-0005-January 20th 2009; pursuant to section 112.7 of OEB Act, 1998 and as part of the OEB reaffirmation audit, it was determined that misleading statements were used during reaffirmations completed within the time frame of March 2007 to June 2008. The misleading statements included “the cap will be removed in May 2008” and “RPP is currently subsidized by the government”. For a period of 18 months Universal committed to report on any disciplinary action taken as a results of it quality assurance audits of all positive reaffirmation calls. UEC was ordered to pay an initial penalty \$200,000 later reduced to \$127,500.

EB – 2009-0118- on April 29th 2009, Pursuant to section 112.5 of OEB Act, 1998 a penalty pertaining to two specific instances of making false and misleading statements, and one instance of a breach of section 2.3 of the Code of Conduct for Gas Marketers related to natural gas supply submission without the consumers written permission. UEC was fined \$60,000.

Michigan Public Utilities Commission (MPUC) – February 2008. Commission Order no. U-15509 directed a formal investigation into the marketing and customer service practices of Universal Gas and Electric Corporation (UGE) (which is an affiliate of UEC and was acquired by Just Energy along with UEC in 2009). The primary catalyst for this investigation was the number of complaints received by the Commission relating to the marketing practices of UGE. The bulk of the allegations in these complaints were that independent contractors were not describing the product offering fully or in a manner that a customer could understand. The Commission and UGE reached a settlement in which UGE agreed to; i) offer to terminate without charge contracts with certain customers or, alternatively, provide a \$50 credit to those of the affected customers who chose to remain with UGE; ii) reimburse certain customers for their time; iii) reimburse the State of Michigan \$300,000; iv) submit its marketing materials to the MPUC staff for review; and v) change certain products and marketing practices. Universal also agreed to file a quarterly report, for a period of two years (ending February 2010), with the MPUC outlining the number of customer complaints, types of concerns, resolutions and any reimbursements paid, and to include in such reports proposals for improvement in its processes to address any systemic issues found to give rise to such complaints.

Illinois Energy Savings Corp. (now – Just Energy Illinois Corp.)

Two separate actions regarding the substantially similar allegations for a similar time period were pursued separately by the Illinois Attorney General and the Citizen's Utility Board in the Circuit Court of Cook County, Illinois and before the Illinois Commerce Commission, respectively.

Illinois Attorney General (ILAG) –The ILAG brought suit against Illinois Energy Savings Corporation (IESC) related to allegations that IESC used deceptive sales tactics and promised savings to customers, which conduct, if proven, would in ILAG's view have amounted to conduct in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act. In May 2009, the ILAG and IESC entered into a settlement agreement. The ILAG and IESC agreed to a stipulated final judgment and consent decree. Although IESC denied the allegations in the suit, it agreed to: i) pay restitution to Illinois consumers; ii) provide eligible consumers with notice of the settlement within 30 days and notice regarding the submission of claim forms to access the restitution funds; iii) allow current eligible customers to cancel contracts without paying an early termination fee; iv) ensure that all marketing material had full disclosures regarding the type of product, the conditions of service and any existence of early contract termination fees; v) cap any early termination fees at \$50; and vi) investigate and terminate sales representatives who were proven to have misled consumers, to have provided false information during solicitations or to have forged contracts or agreements. No violations of the Consumer Fraud and Deceptive Business Practices Act were found in this proceeding.

Illinois Commerce Commission (ICC) - In ICC Docket No. 08-0175, the Citizen's Utility Board ("CUB") and other parties filed a complaint against IESC alleging violations of Article XIX of the Illinois Public Utilities Act, including non-compliance with Section 2 of the Illinois Consumer Fraud and Deceptive business Practices Act, the Illinois Deceptive Trade Practices Act, the common law prohibition against unreasonable liquidated damages, and the supplier Standards of Conduct contained in utility tariffs. In April 2010, the Illinois Commerce Commission issued its Final Order in Docket No. 08-0175, which found eight individual violations of subsection 19-115(c) by failing to obtain verifiable authorization of a switch, a single violation of subsection 19-115(f) for

inaccurate price disclosures in marketing materials, and a single violation of the Standards of Conduct in gas utility tariffs. There was no finding of a violation of the Consumer Fraud and Deceptive Business Practices Act. Further, there was a finding that IESC had not violated the common law prohibition against unreasonable liquidated damages. IESC was ordered to pay a fine of \$90,000, undergo an audit, and implement corrective measures to ensure future adherence to Illinois laws and regulations.

Indiana Energy Savings Corp. (now – Just Energy Indiana Corp.)

On March 20, 2008, an Indiana resident filed a proposed consumer class action against IESC in Illinois also based on allegations similar to those made by the Illinois Attorney General. The matter was voluntarily dismissed with prejudice. Considered resolved by both parties.

Pamela Tillman v. U.S. Energy Savings Corporation, 1:08-cv-01641 (United States District Court, Northern District of Illinois, Eastern Division).

***Although this file was not part of a formal investigation, in the interest of full disclosure please see the below relating to NYESC***

New York Energy Savings Corporation (now - Just Energy New York Corp.)

New York Attorney General (NYAG) – February 2008. The NYAG conducted an informal review related to consumer complaints alleging that independent contractors representing New York Energy Savings Corporation (NYESC) had made promises of savings to consumers. A voluntary settlement resulted in an Assurance of Discontinuance which was accepted in July 2008 (AOD-08-84), in which NYESC agreed to cancel customers without fees, and pay \$100,000 in penalties and an additional \$100,000 in costs to NYAG. NYESC also agreed to ; i) provide to every new customer a letter setting out the contract cancellation period and early termination fees; ii) confirm all details and qualifiers of its agreements with consumers either by recorded call or in writing; iii) obtain background and/or reference checks for all potential sales contractors; iv) review all consumer complaints and provide a response within 30 days of receipt; v) terminate any independent contractor who was proven to have misled consumers more than twice; and vi) waive termination fees for any consumer who cancelled an agreement within 60 days of the date of the AOD.



Hudson Energy Services, LLC ("Hudson Energy")

This matter involved allegations of billing errors on the part of Hudson Energy in New Jersey, which caused approximately 2000 of its customers to be overcharged seven percent for energy services supplied by Hudson Energy from December 2008-August 2009. Upon review the Staff of the New Jersey Board of Public Utilities alleged that the Hudson Energy did not comply with the Board's requirements related to New Jersey Offices as set out in N.J.A.C. 14:4-5.2(a)-(b).

Hudson Energy submitted an Offer of Settlement to resolve the outstanding violations alleged by Board Staff. The Offer of Settlement includes the following provisions:

- i. Hudson Energy will send a letter to the customers affected by the billing error.
- ii. *Hudson Energy will issue a credit to existing customers and refund past customers affected by the billing error. The credit and refunds will total \$86,853.00*
- iii. Hudson Energy will undertake in good faith to locate customers affected by using various research tools,
- iv. Hudson Energy affirms that it will not assess a termination fee to any affected customer.
- v. Hudson Energy will provide a written update to the BPU Divisions of Energy as to the status of their efforts with respect to customer credits/refunds by March 1, 2010.
- vi. Hudson Energy will provide a copy of its New Jersey Residential Customer Terms and Conditions to the State Division of Consumer Affairs and Rate Counsel.
- vii. Hudson Energy will comply with all the terms and conditions of Orders and directives issued by the Board regarding TPSs and the requirements as set forth at N.J.S.A. 48:3-78 et seq and N.J.A.C.14: 4-1 et seq.

The Board did find that Hudson Energy's Offer of Settlement resolved the outstanding allegations, accepted it for the purpose of the proceeding and ordered the investigation that initiated the matter closed. Hudson Energy also relocated its principal place of business in New Jersey.

# Appendix F

## **Appendix F (A)**

### **Consumer Relations for Hudson Energy Services, LLC**

Michael Haugh  
Manager, Regulatory Affairs  
6345 Dixie Rd, Suite 200  
Mississauga, ON L5T 2E6 Canada  
Phone: 614-364-2232  
Fax: 905-564-6069

Vanessa Anesetti  
Manager, Corporate & Consumer Relations  
6345 Dixie Rd, Suite 200  
Mississauga, ON L5T 2E6 Canada  
Tel: (905)-795-3574  
Fax: (905)-670-4585

Susan Golden  
Director, of Special Projects  
Four Executive Boulevard,  
Suite 301, Suffern,  
NY 10901  
Tel: 845-228-3415  
Fax: 845-2283422

Or  
Customer Service Tel: 845-228-3400

### **Sample Sales Agreement and Customer Disclosure Statement F (b)**

Hudson Energy Services has included on the following pages sample sales agreements for small volume customers (marked SVC) (for residential and small commercial customers) and medium volume customers (marked MVC) (for medium commercial customer) that will serve as the template for its Pennsylvania sales agreement. The SVC sample sales agreement contains a customer disclosure statement on the first page. Upon being approved as a Natural Gas Supplier, the template will be modified to produce a sales agreement and disclosure statement for the Pennsylvania market that is consistent with Pennsylvania law.

# Appendix F (b) CONT.

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## DISCLOSURE STATEMENT AND TERMS OF SERVICE

This Agreement is for electric generation supply service, between Hudson Energy Services LLC, d/b/a Hudson Energy and the Customer identified on the cover page. Generation prices and charges are set by the electric generation supplier you have chosen. The Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

**1. Definitions. Agreement:** collectively, the Offer Sheet, Disclosure Statement, Terms of Service, and any attached Schedule. **Customer:** the account holder named on the Offer Sheet. Also referred to as "I", "my", "you", and "your". **Electricity:** the electricity commodity we supply to you. **Future Use:** Our reasonable calculation of your anticipated electricity consumption for the remainder of the Term. **Generation Charge:** the charge for the production of electricity. **GEO:** our Green Energy Option for Electricity ("GEO Power"). **Hudson Energy:** Hudson Energy Services LLC, d/b/a Hudson Energy ("Hudson Energy"). Also referred to as "we", "our", and "us". **LMP:** the locational marginal price as published by PJM. **Location:** each electricity account on the Offer Sheet relating to your premises, is a separate "Location" bound by this Agreement. **PAPUC:** the Pennsylvania Public Utility Commission. **PJM:** the independent system operator for Pennsylvania's electricity grid. **Price:** the cost for the supply of electricity measured in kilowatt hours (kWh). **Transmission Charge:** the charges for moving high-voltage electricity from a generation facility to the distribution lines of an Electric Distribution Company. **Utility:** Your local distribution utility, also called an Electric Distribution Company.

**2. Length of Agreement.** The Term of this Agreement begins on the "Start Date" and expires on the "End Date" (if no selection is made, it is deemed the longer of the available options). **Start Date:** the day we begin supplying electricity to your Location under this Agreement. If you are a new Customer, it will be between 15 and 120 days from signing. If you are an existing Customer (and this is a re-contract), it is the day following the end of your current agreement with us. You understand that the Start Date may be delayed (for reasons such as the Agreement being improperly completed, not submitted to Hudson Energy, not implemented by your Utility, etc.) at our sole discretion. **End Date:** our last day of electricity supply to your Location (it will be up to 5 years from the Start Date, depending on the Term you chose), plus any time needed to obtain a final meter read. Hudson Energy may renew this Agreement on 1 year intervals using the LMP published by PJM unless you provide notice of cancellation 60 days prior to the End Date.

**3. Appointment of Agent.** You give us the exclusive right to act as agent on your behalf in making all supply and delivery arrangements with your Utility and others in order to provide your full electricity requirements to your Location. You agree, now and throughout the Term, that you: (a) are not, and will not be, bound by an agreement for your Location with an electricity supplier other than us; and (b) will not cancel or modify our appointment as your exclusive agent.

