Subj:	**RE: Retail Gas Quadrant & Retail Electric Quadrant Request for Comments**
Date:	9/26/2003 1:40:48 PM Central Daylight Time
From:	Michele Doyle – Consolidated Edison
To:	NAESB office

The following are comments from Consolidated Edison Company of New York, Inc. and apply to both Retail Gas and Retail Electric.

- In general, we are not comfortable with underlying implicit assumption that a Creditor will make a credit determination
  based upon a detailed analysis of an Applicants financial information. Creditors need the flexibility to assess their
  internal skills at evaluating this financial information and risk tolerance for each program and to each particular Applicant.

- Section 1.4.1.2 - If we reject an application or provide a lower limit than the Applicant wanted, our obligation to provide
  them with an explanation and documentation should be limited. We may have proprietary analyses or confidential
  information. We also think that the response time should be 10 days, not 5, to allow for preparation and any internal
  reviews.

- Section 1.4.1.3 is overly broad - there needs to be a clear statement added similar to the following: "Every Creditor can
  determine appropriate levels of **unsecured** credit granted to an applicant, not subject to regulatory dispute or review, or
  even governing documents for a particular program, everything else in this standard not withstanding."

- Section 1.4.1.7 - An Applicant should have a reason for requesting a reevaluation and should demonstrate what has
  changed (i.e., ratings).

- Section 1.6.1 - Security Instruments put excessive burden on the Creditor. We should not be forced to accept non-liquid
  instruments as security, such as Surety Bonds and Security Interest in Collateral.

    - In certain cases Surety Bonds work well, but in others they can be difficult to evaluate and even more difficult to collect on, therefore, it should be left to the discretion of the creditor to determine if they are appropriate.
    - We strongly oppose the inclusion of Security Interest in Collateral because it puts excessive burden on the Creditor that it may not have the ability or desire to undertake and in general this is not liquid. There is a significant legal burden (which adds costs) to review and prepare the legal documentation to both understand what the actual collateral is and how the security interest will be protected. There is also a significant burden to assess the value of any collateral that is provided.

Thanks -

Michele Doyle
Manager
Gas Transportation Services

Retail Gas Quadrant