

ENERGY EAST CORP  
Form U-9C-3  
August 27, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM U-9C-3**

**QUARTERLY REPORT PURSUANT TO RULE 58**

For the period ended June 30, 2004

**Energy East Corporation**

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(Name of registered holding company)

P.O. Box 12904  
Albany, NY 12212-2904

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(Address of principal executive offices)

**GENERAL INSTRUCTIONS**

**A. Use of Form**

1. A reporting company, as defined herein, shall file a report on this form within 60 days after the end of each of the first three quarters, and within 90 days after the end of the fourth quarter, of the fiscal year of the registered holding company. The period beginning on the date of effectiveness of rule 58 and ending at the end of the quarter following the quarter in which the rule becomes effective shall constitute the initial period for which any report shall be filed, if applicable.
2. The requirement to provide specific information by means of this form supersedes and replaces any requirement by order of the Commission to provide identical information by means of periodic certificates under rule 24; but does not so supersede and replace any requirement by order to provide information by means of an annual report on Form U-13-60.
3. Information with respect to reporting companies that is required by Form U-13-60 shall be provided exclusively on that form.
4. Notwithstanding the specific requirements of this form, the Commission may informally request such further information as, in its opinion, may be necessary or appropriate.

**B. Statements of Monetary Amounts and Deficits**

1. Amounts included in this form and in related financial statements may be expressed in whole dollars, thousands of dollars or hundred thousands of dollars.
2. Deficits and other similar entries shall be indicated by either brackets or parentheses. An explanation should be provided by footnote.

**C. Formal Requirements**

This form, including exhibits, shall be filed with the Commission electronically pursuant to Regulation S-T (17 CFR 232.10 *et seq.*). A conformed copy of each such report shall be filed with each state commission having jurisdiction over the retail rates of a public-utility company that is an associate company of a reporting company. Each report shall provide the name and telephone number of the person to whom inquiries concerning the report should be directed.

**D. Definitions**

As used in this form, the word "reporting company" means an energy-related company or gas-related company, as defined in rule 58(b). All other words and terms have the same meaning as in the Public Utility Holding Company Act of 1935, as amended, and the rules and regulations thereunder.

**ITEM 1 - ORGANIZATION CHART***Instructions.*

1. Complete Item 1 only for the first three calendar quarters of the fiscal year of the registered holding company.
2. Under the caption "Name of Reporting Company," list each energy-related and gas-related company and each system company that directly or indirectly holds securities thereof. Add the designation "(new)" for each reporting company of which securities were acquired during the period, and the designation "(\*)" for each inactive company.
3. Under the caption "Percentage of Voting Securities Held," state the aggregate percentage of the outstanding voting securities of the reporting company held directly or indirectly by the registered holding company at the end of the quarter.
4. Provide a narrative description of each reporting company's activities during the reporting period.

Name of Company	Type of Business	State of Organization Including Date of Incorporation	Narrative	% of Voting Securities Held
Energy East Corporation	Holding company	NY (1997)	(A)	
	Holding company	(CT) (2000)	(B)	16.2% by Energy East Corporation,

LNG Storage Partners				9.3% by CMP Group, 74.5% by Connecticut Energy Corporation
LNG Marketing Partners	Holding company	(CT) (2000)	(C)	10% by Energy East Corporation, 10% by CMP Group, 80% by Connecticut Energy Corporation
RGS Energy Group, Inc.	Holding company	NY (1998)	(D)	100% by Energy East Corporation
Energetix, Inc. (Energetix)	Electricity and natural gas marketer and holding company	NY (1976)	(E)	100% by RGS Energy Group, Inc.
RGS Development Corporation	*	NY (1998)	(F)	100% by RGS Energy Group, Inc.

Name of Company	Type of Business	State of Organization Including Date of Incorporation	Narrative	% of Voting Securities Held
Connecticut Energy Corporation (CEC)	Holding company	CT (1999)	(G)	100% by Energy East Corporation
CNE Energy Services Group, Inc. (CNE Energy)	Energy products and services	CT (1995)	(H)	100% by Connecticut Energy

				Corporation
Total Peaking Services, LLC	Natural gas storage	DE (1998)	(I)	100% by LNG Storage Partners
Nth Power Technologies Fund I, LP	Energy related Investment	CA (1996)	(J)	7.9% by CNE Energy Services Group Inc.
CNE Peaking, LLC	Firm in-market gas supply source	DE (1998)	(K)	100% by LNG Marketing Partners
Energy East Enterprises, Inc.	Energy-related investment company	ME (1998)	(L)	100% by Energy East Corporation
New Hampshire Gas Corporation	Energy services company	NH (1998)	(M)	100% by Energy East Enterprises, Inc.
Seneca Lake Storage, Inc.	Natural gas storage	NY (1998)	(N)	100% by Energy East Enterprises, Inc.
Name of Company	Type of Business	State of Organization Including Date of Incorporation	Narrative	% of Voting Securities Held
The Energy Network, Inc.	Energy-related investment company	DE (1992)	(O)	100% by Energy East Corporation
Energy East Solutions, Inc.	Electricity and natural gas marketer	DE (1998)	(P)	100% by The Energy Network, Inc.
NYSEG Solutions, Inc.	Electricity and natural gas	NY (1998)	(Q)	100% by Energy East