**4. Acceptance, Verification.** This Agreement takes effect when you sign it and is conditional upon our acceptance of it. Our acceptance of this Agreement is at our sole discretion and depends, in part, on whether: (a) your Utility accepts our request to enroll you; (b) we can verify your information by recorded phone call (or other means acceptable to us); (c) you are creditworthy and (d) you are not already enrolled with us (existing customers cannot enter into this Agreement except by way of a re-contract, as reflected by a capital letter "R" in the upper right corner of the Offer Sheet). You consent to the recording of phone calls related to this Agreement.

**5. GEO.** For the GEO Power participation level you select, we will purchase and retire renewable energy certificates or attributes ("green energy") to ensure that 20%, 60% or 100% worth of your electricity usage is produced by non-polluting sources such as hydro, wind or bio-mass and injected into the

electricity grid. You can select 0%, 20%, 60% or 100% participation. You can request a change to your participation level at any time up to the Start Date, so long as you are not in breach of this Agreement at the time of the request. We can suspend or discontinue GEO at any time (you will then stop paying for it but the rest of this Agreement will remain in effect). Green energy that we purchase and retire on your behalf will: (a) relate to green energy produced in the year you pay for it (plus or minus 12 months); (b) on a reasonable efforts basis, be from Pennsylvania-based sources; however, we may buy them from other North American-based sources at our discretion; and (c) remain our legal property.

**5. Charges Under this Agreement.** We will supply you with electricity. You agree to pay the related charge(s) plus applicable sales taxes. **5.1 Electricity Charges.** Customer's Electricity consumption (in kWh) multiplied by the Electricity Price, which shall vary according to the Utility Price calculated using PJM's LMP. **5.2 GEO Power Charge:** a fixed charge, expressed in cents per kWh, which depends on the level of GEO Power you select. **5.3 Taxes.** You will pay lawful sales taxes that may apply to the charges.

**6. Billing and Payment.** Your Utility will normally bill you on our behalf, but we have the right to bill you directly. We can correct a billing error up to 15 months after the original incorrect bill and you will then receive a forward credit or debit on your bill (we do not provide refunds).

**7. Penalties, Fees and Exceptions.** Customer understands that in order for Hudson Energy to be able to supply Electricity to its customers, Hudson Energy enters into long term supply arrangements with suppliers of Electricity to meet the forecasted consumption of its customers. If this Agreement ends prior to the End Date due to Customer's Default, Customer shall pay liquidated damages to Hudson Energy equal to the sum of (a) Customer's Future Use multiplied by the difference per kWh obtained by (i) subtracting the price received by Hudson Energy, using commercially reasonable efforts, to sell such Electricity from (ii) the Price, provided that if this amount is negative, it shall be deemed to be zero; plus (b) all transmission, distribution costs, penalties and any other charges incurred by Hudson Energy as a result of the termination; plus (c) all applicable taxes; plus (d) Hudson Energy's associated costs and reasonable legal expenses related to determining the liquidated damages and the enforcement of Hudson Energy's rights and remedies (the "Exit Fee"). The parties agree that the liquidated damages calculation is a genuine pre-estimate of the damages that would be suffered by Hudson Energy and shall be conclusively deemed to be liquidated damages designed to reimburse Hudson Energy for its losses and not a late payment charge, penalty, fine, interest, or other charge of any kind. If Customer signed for GEO Power, Customer shall also pay liquidated damages in the amount of 0.XX¢/kWh for every 20% of GEO Power participation Customer agreed to buy as of the Start Date, multiplied by Customer's Future Use (the "GEO Exit Fee", together with the Exit Fee, the "Exit Fees"). If you do not pay all amounts on your bill by the stated due date, then you will be charged a late payment fee, currently set at 1.5% per month.

**8. Cancellation Provisions, Default.** If this Agreement ends early, for any reason, you must still pay all amounts charged to you up to the early end date. **Your Right to Cancel:** You can end this Agreement, without having to pay the Exit Fee, within 3 days of the date listed on the Offer Sheet. **Our Right to Cancel:** We can end this Agreement, at no cost to us, if: (i) required/allowed by law; (ii) the Utility is unable to service your Location; (iii) a legislative or regulatory change materially alters our ability to profitably perform this Agreement, (iv) you move; or (v) you fall into "Default". You will be given 15 calendar days prior notice. You will be in Default if you (a) breach a term of this Agreement or your Utility's rules; or (b) switch to another energy supplier, including the Utility.

**9. Agreement Expiration, Change in Terms & Renewal.** If you have a fixed term agreement with us and it is approaching the expiration date or if we propose to change our terms of service, we will send you written notice in each of our last two bills or in separate mailings before either the expiration date or

the effective date of the changes. We will explain your options in these advance notices. This Agreement may be renewed automatically on a month to month basis.

**10. Dispute Procedures.** You may contact us by phone, email, mail, or fax with any questions concerning our terms of service. Hudson Energy will make every effort to resolve all customer complaints within 10 days of receipt. You may call the PAPUC if you are not satisfied after discussing your terms with us.

**11. Governing Law.** This Agreement is governed by the laws of the State of Pennsylvania.

**12. Inability to Perform.** You accept that certain events beyond our control, including force majeure events declared by our direct or indirect suppliers, may affect our ability to supply electricity at your Price. If this happens, we may, without liability: (a) temporarily supply them to you at the market price available to us; or (b) suspend this Agreement until as soon as we are reasonably able to resume performance. This Agreement will otherwise remain in full effect.

**13. Limitation of Liability.** Our liability under this Agreement is limited to direct actual damages. We are not responsible for incidental, consequential, punitive, or indirect damages, lost profits or lost business or for any act or omission of your Utility.

**14. Customer Information, Credit Review.** You authorize us, for the duration of the Term, to access, use and update information about you (including contact, billing and credit history, and historical billing data), and to obtain it from and provide it to your Utility and our service providers. You authorize us, our affiliates and business partners to use your information to communicate with you about other products and services. You may notify us at any time that you wish to restrict the release of any of your customer information provided on the cover page as well as your historical billing data by notifying us through mail, email, telephone, or fax. After such notification is received, your information will be restricted subject to Governing Law.

**15. Notice.** We will send written notices relating to this Agreement to your billing address (as may be amended from time to time). At our discretion (if, for example, there is a fault with regard to your billing address), we may instead send notices to your service address (as may be amended). You must send written notices to us at our address listed on the Offer Sheet and be able to give proof of delivery upon request. If a change in Governing Law necessitates that a group of customers be given a general notice, we may give it by posting it on our website at [www.hudsonenergyservices.com](http://www.hudsonenergyservices.com)

**16. Contact Information.**

**Hudson Energy Services LLC**

Hudson Energy Services  
4 Executive Blvd. Suite 301  
Suffern, NY 10901  
Toll Free Phone: (877) HUDSON 9  
Phone: (845) 228-3400  
Fax: (845) 228-3422  
Email: [HudsonEnergyCare@hudsonenergy.net](mailto:HudsonEnergyCare@hudsonenergy.net)  
Website: [www.hudsonenergyservices.com](http://www.hudsonenergyservices.com)

**Provider of Last Resort / Electric Distribution  
Company Name**

Duquesne Light Corporate Communications  
411 Seventh Avenue (6-3)  
Pittsburgh, PA 15219  
Customer Service Phone: 412-393-7100  
Universal Program information can be found by calling  
your utility at: 412-393-7100  
Emergency Phone: 1-888-393-7000

**Pennsylvania Public Utility Commission (PAPUC)**

PO Box 3265  
Harrisburg, PA 17105-3265

**PA Utility Choice Hotline Number:** 1-888-782-3228

## DISCLOSURE STATEMENT AND TERMS OF SERVICE

This Agreement is for electric generation supply service, between Hudson Energy Services LLC, d/b/a Hudson Energy and the Customer identified on the cover page. Generation prices and charges are set by the electric generation supplier you have chosen. The Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

**1. Definitions. Agreement:** collectively, the Offer Sheet, Disclosure Statement, Terms of Service, and any attached Schedule. **Customer:** the account holder named on the Offer Sheet. Also referred to as "I", "my", "you", and "your". **Electricity:** the electricity commodity we supply to you. **Future Use:** Our reasonable calculation of your anticipated electricity consumption for the remainder of the Term. **Generation Charge:** the charge for the production of electricity. **GEO:** our Green Energy Option for electricity ("GEO Power"). **Hudson Energy:** Hudson Energy Services LLC, d/b/a Hudson Energy ("Hudson Energy"). Also referred to as "we", "our", and "us". **LMP:** the locational marginal price published by PJM. **Location:** each electricity account on the Offer Sheet relating to your premises, is a separate "Location" bound by this Agreement. **PJM:** the independent system operator for Pennsylvania's electricity grid. **PAPUC:** the Pennsylvania Public Utility Commission. **Price:** the cost for the supply of electricity measured in kilowatt hours (kWh). **Transmission Charge:** the charges for moving high-voltage electricity from a generation facility to the distribution lines of an Electric Distribution Company. **Utility:** Your local distribution utility, also called an Electric Distribution Company.

**2. Length of Agreement.** The Term of this Agreement begins on the "Start Date" and expires on the "End Date" (if no selection is made, it is deemed the longer of the available options). **Start Date:** the day we begin supplying electricity to your Location under this Agreement. If you are a new Customer, it will be between 15 and 120 days from signing. If you are an existing Customer (and this is a re-contract), it is the day following the end of your current agreement with us. You understand that the Start Date may be delayed (for reasons such as the Agreement being improperly completed, not submitted to Hudson Energy, not implemented by your Utility, etc.) at our sole discretion. **End Date:** our last day of electricity supply to your Location (it will be up to 5 years from the Start Date, depending on the Term you chose), plus any time needed to obtain a final meter read. Hudson Energy may renew this Agreement on 1 year intervals using the LMP published by PJM unless you provide notice of cancellation 60 days prior to the End Date.

**3. Appointment of Agent.** You give us the exclusive right to act as agent on your behalf in making all supply and delivery arrangements with your Utility and others in order to provide your full electricity requirements to your Location. You agree, now and throughout the Term, that you: (a) are not, and will not be, bound by an agreement for your Location with an electricity supplier other than us, and (b) will not cancel or modify our appointment as your exclusive agent.

**4. Acceptance, Verification.** This Agreement takes effect when you sign it and is conditional upon our acceptance of it. Our acceptance of this Agreement is at our sole discretion and depends, in part, on whether: (a) your Utility accepts our request to enroll you; (b) we can verify your information by recorded phone call (or other means acceptable to us); (c) you are creditworthy and (d) you are not already enrolled with us (existing customers cannot enter into this Agreement except by way of a re-contract, as reflected by a capital letter "R" in the upper right corner of the Offer Sheet). You consent to the recording of phone calls related to this Agreement.

**5. GEO.** For the GEO Power participation level you select, we will purchase and retire renewable energy certificates or attributes ("green energy") to ensure that 20%, 60% or 100% worth of your electricity usage is produced by non-polluting sources such as hydro, wind or bio-mass and injected into the

electricity grid. You can select 0%, 20%, 60% or 100% participation. You can request a change to your participation level at any time up to the Start Date, so long as you are not in breach of this Agreement at the time of the request. We can suspend or discontinue GEO at any time (you will then stop paying for it but the rest of this Agreement will remain in effect). Green energy that we purchase and retire on your behalf will: (a) relate to green energy produced in the year you pay for it (plus or minus 12 months), (b) on a reasonable efforts basis, be from Pennsylvania-based sources; however, we may buy them from other North American-based sources at our discretion; and (c) remain our legal property.

**5. Charges Under this Agreement.** We will supply you with electricity. You agree to pay the related charge(s) plus applicable sales taxes. **5.1 Electricity Charges.** Your electricity consumption multiplied by your Electricity Price. Electricity charges include Generation charges, Transmission charges and estimated state taxes, except for applicable sales taxes. **5.2 GEO Power Charge:** a fixed charge, expressed in cents per kWh, which depends on the level of GEO Power you select. **5.3 Taxes.** You will pay lawful sales taxes that may apply to the charges.

**6. Billing and Payment.** Your Utility will normally bill you on our behalf, but we have the right to bill you directly. We can correct a billing error up to 15 months after the original incorrect bill and you will then receive a forward credit or debit on your bill (we do not provide refunds).

**7. Penalties, Fees and Exceptions.** Customer understands that in order for Hudson Energy to be able to supply Electricity to its customers, Hudson Energy enters into long term supply arrangements with suppliers of Electricity to meet the forecasted consumption of its customers. If this Agreement ends prior to the End Date due to Customer's Default, Customer shall pay liquidated damages to Hudson Energy equal to the sum of (a) Customer's Future Use multiplied by the difference per kWh obtained by (i) subtracting the price received by Hudson Energy, using commercially reasonable efforts, to sell such Electricity from (ii) the Price, provided that if this amount is negative, it shall be deemed to be zero; plus (b) all transmission, distribution costs, penalties and any other charges incurred by Hudson Energy as a result of the termination; plus (c) all applicable taxes, plus (d) Hudson Energy's associated costs and reasonable legal expenses related to determining the liquidated damages and the enforcement of Hudson Energy's rights and remedies (the "Exit Fee"). The parties agree that the liquidated damages calculation is a genuine pre-estimate of the damages that would be suffered by Hudson Energy and shall be conclusively deemed to be liquidated damages designed to reimburse Hudson Energy for its losses and not a late payment charge, penalty, fine, interest, or other charge of any kind. If Customer signed for GEO Power, Customer shall also pay liquidated damages in the amount of 0.XX¢/kWh for every 20% of GEO Power participation Customer agreed to buy as of the Start Date, multiplied by Customer's Future Use (the "GEO Exit Fee", together with the Exit Fee, the "Exit Fees"). If you do not pay all amounts on your bill by the stated due date, then you will be charged a late payment fee, currently set at 1.5% per month.

**8. Cancellation Provisions, Default.** If this Agreement ends early, for any reason, you must still pay all amounts charged to you up to the early end date. **Your Right to Cancel:** You can end this Agreement, without having to pay the Exit Fee, within 3 days of the date listed on the Offer Sheet. **Our Right to Cancel:** We can end this Agreement, at no cost to us, if: (i) required/allowed by law, (ii) the Utility is unable to service your Location; (iii) a legislative or regulatory change materially alters our ability to profitably perform this Agreement, (iv) you move; or (v) you fall into "Default". You will be given 15 calendar days prior notice. You will be in Default if you (a) breach a term of this Agreement or your Utility's rules; or (b) switch to another energy supplier, including the Utility.

**9. Agreement Expiration, Change in Terms & Renewal.** If you have a fixed term agreement with us and it is approaching the expiration date or if we propose to change our terms of service, we will send you written notice in each of our last two

bills or in separate mailings before either the expiration date or the effective date of the changes. We will explain your options in these advance notices. This Agreement may be renewed automatically on a month to month basis.

**10. Dispute Procedures.** You may contact us by phone, email, mail, or fax with any questions concerning our terms of service. Hudson Energy will make every effort to resolve all customer complaints within 10 days of receipt. You may call the PAPUC if you are not satisfied after discussing your terms with us.

**11. Governing Law.** This Agreement is governed by the laws of the State of Pennsylvania.

**12. Inability to Perform.** You accept that certain events beyond our control, including force majeure events declared by our direct or indirect suppliers, may affect our ability to supply electricity at your Price. If this happens, we may, without liability: (a) temporarily supply them to you at the market price available to us; or (b) suspend this Agreement until as soon as we are reasonably able to resume performance. This Agreement will otherwise remain in full effect.

**13. Limitation of Liability.** Our liability under this Agreement is limited to direct actual damages. We are not responsible for incidental, consequential, punitive, or indirect damages, lost profits or lost business or for any act or omission of your Utility.

**14. Customer Information, Credit Review.** You authorize us, for the duration of the Term, to access, use and update information about you (including contact, billing and credit history, and historical billing data), and to obtain it from and provide it to your Utility and our service providers. You authorize us, our affiliates and business partners to use your information to communicate with you about other products and services. You may notify us at any time that you wish to restrict the release of any of your customer information provided on the cover page as well as your historical billing data by notifying us through mail, email, telephone, or fax. After such notification is received, your information will be restricted subject to Governing Law.

**15. Notice.** We will send written notices relating to this Agreement to your billing address (as may be amended from time to time). At our discretion (if, for example, there is a fault with regard to your billing address), we may instead send notices to your service address (as may be amended). You must send written notices to us at our address listed on the Offer Sheet and be able to give proof of delivery upon request. If a change in Governing Law necessitates that a group of customers be given a general notice, we may give it by posting it on our website at [www.hudsonenergyservices.com](http://www.hudsonenergyservices.com).

**16. Contact Information.**

Hudson Energy Services LLC  
Hudson Energy Services  
4 Executive Blvd. Suite 301  
Suffern, NY 10901  
Toll Free Phone: (877) HUDSON 9  
Phone: (845) 228-3400  
Fax: (845) 228-3422  
Email: [HudsonEnergyCare@hudsonenergy.net](mailto:HudsonEnergyCare@hudsonenergy.net)  
Website: [www.hudsonenergyservices.com](http://www.hudsonenergyservices.com)

**Provider of Last Resort / Electric Distribution**  
Company Name  
Duquesne Light Corporate Communications  
411 Seventh Avenue (6-3)  
Pittsburgh, PA 15219  
Customer Service Phone: 412-393-7100  
Universal Program information can be found by calling your utility at: 412-393-7100  
Emergency Phone: 1-888-393-7000

**Pennsylvania Public Utility Commission (PAPUC)**  
PO Box 3265  
Harrisburg, PA 17105-3265

**PA Utility Choice Hotline Number:** 1-888-782-3228

Deleted: \$



# Appendix G

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**Canadian Imperial Bank of Commerce, New York Agency Office**

**IRREVOCABLE STANDBY LETTER OF CREDIT NO. CMUS 10-0054**

**Beneficiary:**

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION  
P.O. BOX 3265  
HARRISBURG, PA 17105-3265

**Applicant:**

HUDSON ENERGY SERVICES, LLC  
6345 DIXIE ROAD, SUITE 200  
MISSISSAUGA ON L5T 2E6

DATE OF ISSUE: July 12, 2010

**Amount: USD 250,000.00**

**Expiration Date: July 31, 2011**

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We, Canadian Imperial Bank of Commerce ("Bank"), acting through our New York Agency hereby establish, on behalf of HUDSON ENERGY SERVICES, LLC, in your favor issue our irrevocable Standby Letter of Credit ("L/C") No. CMUS 10-0054, for an aggregate amount up to USD 250,000.00 (Two Hundred fifty thousand US dollars). This letter of credit will expire on July 31, 2011.

Purpose of this LC: This L/C is written in accordance with section 2809 (C) (1) (I) of the Public Utility code, 66 PA. C.S. section 2809 (C) (1) (I), and we are advised that it will assure compliance with the applicable provisions of the Public Utility code, 66 PA. C.S. section 101, ET SEQ, and the rules and regulations of the Pennsylvania Public Utility Commission ("PUC") by Hudson Energy Services, LLC. as a licensed electric generation supplier; to ensure the payment of gross receipts tax as required by section 2810 of the Public Utility code, 66 PA. C.S. section 2810 and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements.

We are advised that; 1. Payments made pursuant to this Standby Letter of Credit shall ensure first to the benefit of the Pennsylvania Public Utility Commission, and second, to any and all retail electric generation customers to whom Hudson Energy Services, LLC. may be held legally liable for failure to supply electric generation pursuant to contract, agreements or arrangements; 2. Any claims made by the PUC shall have priority over claims made by private individuals; 3. Proceeds of the Standby Letter of Credit may not be used to pay penalties or fines levied against Hudson Energy Services, LLC. for violations of the law, or for payment of any other tax obligations owed to the PUC.

The said amount is available by drafts drawn on us by the Pennsylvania Public Utility Commission at sight accompanied by the PUC's letter requesting payment under this credit and purportedly signed by an officer of the PUC. Such letter from the PUC shall include a statement of the amount owed to the PUC and that "such amount is due to the PUC pursuant to the Public Utility code, gross receipts tax or electricity supply obligations of Hudson Energy Services, LLC., licensed to offer, render, furnish or supply electricity of electric generation services to public in the Commonwealth of Pennsylvania; and, that Hudson Energy Services, LLC. failed to pay that amount".

Partial drawings are permitted under this credit.

This Standby Letter of Credit expires at this office at our close of business on July 31, 2011.

It is a condition of this L/C that it shall be deemed to be automatically extended without amendment for one year periods from the present or any future expiration date hereof, unless at least 90 days prior to such expiration date we notify you in writing that we elect not to further extend this letter of credit. Upon receipt of such notice, you may draw on this Letter of Credit, up to the unused balance on or before the then relevant expiry date.

**Canadian Imperial Bank of Commerce, New York Agency Office**

A drawing hereunder may be requested by fax transmitting the requisite document described above to the Bank by facsimile to the number identified below, followed by submitting the original document to the Bank at the address set forth below to be received on the next Banking Day. The draw would be effective upon receipt of original documents by Bank.

To: Canadian Imperial Bank of Commerce  
425 Lexington Ave. 4<sup>th</sup> Floor  
New York, NY 10017  
Attention: Dominic Sorresso/Blair Kissack/Fred Page  
Phone: (212) 856-4133  
Fax: (212) 856-3761 & (905) 948-1934

Each draft must be marked "drawn under CIBC, Standby Letter of Credit #CMUS 10-0054".

We hereby agree with you that your drafts drawn hereunder and in compliance with the terms of this L/C will be duly honored if presented to us at our address shown above before our close of business on the above mentioned expiration date.

Except so far as otherwise expressly stated herein, this L/C is subject to the "Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600".

Canadian Imperial Bank of Commerce, New York Agency  
for Canadian Imperial Bank of Commerce

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Authorized Signatory

# Appendix H (1-4)

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# **Hudson Parent Holdings, LLC and Subsidiaries**

Consolidated Financial Report  
December 31, 2009

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Board of Directors  
Hudson Parent Holdings, LLC  
Suffern, New York

We have audited the accompanying consolidated balance sheets of Hudson Parent Holdings, LLC and subsidiaries (the Company) as of December 31, 2009 and 2008, and the related consolidated statements of income, members' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hudson Parent Holdings, LLC and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*McGladrey & Pullen, LLP*

Chicago, Illinois  
April 8, 2010

Hudson Parent Holdings, LLC and Subsidiaries

Consolidated Balance Sheets

December 31, 2009 and 2008

	2009	2008
<b>Assets</b>		
Current Assets		
Cash	\$ 16,269,649	\$ 11,590,572
Trade accounts receivable, less allowance for doubtful accounts and refunds (2009 \$10,477,000; 2008 \$13,981,000)		
Billed	51,044,819	66,943,651
Unbilled	34,903,916	34,744,184
Prepaid commissions and other	20,175,450	24,001,744
Notes receivable, current	740,115	495,574
<b>Total current assets</b>	<b>123,133,949</b>	<b>137,775,725</b>
Property and Equipment, net	2,534,543	2,481,374
Customer relationships, net	10,400,000	18,200,000
Goodwill	44,741,406	44,741,406
Deposits	8,800,239	88,928,148
Notes receivable, long-term	1,550,125	1,488,779
Supplier agreement origination costs, net	1,885,005	-
	<b>67,376,775</b>	<b>153,358,333</b>
	<b>\$ 193,045,267</b>	<b>\$ 293,615,432</b>
<b>Liabilities and Members' Equity</b>		
Current Liabilities		
Line of credit, bank	\$ -	\$ 14,846,000
Due to members	-	109,400,854
Accounts payable	52,985,299	51,101,165
Accrued expenses	13,862,039	13,734,291
Derivative financial instruments, current	53,410,271	37,387,722
<b>Total current liabilities</b>	<b>120,257,609</b>	<b>226,470,032</b>
Derivative financial instruments, long-term	43,003,431	109,612,029
Members' Equity:		
Common units	733,166	733,166
Preferred units	89,328,358	89,328,358
Retained earnings	48,593,326	13,730,192
Accumulated other comprehensive loss	(108,870,623)	(146,258,345)
	<b>29,784,227</b>	<b>(42,466,629)</b>
	<b>\$ 193,045,267</b>	<b>\$ 293,615,432</b>

See Notes to Consolidated Financial Statements.



Hudson Parent Holdings, LLC and Subsidiaries

Consolidated Statements of Income  
Years Ended December 31, 2009 and 2008

	2009	2008
Net revenue	\$ 625,683,334	\$ 725,171,275
Cost of revenue earned	505,014,341	667,189,366
<b>Gross profit</b>	<b>120,668,993</b>	<b>57,981,909</b>
Selling, general and administrative expenses	41,315,885	29,239,854
Depreciation and amortization	8,855,077	8,235,021
<b>Operating income</b>	<b>70,498,031</b>	<b>20,507,034</b>
Other income (expense):		
Interest income	207,972	423,740
Interest expense	(12,640,345)	(7,512,046)
	(12,432,373)	(7,088,306)
<b>Net income</b>	<b>\$ 58,065,658</b>	<b>\$ 13,418,728</b>

See Notes to Consolidated Financial Statements.

Hudson Parent Holdings, LLC and Subsidiaries

Consolidated Statements of Members' Equity (Deficit)  
Years Ended December 31, 2009 and 2008

	Comprehensive Income	Accumulated Other Comprehensive Income (Loss)	Common Units	Preferred Units	Retained Earnings	Total
Balance, December 31, 2007		\$ (4,111,376)	\$ 721,616	\$ 89,328,358	\$ 9,115,179	\$ 95,053,777
Issuance of common units		-	11,550	-	-	11,550
Cash distributions to members		-	-	-	(8,803,715)	(8,803,715)
Comprehensive income (loss):						
Net income	\$ 13,418,728	-	-	-	13,418,728	13,418,728
Change in derivative financial instruments	(142,146,969)	(142,146,969)	-	-	-	(142,146,969)
Comprehensive (loss)	<u>\$ (128,728,241)</u>					
Balance, December 31, 2008		(146,258,345)	733,166	89,328,358	13,730,192	(42,466,629)
Issuance of Series A-1 preferred units		-	-	40,000,000	-	40,000,000
Cash distributions to members		-	-	-	(15,898,368)	(15,898,368)
Dividends declared		-	-	7,304,156	(7,304,156)	-
Redemption of Series A-1 preferred units		-	-	(47,304,156)	-	(47,304,156)
Comprehensive income:						
Net income	\$ 58,065,658	-	-	-	58,065,658	58,065,658
Amortization of unrealized loss on derivative financial instruments	37,387,722	37,387,722	-	-	-	37,387,722
Comprehensive income	<u>\$ 95,453,380</u>					
Balance, December 31, 2009		<u>\$ (108,870,623)</u>	<u>\$ 733,166</u>	<u>\$ 89,328,358</u>	<u>\$ 48,593,326</u>	<u>\$ 29,784,227</u>

See Notes to Consolidated Financial Statements.

Hudson Parent Holdings, LLC and Subsidiaries

Consolidated Statements of Cash Flows  
Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Net income	\$ 58,065,658	\$ 13,418,728
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	600,077	435,021
Amortization	8,255,000	7,800,000
Amortization of unrealized loss on derivative financial instruments	37,387,722	-
Net unrealized gain on derivative financial instruments	(50,586,049)	-
Interest added to member notes payable	4,218,759	5,365,844
Changes in operating assets and liabilities:		
Accounts receivable and unbilled revenue	14,757,610	(4,624,170)
Deposits	80,127,909	(81,067,554)
Prepaid commissions and other	3,826,294	(16,325,235)
Accounts payable and accrued expenses	2,011,882	601,439
<b>Net cash provided by (used in) operating activities</b>	<b>158,664,862</b>	<b>(74,395,927)</b>
Cash Flows from Investing Activities		
Purchase of property and equipment	(653,246)	(1,047,767)
Principal payments received on notes receivable	675,603	93,421
<b>Net cash provided by (used in) investing activities</b>	<b>22,357</b>	<b>(954,346)</b>
Cash Flows from Financing Activities		
Net payments on revolving line of credit	(14,846,000)	11,296,000
Issuance of Series A-1 Preferred Units	40,000,000	-
Redemption of Series A-1 Preferred Units	(47,304,156)	-
Payment of supplier agreement origination costs	(2,340,005)	-
Cash distributions to members	(15,898,368)	(8,803,715)
Proceeds received for issuance of common units	-	11,550
Payments on member note payable - Hudson Energy Corp.	(97,032,583)	81,302,407
Payments on member note payable - Hudson Energy Services Parent, Inc.	(16,587,030)	1,399,627
<b>Net cash (used in) provided by financing activities</b>	<b>(154,008,142)</b>	<b>85,205,869</b>
<b>Net increase in cash</b>	<b>4,679,077</b>	<b>9,855,596</b>
Cash:		
Beginning	11,590,572	1,734,976
Ending	<u>\$ 16,269,649</u>	<u>\$ 11,590,572</u>
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	\$ 3,247,818	\$ 2,149,195
Formation of notes receivable in exchange for trade receivables	981,490	2,077,774

See Notes to Consolidated Financial Statements.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies

**Nature of business:** Hudson Parent Holdings, LLC (a limited liability company) provides retail natural gas and electricity to residential, municipal, and commercial customers in the states of New York, New Jersey, Texas, and Illinois, through its wholly owned subsidiaries. The Company purchased 66 percent of their energy deliverables from four suppliers during 2009, and 74 percent of their energy from three suppliers during 2008.

A summary of the Company's significant accounting policies follows.

**Principles of consolidation:** The accompanying consolidated financial statements include the accounts of Hudson Parent Holdings, LLC and its wholly owned subsidiaries Hudson Energy Services, LLC and Drag Marketing, LLC (collectively referred to as "the Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

**Accounting policies:** The Company follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition, results of operations, and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the FASB *Accounting Standards Codification*<sup>TM</sup>, sometimes referred to as the Codification or ASC. The Codification is effective for periods ending on or after September 15, 2009.

**Accounting estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash concentration:** Substantially all of the Company's cash is held in one financial institution. The Company maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Company has not experienced any losses on such accounts.

**Trade and unbilled accounts receivable:** Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. Trade accounts receivable are written off when deemed uncollectible. Recoveries of trade accounts receivable previously written off are recorded when received. An allowance for doubtful accounts is maintained at a level management believes is sufficient to cover potential credit losses.

Unbilled receivables represent delivered energy and earned revenues for which billings have not been presented to customers.

**Notes receivable:** Notes receivable represent customer trade receivables that have been renegotiated into long-term payment agreements.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

**Property and equipment:** Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Asset Life</u>
Buildings and improvements	39 years
Computer hardware and software	3 - 5 years
Furniture and office equipment	5 years

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Leasehold improvements, included in office furniture and equipment, are amortized over the shorter of their useful life or lease term, which approximates three to seven years, from lease inception.

**Customer relationships:** The Company's customer relationships are amortized on a straight-line basis over a five-year life.

**Impairment of long-lived assets:** In accordance with FASB accounting and disclosure guidance on accounting for impairment or disposal of long-lived assets, such as equipment and leaseholds, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated or amortized. No impairment loss has been recognized by the Company as of December 31, 2009 or 2008.

**Goodwill:** Goodwill represents the excess of costs over the fair value of the identifiable net assets acquired. The FASB guidance on how to test for impairment of goodwill and other intangible assets not subject to amortization prescribes a two step process to be performed annually, as well as when an event triggering impairment may have occurred. The first step tests for impairment, while the second step, if necessary, measures the impairment. The Company has elected to perform an annual analysis for impairment on December 31.

**Revenue recognition:** Revenue is recognized when customers consume the energy (natural gas or electricity) supplied by the Company. Net revenue includes all amounts billed to customers during the year, as well as, amounts consumed during the year by the customer but not yet billed by the Company less applicable sales tax, refunds and discounts. The sales tax charged to customers is shown net in the consolidated statements of income.

**Fair value:** The carrying amounts of financial instruments, including cash, accounts receivable, obligations to members and financial institutions and accounts payable approximate fair value due to the short-term maturity of these instruments. The carrying amount of notes receivable approximate fair value as the fixed rates charged to customers are similar to current rates offered on debt with similar terms and maturities. The carrying amount of derivative financial instruments approximate fair value because they are reported at fair value.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Business and Significant Accounting Policies (Continued)

**Derivative instruments:** The Company accounts for derivative instruments under the provisions of ASC 815-10, *Accounting for Derivative Instruments and Hedging Activities*, which requires that an entity recognize all derivatives as either assets or liabilities in the balance sheet, and measure those instruments at fair value. Changes in the fair value of derivatives are recognized in income. The Company has ceased use of hedge accounting during 2009 (Note 6).

The Company has implemented a commodity-price risk-management strategy that uses forward(s) contracts to minimize significant, unanticipated cost fluctuations caused by commodity-price volatility. The delivery of the Company's products requires a significant volume of energy purchases. The Company manages its exposure to fluctuating natural gas and electricity prices through the use of energy swap contracts. The gain or loss resulting from changes in the fair value of these swap contracts are classified as cost of revenue earned in the accompanying consolidated statement of operations.

**Supplier agreement origination costs:** Supplier agreement origination costs are stated at cost and are amortized over the terms of the related supplier agreement. Total amortization expense was approximately \$455,000 for the year ended December 31, 2009. The amortization expense is included in depreciation and amortization on the consolidated statement of income. Accumulated amortization was approximately \$455,000 at December 31, 2009.

**Income taxes:** The Company, with the consent of its members, has elected to be taxed under sections of federal and state income tax laws, which provide that, in lieu of corporate income taxes, the members separately account for their pro rata shares of the Company's items of income, deductions, losses and credits. Therefore, the consolidated financial statements do not include a provision for corporate taxes, except for any Illinois Personal Property Replacement Taxes.

The Financial Accounting Standards Board (FASB) issued new guidance on accounting for uncertainty in income taxes. The Company adopted this new guidance for the year ended December 31, 2009. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to tax examinations by the U.S. federal, state or local tax authorities for years before 2006.

**Subsequent events:** The Company has evaluated subsequent events for potential recognition and/or disclosure through April 8, 2010 the date the financial statements were available to be issued.

**Recent accounting pronouncements:** In August 2009, the FASB issued Accounting Standards Update (ASU) 2009-05, *Fair Value Measurements and Disclosures (Topic 820) - Measuring Liabilities at Fair Value*. ASU 2009-05 provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value of such liability using one or more of the techniques prescribed by the update. ASU 2009-05 is effective for the Company beginning January 1, 2010. The Company is currently evaluating the impact that adoption will have on the Company's consolidated financial statements.

**Reclassifications:** Certain items in the 2008 consolidated financial statements have been reclassified to conform to the 2009 presentation.

**Hudson Parent Holdings, LLC and Subsidiaries****Notes to Consolidated Financial Statements****Note 2. Property and Equipment**

Property and equipment at December 31, 2009 and 2008, are summarized as follows:

	2009	2008
Building and improvements	\$ 731,141	\$ 731,141
Computer software	2,684,133	2,159,114
Furniture and office equipment	467,340	339,113
	<u>3,882,614</u>	<u>3,229,368</u>
Less: accumulated depreciation and amortization	1,348,071	747,994
	<u>\$ 2,534,543</u>	<u>\$ 2,481,374</u>

**Note 3. Customer Relationships**

The following is a summary of customer relationships as of December 31:

	2009	2008
Gross carrying value	\$ 39,000,000	\$ 39,000,000
Accumulated amortization	28,600,000	20,800,000
	<u>\$ 10,400,000</u>	<u>\$ 18,200,000</u>

Amortization expense recognized on amortizable customer relationships included in the consolidated statements of income for the years ended December 31, 2009 and 2008, was \$7,800,000.

Aggregate annual amortization expense for future years ending December 31 is as follows:

2010	\$ 7,800,000
2011	2,600,000
	<u>\$ 10,400,000</u>

**Note 4. Preferred Supplier Agreement**

On June 4, 2009, the Company, upon examination of its commodity risk management policy, entered into a preferred supplier agreement with BP Energy Company, Inc. (BP) for the procurement of its electricity and natural gas deliverables. As a result, and from that date forward, virtually all energy purchases are, and will be, made through BP. The agreement provides the Company a maximum exposure threshold of \$150,000,000 of future energy deliverables and market exposure. At December 31, 2009, the exposure outstanding was \$92,594,633. In exchange, BP receives a supply fee on a monthly basis for delivery and execution of these purchases. Total fees paid to BP for the year ended December 31, 2009, for such services approximated \$2,359,000.

BP has required, as part of the agreement, that the Company maintain a separate cash collateral account in an amount not to fall below \$2,500,000 and has taken a first security lien on all assets of the Company in the event of default. The agreement also includes one financial covenant requiring minimal tangible net worth levels, as defined.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 4. Preferred Supplier Agreement (Continued)

The following is a summary of the supplier agreement origination costs as of December 31, 2009:

Gross carrying value	\$	2,340,005
Accumulated amortization		455,000
	\$	<u>1,885,005</u>

Amortization expense recognized on amortizable origination costs included in the consolidated statement of income for the year-ended December 31, 2009, was \$455,000.

Estimated aggregate annual amortization expense for future years ending December 31 is as follows:

2010	\$	780,000
2011		780,000
2012		325,005
	\$	<u>1,885,005</u>

#### Note 5. Notes Receivable

Notes receivable as of December 31, 2009 and 2008, consist of the following:

	2009	2008
Note A: 6.5% note, due \$11,587 monthly through June 20, 2012 (including interest)	\$ 329,850	\$ -
Note B: 6.5% note, due \$7,152 monthly through June 20, 2012 (including interest)	209,633	-
Note C: 6% note, due in monthly payments ranging from \$1,000 to \$6,910 through September 30, 2014 (including interest)	232,810	-
Note D: 5.5% note, due \$17,299 monthly through September 15, 2012 (including interest)	529,943	689,104
Note E: 5.5% note, due \$32,701 monthly through September 15, 2012 (including interest)	988,004	1,295,249
	<u>2,290,240</u>	<u>1,984,353</u>
Less current portion	740,115	495,574
	<u>\$ 1,550,125</u>	<u>\$ 1,488,779</u>



## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 6. Fair Value Disclosures and Derivative Instruments

The Company sells natural gas and electric power to retail customers in various geographic markets. The Company's activities expose it to price fluctuations in the price of natural gas and electric power that it has agreed to sell at fixed prices. The Company uses forward(s) contracts to hedge this commodity price risk. The Company has a formal policy which authorizes certain officers of the Company to carry out the day-to-day procurement activities in accordance with the Company's booking and hedging policies.

In addition, the Company enters into forward contracts to hedge the market exposure of its anticipated purchases of natural gas and electricity. The forward contracts used in this program mature on a consistent basis with the related purchase forecast. The Company generally hedges approximately 80-90 percent of its total anticipated purchases. The electric derivative instruments have a total notional amount of approximately 5,905,000 mega watt hours (Mwh) with trade prices ranging from \$24.00 to \$136.75 per Mwh and expiring through November 2014. The natural gas derivative instruments have a total notional amount of approximately 60,150,000 therms with trade prices ranging from \$5.46 to \$8.6 and expiring through March 2013.

Effective January 1, 2008, the Company adopted ASC 820-10, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The fair value of the derivative instruments is determined using externally developed models that start with observable market data for forward prices and consider unobservable market parameters. Refer to Note 1, "Fair value," for information on the Company's other financial instruments.

**Hudson Parent Holdings, LLC and Subsidiaries**

**Notes to Consolidated Financial Statements**

**Note 6. Fair Value Disclosures and Derivative Instruments (Continued)**

For the year ended December 31, 2009, the application of valuation techniques has been consistent.

Liabilities Measured at Fair Value on a Recurring Basis (Level 3)

	December 31, 2009		
	Balance Sheet Location	Fair Value	Change in Fair Value
Energy futures contracts (undesignated)	Derivative Financial Instrument	\$ 96,413,702	\$ (50,586,049)
	December 31, 2008		
	Balance Sheet Location	Fair Value	Change in Fair Value
Energy futures contracts (designated as cash flow hedge)	Derivative Financial Instrument	\$ 146,999,751	\$ 142,146,969

The effect of derivative instruments not designated as hedging instruments on the consolidated financial statements for the year ended December 31, 2009:

Amortization of loss on de-designated hedging instruments	Location	Gain or (Loss) Recognized
Energy futures contracts	Cost of revenue earned (Statement of Income)	(\$37,387,722)
	Other comprehensive loss	\$37,387,722
Change in fair value of Derivatives not designated as hedging instruments	Location	Gain or (Loss) Recognized
Energy futures contracts	Cost of revenue earned (Statement of Income)	\$13,198,327

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 6. Fair Value Disclosures and Derivative Instruments (Continued)

The effect of derivative instruments designated as cash flow hedges on the consolidated financial statements for the year ended December 31, 2008:

Derivatives designated as hedging instruments	Location	Gain or (Loss) Recognized
Energy futures contracts	Cost of revenue earned (Statement of Income)	\$24,129,696
	Other comprehensive loss	(\$166,276,665)

During and prior to 2008, the Company accounted for their derivative instruments under hedge accounting. Accordingly, on the date the derivative contract was entered into, the Company designated the derivative as a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability "cash flow" hedge. Changes in the fair value of a derivative that is highly effective as – and that is designated and qualifies as – a cash-flow hedge were recorded in other comprehensive income, until earnings are affected by the variability of cash flows. Ineffectiveness of cash flow hedges was insignificant for 2008.

On January 1, 2009, the Company de-elected hedge accounting for their derivative financial instruments. As a result of the derivative instruments no longer being considered accounted for under hedge accounting, the \$146,999,751 of unrealized loss in Accumulated Other Comprehensive Loss (AOCL) was frozen and all subsequent changes in the fair value of the derivative instruments were recorded directly to cost of revenue earned in the consolidated statements of income. The remaining amount held in AOCL shall be amortized as the hedged items impact earnings.

Annual amortization of the unrealized loss on derivative financial instruments for future years ending December 31 is as follows:

2010	\$ 33,527,416
2011	28,644,120
2012	22,805,977
2013	14,772,144
2014	9,120,966
	<u>\$ 108,870,623</u>

#### Note 7. Line of Credit, Bank

The Company had a revolving line of credit agreement with a bank to fund working capital requirements. The agreement included various restrictions and allowed for maximum borrowings of \$55,000,000. At December 31, 2008, borrowings outstanding were \$14,846,000. The facility was paid in full during 2009.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 8. Members' Equity

The following summarizes the number of units authorized, issued, and outstanding as of December 31, 2009 and 2008:

Common units	7,251,158
Preferred units	89,328

**Authorization:** The total units of preferred and common units which the Company has authority to issue shall be determined by the Board of Directors from time to time through addendums to the LLC operating agreement.

**Common Units:** The common units are no par value. In connection with the issuance of the common units, the holders were required to enter into an agreement which provides certain restrictions on the transferability of units. Each common unit is entitled to one vote.

**Preferred Units:** Preferred units are non-voting and have a preference in liquidation over common units equal to the stated value of \$1,000 per unit plus any declared but unpaid distributions. Holders of all preferred units are entitled, prior to the payment of any dividends on common units, to a 10 percent cumulative cash dividend, payable upon a declaration by the Board of Directors, based on the accrued value of the preferred units. As of December 31, 2009 and 2008, the cumulative unpaid distribution amount was \$39,915,965 and \$27,760,631, respectively.

**Series A-1 Preferred Units:** On February 3, 2009, the Company amended and restated its LLC operating agreement to provide for a new class of units, Series A-1 Preferred. During February 2009, the Company issued 40,000 units of Series A-1 Preferred units at stated value. Series A-1 Preferred units are non-voting and have first preference in liquidation equal to the stated value of \$1,000 per unit. Holders of all Series A-1 Preferred units are entitled, prior to the payment of any dividends on common units and preferred units, to a 25 percent cumulative cash dividend compounding quarterly. Total unpaid dividends were paid in full in conjunction with the redemption of the units during October 2009.

**Distributions:** The Company shall make distributions to unitholders in respect of their units at any time and from time to time as determined by the Board. Distributions are to be made first to the holders of the preferred units, with all remaining amounts going to the common unit holders in accordance with their percentage interests at the date of distribution. Upon dissolution and liquidation, the final allocation of equity, after payment of all of the Company's liabilities, follows the same order as previously discussed.

The Company makes periodic tax distributions to its members. The purpose of the tax distributions is to provide each member with an amount of cash equal to the amount of estimated federal income tax allocated to each member. The tax distribution is treated as an advance to each member on the amounts to which they are entitled under the distribution allocation described above.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 9. Commitments and Contingencies

The Company has leases for office space in New York, New Jersey, and Texas. The leases expire on various dates from June 2011 through May 2013. In addition to the fixed portion of each lease, the Company is also responsible for its proportionate share of operating expenses and real estate taxes of the facilities. Total rent expense included in operating expenses for the facility leases approximated \$273,000 and \$309,000 for the years ended December 31, 2009 and 2008, respectively.

Total approximated remaining minimum rental payments are as follows:

Years ending December 31:

2010	\$	274,000
2011		318,000
2012		155,000
2013		65,000
	\$	<u>812,000</u>

#### Note 10. Related Party Transactions

The Company has an agreement with Lake Capital Management LLC to reimburse all reasonable out-of-pocket expenses incurred by Lake Capital Management LLC or its affiliates in connection with monitoring or otherwise providing any services to the Company. Payments made to Lake Capital Management LLC for the years ended December 31, 2009 and 2008, for out-of-pocket expenses were approximately \$62,000 and \$123,000, respectively. This amount was expensed in the consolidated statements of income.

At December 31, 2008, the Company had an outstanding demand note payable to Hudson Energy Corp. (a wholly owned entity of Lake Capital Partners I LP, and Lake Capital Partners II LP) for \$92,813,824 that was paid in full during 2009. In addition, at December 31, 2008, the Company had an outstanding demand note payable for \$16,587,030 due to Hudson Energy Services Parent, Inc., former owners of Hudson Energy Services, Inc., that was paid in full during 2009. Both the interest and principal were payable at the discretion of the Board of Directors. Total interest charged to interest expense in relation to these notes approximated \$7,969,000 and \$5,366,000 for the years ended December 31, 2009 and 2008, respectively. The interest was accreted to the principal obligation.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 11. Reconciliation of United States and Canadian Generally Accepted Accounting Principles

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. As required by Canadian securities regulations, the Company is required to reconcile the financial statements to Canadian GAAP and report material differences between Canadian and U.S. GAAP. The effects on significant accounting differences as certain disclosure differences on the Company's financial statements are quantified and described below.

	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Stated in accordance Canadian GAAP
<b>December 31, 2009</b>			
Property and equipment, net	\$ 2,534,543	\$ (1,650,084)	\$ 884,459
Intangibles	-	1,650,084	1,650,084
	Stated in accordance with U.S. GAAP	Adjustments from U.S. to Canadian GAAP	Stated in accordance Canadian GAAP
<b>December 31, 2008</b>			
Property and equipment, net	\$ 2,481,374	\$ (1,609,391)	\$ 871,983
Intangibles	\$ -	1,609,391	1,609,391

#### Changes in accounting policies

Effective January 1, 2009, the Company adopted Canadian Institute of Chartered Accountants ("CICA") accounting standard Goodwill and Intangibles (section 3064). CICA 3064 establishes standards for the recognition, measurement, presentation and disclosure of internally generated goodwill and intangible assets. As a result of adopting the new standard retroactively on January 1, 2009, the Company has reclassified application software costs with a net book value of \$1,650,084 (cost of \$2,684,132 and accumulated amortization of \$1,034,048) from property and equipment to intangible assets. There was no impact on the Company's consolidated net income.

Effective January 1, 2009, the Company early adopted CICA accounting standard Business Combinations (section 1582), which replaced Business Combinations (section 1581). This section outlines a variety of changes including, but not limited to the following: an expanded definition of a business, a requirement to measure all business combinations and non-controlling interests at fair value, and a requirement to recognize deferred income tax assets and liabilities and acquisition and related costs as expenses of the period. CICA 1582 has been applied prospectively to all business combinations from January 1, 2009 onward and, accordingly, its adoption had no effect on previously reported amounts.

Effective January 1, 2009, the Company early adopted CICA accounting standard Consolidated Financial Statements (section 1601), which in combination with CICA 1602, replaces Consolidated Financial Statements (section 1600). CICA 1601 establishes standards for the preparation of consolidated financial statements and specifically addresses consolidation accounting following a business combination that involves the purchase of an equity interest in one company by another. Adopting this standard had no effect on the Company's previously reported financial statements.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

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#### **Note 11. Reconciliation of United States and Canadian Generally Accepted Accounting Principles (Continued)**

Effective January 1, 2009, the Company early adopted CICA accounting standard Non-Controlling Interests (section 1602), which in combination with CICA 1601, replaces Consolidated Financial Statements (section 1600). CICA 1602 establishes standards of accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. This section requires retrospective application with certain exceptions. Adopting this standard had no effect on the Company's previously reported financial statements.

Effective September 30, 2009, the Company adopted amendments to the CICA accounting standard Financial Instruments – Disclosures (section 3862). The amendments establish enhanced disclosures on liquidity risk and new disclosures on fair value measurements for financial instruments. Adopting these amendments did not have a significant impact on the Company's financial statements.

#### **Reconciliation of U.S. to Canadian GAAP – Additional Disclosures**

##### **Financial instruments**

Derivatives, including derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contract, subject to certain exceptions, are measured at fair value even when they are part of a hedging relationship. Non-derivative financial assets and liabilities are measured at fair value, with the exception of the following: loans and receivables; held-to-maturity investments; investments in equity instruments, classified as available for sale, that do not have a quoted market price in an active market; and financial liabilities measured at amortized cost.

Gains or losses on financial instruments measured at fair value are recognized in the consolidated statement of operations and comprehensive income or loss in the periods in which they arise, with the exception of the following: gains and losses on financial assets classified as available for sale and certain financial instruments that are part of a designated hedging relationship, which are recognized in other comprehensive income or loss.

Classifications of financial instruments are as follows:

*Held for trading* – is a financial asset or liability that meets any of the following conditions: it is acquired or incurred principally for the purpose of sale or repurchase in the near-term, part of a portfolio of identified financial instruments that are managed together, and is a derivative not designated for hedge accounting or it is designated by the Company upon initial recognition as held for trading. Held for trading financial instruments are measured at fair value. Upon initial recognition, the Company has designated cash as held for trading.

*Loans and receivables* – are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand, typically with interest. Loans and receivables exclude debt securities and loans and receivables designated as held for trading or available for sale upon initial recognition. Loans and receivables are measured at amortized cost. The Company has classified trade accounts receivable and notes receivable as loans and receivables.

*Held-to-maturity investments* – are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has a positive intention and ability to hold to maturity. Exclusions include those financial assets that upon initial recognition are designated as held for trading, designated as available for sale, and those financial assets that meet the definition of loans and receivables. Held-to-maturity investments are measured at amortized cost, subsequent to initial recognition. The Company has no financial assets designated as held-to-maturity.

## Hudson Parent Holdings, LLC and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 11. Reconciliation of United States and Canadian Generally Accepted Accounting Principles (Continued)

*Available for sale* - are non-derivative financial assets that are designated as available for sale, or that are not classified as loans and receivables, held-to-maturity investments, or held for trading. Available for sale financial assets are measured at fair value. The Company has no financial assets designated as available for sale.

*Other financial liabilities* - includes all financial liabilities which are not classified as held for trading. Other financial liabilities are measured at amortized cost, subsequent to initial recognition. The Company has classified accounts payable, accrued expenses, the line of credit and due to members as other financial liabilities.

#### Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. The Company's exposure to credit risk is limited principally to trade accounts receivable, notes receivable and hedge agreements. In all instances, the Company's risk management objective, whether of credit, liquidity, market or otherwise, is to mitigate its risk exposures to a level consistent with its risk tolerance.

#### Accounts receivable

The Company is subject to credit risk on its accounts receivable through the normal course of business. The Company's maximum exposure to credit risk is the fair value of accounts receivable recorded on the Company's consolidated balance sheet, \$85,948,735 (December 31, 2008 - \$101,687,835). The Company's customer base is sufficiently diverse to provide some mitigation to credit risk exposure.

The following table illustrates the Company's aging of accounts receivable by aging category.

#### December 31, 2009:

Amounts outstanding 0 to 30 days	\$ 82,426,316
Amounts outstanding 31 to 60 days	2,885,452
Amounts outstanding 31 to 90 days	2,000,309
Amounts outstanding 91 to 120 days	1,062,872
Amounts outstanding more than 120 days	8,050,686
Gross	96,425,635
Allowance	10,477,000
Net	<u><u>\$ 85,948,635</u></u>

#### December 31, 2008:

Amounts outstanding 0 to 30 days	\$ 89,669,584
Amounts outstanding 31 to 60 days	6,195,779
Amounts outstanding 31 to 90 days	4,292,760
Amounts outstanding 91 to 120 days	4,861,883
Amounts outstanding more than 120 days	10,648,829
Gross	115,668,835
Allowance	13,981,000
Net	<u><u>\$ 101,687,835</u></u>



## **Hudson Parent Holdings, LLC and Subsidiaries**

### **Notes to Consolidated Financial Statements**

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#### **Note 11. Reconciliation of United States and Canadian Generally Accepted Accounting Principles (Continued)**

##### **Notes receivables**

The Company is subject to credit risk on notes receivables. The Company deems the credit quality of its notes receivable balances to be high and no amounts are impaired.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the settlement of its financial liabilities. The Company is not exposed to significant liquidity risk.

##### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency, interest rate and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company is not exposed to currency risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises from the Company's interest bearing notes receivable.

The Company is also subject to other price risks, which includes the price incurred for the purchase of natural gas and electric power. As disclosed in Note 6, the Company enters into forward contract to hedge this commodity price risk.

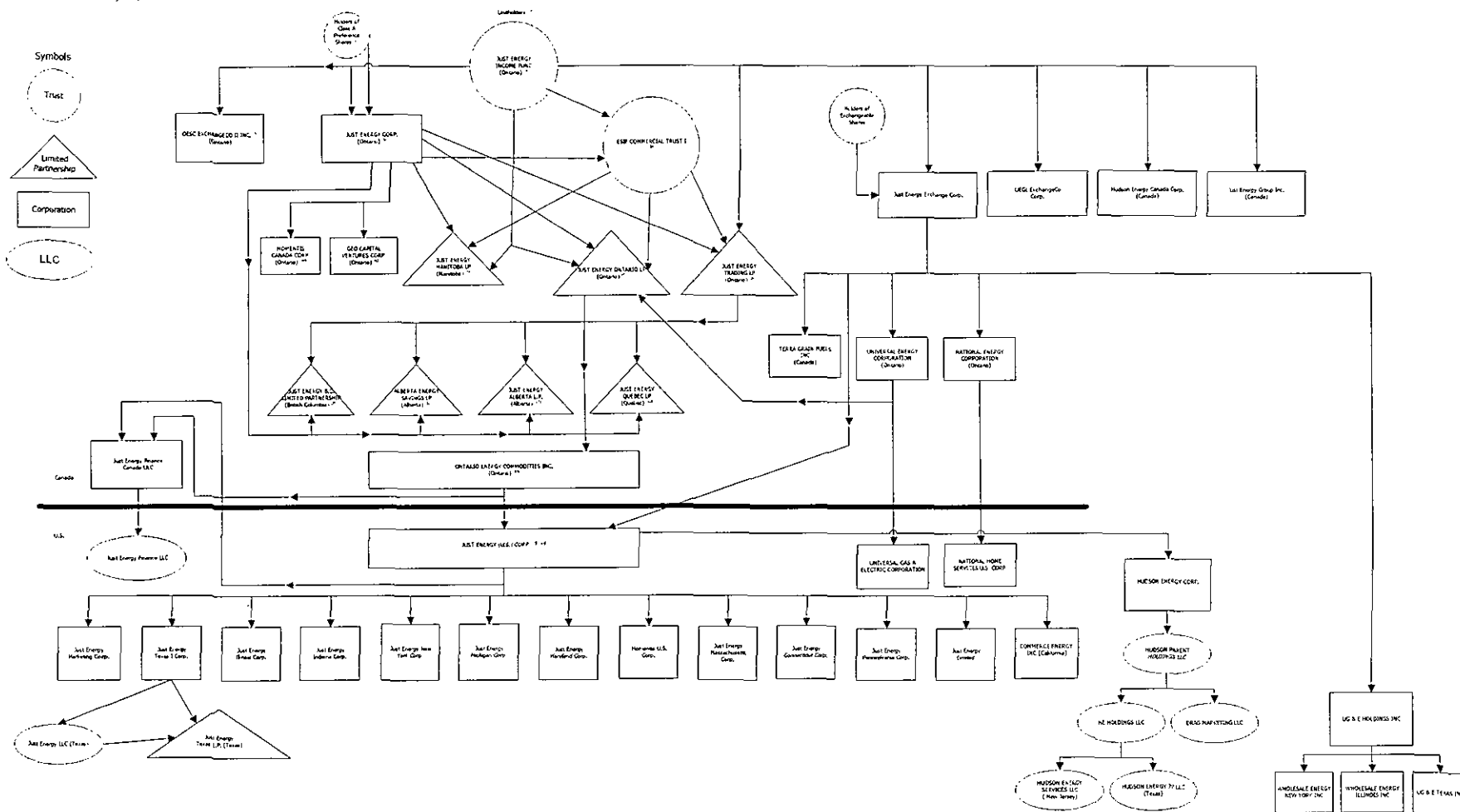
##### **Risk management objectives**

The Company's financial risk management objective is to mitigate risk exposures to a level consistent with its risk tolerance. Derivative financial instruments are evaluated against the exposures they are expected to mitigate and the selection of a derivative financial instrument may not increase the net exposure of the Company to risk. Derivative financial instruments may expose the Company to other types of risk, which may include, but are not limited to, credit risk. The exposure to other types of risk is evaluated against the selected derivative financial instrument and is subject to a cost versus benefit review and analysis. The Company's use of derivative financial instruments for speculative or trading purposes is prohibited and the value of the derivative financial instrument cannot exceed the risk exposure of the underlying asset, liability or cash flow it expects to mitigate.

##### **Capital**

The Company defines capital as members' equity. The Company's primary objectives, in its management of capital, are to ensure that there is sufficient liquidity to fulfill management's objective of continuous improvement, to maintain continued access to capital, whether of long-term debt or equity, and to deliver value to its equity holders. There have been no changes made to the Company's capital management policy during the year.

## As at May 31, 2010



H. 2

- (1) The above Chart reflects the organizational structure of the Fund and its Affiliates as of December 18, 2009. The Chart does not include wholly owned inactive subsidiaries incorporated for the sole purpose of protecting the Just Energy name in certain jurisdictions.
- (2) At November 30, 2009 there were 122,775,817 Units of the Fund and 5,263,728 Class A Preference Shares of JEC outstanding.
- (3) The equity securities of all Affiliates of the Fund whether trusts, limited partnerships or corporations (except for the Class A Preference Shares of JEC and the Exchangeable Shares of JEEC), are owned beneficially, directly or indirectly, by the Fund.
- (4) All U.S. subsidiaries (except Just Energy LLC (Texas) and Commerce Energy, Inc. (California)) are incorporated under the laws of the State of Delaware. All U.S. subsidiaries are owned as to 100% by JEUSC except for (i) UGEC which is owned as to 100% by UEC, (ii) UG&E Holdings Inc., which is owned as to 100% by JEEC; (iii) each of WENY, WEI and UG&E Texas, which are all owned as to 100% by UG&E Holdings Inc.; (iv) Just Energy Finance LLC, which is owned as to 100% by Just Energy Finance Canada ULC; and (v) each of JELLC and Just Energy Texas LP, which are each 100% owned by Just Energy Texas I Corp.
- (5) The Fund owns 100 common shares of OESC Exchangeco II Inc and 100 common shares of JEC.
- (6) ESIF CT Commercial Trust I is owned by the Fund (200,000 common units and 15,844,511 preference units) and by JEC (1,394,489 preference units).
- (7) Just Energy Manitoba L.P. is owned by JEC (82 Class A Units and 61 Class B units); by the Fund (917 Class A units and 699 Class B Units) and by ESIF CT (1 Class A Unit).
- (8) JEOLP is owned by JEC (2,697 A Units and 2,841 B Units); by the Fund (30,637 A Units and 37,010 B Units); by ESIF CT (49,999 A Units) and by UEC (842 A Units and 4,138 B Units)
- (9) Just Energy Trading LP is owned by JEC (9 A Units and 251 B Units); by the Fund (92 A Units and 2,849 B Units); and by ESIF CT (871,849 A Units).
- (10) JEBCLP is owned by JEC (1 A Unit) and by JETLP (2,499 A Units).
- (11) JEQLP is owned by JEC (1 A Unit) and by JETLP (2,499 A Units).
- (12) AESLP is owned by JEC (1 A Unit) and by JETLP (864,449 A Units).
- (13) OECL is owned as to 100% by JEOLP (19,471,100 C/S).
- (14) JEUSC is owned by OECL (1,700 C/S) and by JEEC (209 C/S).
- (15) At November 30, 2009 there were 5,603,719 Exchangeable Shares of JEEC and 100 common shares of JEEC (owned by the Fund) outstanding.
- (16) GEO Capital Ventures and Momentis Canada Corp. are each owned as to 100% by JEC.
- (17) JEALP, is owned by JEC (1 Unit) and JETLP (99 Units).
- (18) Each of TGF, NEC and UEC are owned as to 100% by JEEC.
- (19) Just Energy Finance Canada ULC is owned by JEUSC (100 C/S) and by OECL (60,000 P/S).
- (20) UEGL is owned as to 100% by the Fund.

**NO SCANNED IMAGES ARE  
AVAILABLE**

**COMPLETE ATTACHMENTS  
AND/OR EXHIBIT(S)  
MAY BE VIEWED IN THE  
COMMISSION'S  
FILE ROOM**

Resume in Brief  
HUDSON ENERGY SERVICES, LLC.

---

**KEN HARTWICK, C.A.**

Chief Executive Officer

Ken Hartwick has over 13 years of management experience in the energy sector, and 20 years experience in the financial sector. Ken's experience in the energy industry spans several markets having played an integral role as Energy Savings' Chief Financial Officer since April 2004 launching Energy Savings' businesses in Alberta, British Columbia, Indiana, and Texas as well as growing the businesses already established in Manitoba, Ontario, Quebec, Illinois, and New York. As well as serving as the current President and CEO for Energy Savings, an integrated retailer of commodity products, he understands the issues facing generation businesses through his role on the Board of the Atlantic Power Corporation. Ken has been engaged in the energy industry with one of the largest distribution companies in North America, Hydro One Inc., gaining increasing executive-level responsibility throughout his career there, and providing strategic direction as Ontario transitions towards a competitive energy marketplace.

**BETH SUMMERS, C.A.**

Chief Financial Officer

Beth Summers has been the Chief Financial Officer of Energy Savings since February, 2009. Prior to joining the company, she served as the Executive Vice President and Chief Financial Officer at Hydro One which operates the Province of Ontario's largest electricity transmission and distribution systems and directly serves 1.2 million customers.

Prior to being at Hydro One, Beth served as a Senior Manager, Assurance & Advisory Services with Ernst & Young LLP where she was involved with fully integrated utilities as well as generation, utility distribution and services organizations.

## Appendix H

### Resume in Brief HUDSON ENERGY SERVICES, LLC.

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#### **SCOTT GAHN**

##### President and Chief Operating Officer

Scott is now serving as President and Chief Operating Officer after serving as Executive Vice President of U.S. Energy Savings since May 2007. Prior to this Mr. Gahn was Chief Executive Officer and co-founder of Just Energy Texas LP, which was acquired by Energy Savings.

Scott began his career in the energy business in 1986 at the Virginia State Corporation Commission, where he focused on energy utilities with specific focus on the newly deregulated natural gas market. In 1992 he moved from the Virginia SCC to New York State Electric & Gas Corporation where he rose to the position of Manager of Rates, with responsibility for rate and regulatory matters, commodity risk management and policies related to deregulation and customer choice. In 1997, Scott joined Enron Capital & Trade Resources where he worked in various positions leading ultimately to Managing Director of Enron Direct, a rapidly growing business focused on selling and supplying natural gas and electricity to small and medium sized businesses throughout the United States.

Scott is a graduate of Virginia Tech and has a Master of Economics degree from Virginia Commonwealth University.

#### **ROBERT A. DONALDSON, Q.C., B. Comm., LL.B**

##### Corporate Secretary

Robert Donaldson obtained his B.Comm from McMaster University in 1961. In 1964 he obtained his LL.B from the University of Toronto Law School. In 1966 he was called to the bar of Ontario and was appointed Queen's Counsel in January of 1985. Robert has over 30 years experience practicing law as a senior partner with major Canadian law firms. Robert has considerable experience and expertise in the areas of acquisitions and mergers, the raising of capital by way of private placement or prospectus, the regulation of Canadian financial institutions, directors' and officers' liability and corporate governance.

Robert was one of the founding shareholders of Just Energy Income Fund.

Robert has chaired or participated in many securities law conferences, written numerous articles on securities law topics and has taught corporate finance and securities regulation and corporate governance as a special lecturer at Osgoode Hall Law School and the University of Western Ontario Law School.

## Appendix H

### Resume in Brief HUDSON ENERGY SERVICES, LLC.

---

#### **GORD POTTER**

##### Executive Vice President Legal and Regulatory Affairs

With almost 10 years experience in the energy industry, Gord oversees legal, regulatory and government relations activity across all 20 markets that Just Energy operates in and this collective experience informs credible policy-making decisions. Focused primarily on retail markets, Gord has been actively involved in the design & development of policy, industry rules and regulations and the underlying business and technical processes supporting these markets in North America.

For several years, Gord has served as a member of the Alberta Department of Energy's Electric Utilities Act Advisory Committee and the Retail Market Coordinating Committee. He has participated in the regulatory rule development and market design for Ontario, British Columbia, Alberta and Texas. In Ontario, he played a role in the industry market design and Rule development for Ontario Electricity. He was an active contributor in the Electronic Business Transactions Rules development under the auspices of the OEB as he was a member of the OEB EBT Advisory Committee. Currently, he is the Chair of the Marketers and Retailers Sector Committee of the Ontario Energy Association in Ontario.

Preceding his experience in the deregulated energy market, Gord enjoyed 14 years in the Canadian telecom industry. At the time of deregulation of local telecommunications in 1997,

Gord held an active leadership role in the development of market design, rules regulations, as the Chair of several industry working groups established under the auspices of the Federal Regulator – the C.R.T.C.

#### **JONAH DAVIDS**

##### Vice President and General Counsel

Jonah Davids is currently the Corporate Secretary for Just Energy and Universal Energy Corporation, marketers of natural gas and electricity to residential and commercial customers in Canada and the United States. Prior to joining Just Energy, Jonah practiced with McMillan LLP in the corporate and natural resources groups.

Jonah received his LLB from the University of Western Ontario in 2000 and an LLM in Natural Resources from the University of Dundee, Scotland in 2005. He is admitted to the bar in the Province of Ontario.

## Appendix H

### Resume in Brief HUDSON ENERGY SERVICES, LLC.

---

#### **DANIEL MARZUOLA**

##### Vice President of Sales

Daniel Marzuola is an accomplished executive with twenty years experience in the energy industry with the proven ability to lead multidiscipline teams. His experience spans retail and wholesale energy sales, marketing, engineering, government liaison, and process management. Currently Mr. Marzuola is the Vice President of Sales for Hudson Energy with a focus in the ERCOT (Texas) and PJM (Illinois) markets. He spent fourteen years with TXU in various positions from a System Planning Engineer to the General Manager of a natural gas distribution system in Mexico. Prior to his Mexico assignment he worked as the Director of Government Issues and was appointed by the Governor of Texas as a member of the Oil and Gas Compact Commission. After leaving TXU he spent one year as an Energy Consultant Executive for CDM Energy Management followed by the next three years as a Senior Director of C&I Sales for Direct Energy. Mr. Marzuola received his BS in Engineering Management from Southern Methodist University and an MBA from Amber University.

#### **ARTHUR GRUEN, CPA**

##### Controller

Arthur is the Controller of Hudson Energy Services, LLC. Arthur joined Hudson Energy in 2006 as a shareholder. Prior to joining Hudson, he was an auditor with PricewaterhouseCoopers. Earlier in Arthur's career he was an associate at Marks Paneth & Shron and prior to that at Martin Friedman & Co. where he was responsible for the performance of audit, tax, & regulatory work on middle market business entities within a wide range of industries. Arthur is a member of the American Institute of Certified Public Accountants as well as a member of the New York State Society of Certified Public Accountants.

#### **CHARLES HEWITT**

##### Vice President, Commercial Supply

Charles has served as Vice President of Energy Management for Hudson Energy Services since May 2006. Prior to his employment with Hudson Energy, he was Director of Product Structuring for Direct Energy for 3 years where he was part of the launch team for Texas market. Prior to Direct Energy, Charles was with TXU for 10 years where he held a variety of positions in retail energy including product structuring, sales and economic analysis.



## Appendix H

### Resume in Brief HUDSON ENERGY SERVICES, LLC.

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#### **DERYL BROWN**

##### Executive Vice President

Deryl Brown is the Executive Vice President of Hudson Energy Services, a fast growing energy provider in Texas, New York, and Illinois. He has broad experience in retail energy including strategy development, engineering, operations, customer service, technology, marketing, and sales.

Prior to his current position, Mr. Brown was vice president and general manager for Direct Energy Business Services, a leading retail energy provider in North America. Prior to Direct Energy, Mr. Brown had a long career at TXU playing a leadership role in establishing their retail energy business. Prior to building TXU's retail energy division, he held a variety of senior positions in TXU's regulated utility business, serving TXU for some 28 years.

Mr. Brown received his Masters of Business Administration from the University of North Texas and a Bachelor of Science degree with honors in electrical engineering from the University of Texas. Mr. Brown is on the board at the Cockrell School of Engineering at the University of Texas at Austin as well as the Board of Directors of Electric Reliable Council Of Texas (ERCOT).

#### **STEVE LICHTENSTEIN**

##### Vice President of Operations

Steve has been with Hudson Energy since shortly after its inception in 2002. Steve began working as manager of accounts and quickly rose to be Director of Operations. He has been a shareholder and member of the Senior Management Team since 2006. His responsibilities include all aspects of account management as well as monthly/annual reporting on the sales activity of the company.

#### **DEBORAH MERRIL**

##### Executive Vice President, Commercial

Deborah has more than 16 years of experience in the retail energy industry, most recently as the head of the commercial business within Just Energy. In her current role, she is responsible for all aspects of the commercial business, which includes the Commerce and Hudson Energy Services brands.

Before joining Just Energy Income Fund, Deborah spent 8 years with Enron Energy Services where she gained experience in many aspects of the business from operations, physical and financial risk management and deal structuring. After Enron, she was one of the founding partners of Just Energy, LP (now owned by Just Energy Income Fund) where she was responsible for all sales and marketing for the business.

**APPENDIX - H - 4**

**Custodian of Financial Records for Hudson Energy Services, LLC.**

Shelley Sheppard  
Senior Vice President of Finance  
Energy Savings Group  
6345 Dixie Road, Suite 200  
Mississauga, ON L5T 2E6  
ssheppard@oesc.ca  
Tel: (905) 795-3578  
Fax: 905.670.8579

Arthur Gruen

Controller

Hudson Energy Services, LLC  
4 Executive Blvd. Suite 301  
Suffern, NY 10901  
Tel: 845-228-3420  
Fax: (845) 228-3422

# Appendix I

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## Appendix I (a)

### GENERAL BUSINESS INFORMATION

Hudson Energy Services, LLC ("Hudson Energy") is one of several Affiliates (collectively "Just Energy") of the Just Energy Income Fund (the "Fund"). Hudson Energy was acquired by Just Energy in May 2010. The Fund is an open-ended limited purpose trust established by the Declaration of Trust, dated April 18, 2001, as amended and restated from time to time, and governed by the laws of the Province of Ontario. The Fund, listed on the Toronto Stock Exchange (JE.UN), completed its initial public offering on April 30, 2001. Ontario Energy Savings Corp. ("OESC") now known as Just Energy Corp was the sole operating Affiliate of the Fund in April, 2001, and today continues to serve as the attorney and administrator of the Fund pursuant to the Declaration of Trust and the Administration Agreement dated April 30, 2001, as amended from time to time. While Just Energy Corp. no longer carries on any active marketing activities, its board of directors supervises the business and affairs of the Fund and its Affiliates.

As of June 30, 2010, Hudson Energy employs 113 full- and part-time staff of which 3 constitute the executive group, 3 are employed in the accounting and finance department, 1 is employed in the legal department, 6 are employed in the product structuring and procurement department, 42 are employed in the operations and information technology department, 17 are employed in the marketing and sales support department, and 41 are employed in the telemarketing department. Additionally, some employees of other Just Energy Affiliates provide shared services to Hudson Energy and other Affiliates. Approximately 500 third party sales entities, primarily energy brokerage firms, are involved in the marketing of gas contracts and electricity contracts across all markets.

Hudson Energy is an alternative energy supplier serving: (i) natural gas to residential customers in New York and New Jersey; (ii) natural gas to commercial and industrial customers in New York and New Jersey; (iii) electricity to residential customers in New York; (iv) electricity to commercial and industrial customers in New York, New Jersey, Illinois, and Texas.

Hudson Energy has been marketing retail natural gas contracts since 2002 and retail electricity contracts since 2003. A number of different products have been offered, including both fixed and variable rate plans for a variety of terms. Hudson Energy has also developed customized product offerings to meet the needs of specific energy customers.

Commerce Energy, Inc. is an affiliate of Just Energy. Commerce Energy, Inc. currently serves gas commodity to retail consumers in California and serves electric commodity and related services to retail consumers in California, Maryland, Michigan, New Jersey and Pennsylvania.

## **APPENDIX I (b)**

### **TECHNICAL FITNESS HUDSON ENERGY SERVICES, LLC**

Hudson Energy believes that its existing operations in four states demonstrate its willingness and ability to implement the processes and controls required to serve customers effectively under a variety of market conditions. Hudson Energy has two operational offices – one in Irving, Texas and one in Suffern, NY. Each of these offices houses a team of operational and customer service professionals that are familiar with Hudson Energy's product offerings and the structure of the markets in which Hudson Energy serves customers.

Hudson Energy has designed two significant technologies to facilitate effective management of processes throughout the customer lifecycle. The first is Hudson's Sales Partner Portal, a web application that allows third party sales agents (i.e. energy brokers) to submit and manage pricing requests. This application allows the automated retrieval of historical usage data for prospective clients, as well as automated updates on the pricing that Hudson Energy can offer to these clients. The Sales Partner Portal technology simplifies the process that third party sales agents follow to shop for competitive prices, thus encouraging additional competition. This technology also increases the frequency and transparency of pricing for commercial customer accounts, allowing more active price monitoring by prospective clients as well as the ability to monitor changing prices and enter into a contract when the offered price hits a predefined value.

The second technology is a customized back office system for managing customer accounts (including enrollment, billing, and change management) as well as interactions with utility companies. This system has been designed to accommodate the variety of product and customer types that Hudson Energy currently serves, the same as those that Hudson Energy plans to serve in Pennsylvania. The act of designing a customized back office system demonstrates Hudson Energy's serious commitment to and investment in effective operations to support customers. The process of designing this system has also required Hudson Energy's technical team to understand in detail the communication protocols in each market, which are essential to effective delivery of service to customers. This same level of understanding will be achieved for the Pennsylvania market if Hudson Energy is allowed to begin operations there.

Beyond its internal capabilities, Hudson Energy also benefits from the experience and expertise of its affiliates. Commerce Energy has been an active supplier in Pennsylvania since 1999 and is currently serving customers in the Commonwealth. Hudson Energy's wholesale energy supply management, including load forecasting, delivery management, and interaction with PJM, will be handled by the same team that currently performs these functions for Commerce Energy. Just Energy has a well established and active regulatory compliance team that will also manage regulatory reporting and compliance for Hudson Energy. Together, these two affiliates of Hudson Energy will provide significant additional strength to Hudson Energy's already well established technical capability.

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
NOTICE

*Application of Hudson Energy Services, LLC. For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania, Docket No. A-2010-XXXXXX.*

On July \_\_, 2010, *Hudson Energy Services, LLC.* filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. *Hudson Energy Services, LLC.* proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of *Hudson Energy Services, LLC.* may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to the *Hudson Energy Services, LLC.* attorney at the address listed below. Please include the PUC's "docket number" on any correspondence, which is A-2009-XXXXXXX.

John Povilaitis  
Ryan, Russell, Ogden and Seltzer P.C.  
800 North Third Street Suite 101  
Harrisburg, Pennsylvania 17102  
Phone: (717) 236-7714  
Fax: (717) 236-7816

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Hudson Energy Services, LLC	:	
to Become a Licensed Supplier of	:	Docket No. A-2010 -
Electric Generation Services	:	

**CERTIFICATE OF SERVICE**

I herby certify that I have this day served a copy of the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 et seq. (relating to service by a participant).

VIA FIRST CLASS MAIL

Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120-1921

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Office of the Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD-16-4  
Pittsburgh, PA 15219

Legal Department  
Attn: Paul Russell  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

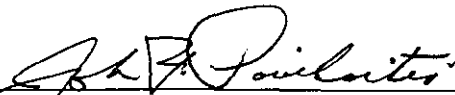
Legal Department  
First Energy Corporation  
2800 Pottsville Pike  
Reading, PA 19612

Legal Department  
West Penn Power d/b/a Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12<sup>th</sup> Street, Suite 360  
P.O. Box 12677  
Reading, PA 19612

Manager Energy Acquisitions  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

Date: July 16, 2010

  
\_\_\_\_\_  
John F. Povilaitis  
RYAN, RUSSELL, OGDEN & SELTZER P.C.  
800 North Third Street, Suite 101  
Harrisburg, Pennsylvania 17102  
(717) 236-7714  
(717) 236-7816  
[JPovilaitis@RyanRussell.com](mailto:JPovilaitis@RyanRussell.com)

RECEIVED

2010 JUL 16 PM 3:18

CA PUC  
SECRETARY'S BUREAU





4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Frank M. Nadolny,  
General Manager of Regulatory Affairs Unit  
Duquesne Light Company  
411 Seventh Street  
P.O. Box 1930  
Pittsburgh, PA 15230-1930

Mr. Nadolny:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Pennsylvania Energy Savings Corp.'s ("PESC") application to conduct business in the Commonwealth as an Electric Generation Supplier in the Duquesne Light Company service territory.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh' with a stylized flourish at the end.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Irwin A. Popowsky  
Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut St.  
Harrisburg, PA 17210-1921

Mr. Popowsky:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business as an Electric Generation Supplier in all service territories in the Commonwealth.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh'.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Dear Sir/Madam,

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business as an Electric Generation Supplier in all service territories in the Commonwealth.

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Sincerely,

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Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

William R. Lloyd, Jr.  
Commerce Building, Suite 1102  
Small Business Advocate  
300 North Second Street  
Harrisburg, PA 17101

Mr. Lloyd:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business as an Electric Generation Supplier in all service territories in the Commonwealth.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh', with a stylized flourish at the end.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
Harrisburg, PA 17128-0946

Dear Sir/Madam:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business as an Electric Generation Supplier in all service territories in the Commonwealth.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh' with a stylized flourish at the end.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Mr. Blaine W. Uplinger, Jr.,  
Director of Governmental and Regulatory Affairs  
FirstEnergy  
100 APC Building  
800 North third Street  
Harrisburg, PA 17102-2025

Mr. Uplinger:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business in the Commonwealth as an Electric Generation Supplier in First Energy, service territory.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh'.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Carlo L. Ciabattoni  
Manager Energy Acquisition  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699  
[carlo.ciabattoni@exeloncorp.com](mailto:carlo.ciabattoni@exeloncorp.com)

Mr. Ciabattoni:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business in the Commonwealth as an Electric Generation Supplier in the PECO Energy Company, service territory.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh'.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

John P. Litz, Division Controller  
UGI Utilities, Inc.  
Electric Division  
400 Stewart Road  
P.O. Box 3200  
Hanover Industrial Estates  
Wilkes-Barre, PA 18773-3200

Mr. Litz:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business in the Commonwealth as an Electric Generation Supplier in UGI Utilities, Inc. service territory.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh', with a stylized flourish at the end.

Michael Haugh  
Manager, U.S. Regulatory Affairs





4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Paul E. Russell,  
Associate General Counsel  
PPL  
Two North Ninth Street  
Allentown, PA 18108-1179

Mr. Russell,

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business in the Commonwealth as an Electric Generation Supplier in PPL service territory.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh'.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301  
Suffern, New York 10901

T 845 228 3400  
F 845 228 3422

July 13, 2010

Stephen L. Feld, Attorney  
**Pennsylvania Power Company**  
**First Energy Corporation**  
76 South Main Street  
Akron, OH 44308

Mr. Feld:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business in the Commonwealth as an Electric Generation Supplier in service Pennsylvania Power Company First Energy Corporation service territory.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh', with a stylized flourish at the end.

Michael Haugh  
Manager, U.S. Regulatory Affairs



4 Executive Boulevard, Suite 301 : T 845 228 3400  
Suffern, New York 10901 : F 845 228 3422

July 13, 2010

John L. Munsch, Attorney  
**Allegheny Power**  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689

Mr. Munsch:

Pursuant to Section 5.14 of the Public Utility Commission's Regulations, 52 Pa. Code §5.14, enclosed is Hudson Energy Services, LLC's application to conduct business in the Commonwealth as an Electric Generation Supplier in Allegheny Power service territory.

Please contact me if at the address noted above, or at 614-364-2232 or by email at [mhaugh@justenergy.com](mailto:mhaugh@justenergy.com) for questions regarding Hudson Energy Services, LLC's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Haugh', with a stylized flourish at the end.

Michael Haugh  
Manager, U.S. Regulatory Affairs