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	marketer			Solutions, Inc.
Cayuga Energy, Inc.	Energy-related investment company	DE (1998)	(R)	100% by The Energy Network, Inc.
PEI Power II, LLC	Peaking generation	PA (2000)	(S)	50.1% by Cayuga Energy, Inc.
Carthage Energy, LLC	Peaking generation	NY (1998)	(T)	100% by Cayuga Energy, Inc.
South Glens Falls Energy, LLC	Peaking generation	NY (1998)	(U)	85% by Cayuga Energy, Inc.
Name of Company	Type of Business	State of Organization Including Date of Incorporation	State of Organization	% of Voting Securities Held
CTG Resources, Inc.	Holding company	CT (1999)	(V)	100% by Energy East Corporation
TEN Companies, Inc.	Energy services	CT (1982)	(W)	100% by CTG Resources, Inc.
The Hartford Steam Company	Heating and cooling services	CT (1961)	(X)	100% by CTG Resources, Inc.
TEN Transmission Company	Natural gas transmission system	CT (1986)	(Y)	100% by CTG Resources, Inc.
CMP Group, Inc.	Holding company	ME (1999)	(Z)	100% by Energy East Corporation
	Utility services		(AA)	

Union Water Power  
Company

ME  
(1878)

100% by  
CMP Group,  
Inc.

\* Inactive subsidiary

- (A) Energy East Corporation is a public utility holding company that was organized under the laws of the State of New York. Energy East Corporation is a super-regional energy services and delivery company with operations in New York, Connecticut, Massachusetts, Maine and New Hampshire, with corporate offices in New York and Maine.
- (B) LNG Storage Partners is a holding company that owns Total Peaking Services, LLC.
- (C) LNG Marketing Partners is a holding company that owns CNE Peaking, LLC.
- (D) RGS Energy Group, Inc. is a public utility holding company that was organized under the laws of the State of New York. RGS Energy Group, Inc. became the holding company of Rochester Gas and Electric Corporation in 1999.
- (E) Energetix, Inc. markets electricity and natural gas services throughout upstate and central New York.
- (F) RGS Development Corporation is an inactive corporation.
- (G) Connecticut Energy Corporation is a public utility holding company that was organized under the laws of the State of Connecticut.

Notes Continued for Item 1:

- (H) CNE Energy Services Group, Inc. has an interest in two small natural gas pipelines that serve power plants in Connecticut. CNE Energy Services Group, Inc. also leases a liquefied natural gas plant that serves the peaking gas markets in the Northeast and has an equity interest in an energy technology venture partnership.
- (I) Total Peaking Services, LLC is a natural gas storage company.
- (J) Nth Power Technologies Fund I, LP is an energy related investment partnership.
- (K) CNE Peaking, LLC is a firm in-market gas supply source.
- (L) Energy East Enterprises, Inc. is an energy related investment company that has natural gas companies in New Hampshire, New York and Maine.
- (M) New Hampshire Gas Corporation is a natural gas company that serves a small area in New Hampshire.
- (N) Seneca Lake Storage, Inc. is a natural gas storage company in New York.
- (O) The Energy Network, Inc. is an energy related investment company that owns several natural gas marketing and telecommunication companies.
- (P) Energy East Solutions, Inc. sells electricity and natural gas in wholesale and retail markets in the Northeast and Mid-Atlantic regions.
- (Q) NYSEG Solutions, Inc. markets electricity and natural gas in central New York.
- (R) Cayuga Energy, Inc. owns an electric generation facility that sells power in the New York Independent System Operator and PJM Interconnection, LLC wholesale markets at time of high demand.
- (S) PEI Power II, LLC is a peaking generation company in Pennsylvania.
- (T) Carthage Energy, LLC is a peaking generation company in New York.
- (U) South Glens Falls Energy, LLC is a peaking generation company in New York.
- (V) CTG Resources, Inc. is a public utility holding company that was organized under the laws of the State of Connecticut.
- (W) TEN Companies, Inc. owns and manages a district heating and cooling network in Hartford, Connecticut.
- (X) The Hartford Steam Company is a heating and cooling company in Hartford, Connecticut.
- (Y) TEN Transmission Company is a natural gas transmission company.
- (Z) CMP Group, Inc. is a public utility holding company that was organized under the laws of the State of Maine. CMP Group, Inc. became the holding company of Central Maine Power Company in 1999.

(AA) Union Water Power Company is a utility services company providing construction, pole setting and other energy services.

## ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS

### *Instruction.*

With respect to a transaction with an associate company, report only the type and principal amount of securities involved.

Refer to Energy East Corporation's filing on Form U-6B-2 for the quarter ended June 30, 2004, for Carthage Energy, LLC, Cayuga Energy, Inc. and South Glenn Falls Energy, LLC.

## ITEM 3 - ASSOCIATE TRANSACTIONS

### Part I - Transactions performed by reporting companies on behalf of associate companies

### *Instructions.*

1. This item is used to report the performance during the quarter of contracts among reporting companies and their associate companies, including other reporting companies, for service, sales and construction. A copy of any such contract not filed previously should be provided as an exhibit pursuant to Item 6.B.

Reporting Company Rendering Services	Associate Company Receiving Services	Types of Services Rendered	Direct Costs Charged	Indirect Costs Charged	Cost of Capital	Total Amount Billed
CNE Energy Services Group, Inc.	Energy East Solutions	Marketing / Sales	-	\$164,400	-	\$164,400
CNE Energy Services Group, Inc.	TEN Transmission Company	Support Services	\$2,324	-	-	\$2,324
CNE Energy Services Group, Inc.	CNE Peaking, LLC	Marketing / Sales	\$31,812	-	-	\$31,812
CNE Peaking, LLC	Southern Connecticut Gas Company	Natural Gas Sales	\$1,504,705	-	-	\$1,504,705

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Energy East Solutions, Inc.	TEN Companies Inc.	Gas Supply	\$1,891,542	-	-	\$1,891,542
Energy East Solutions, Inc.	PEI Power II, LLC	Gas Supply	\$853,555	-	-	\$853,555

Reporting Company Rendering Services	Associate Company Receiving Services	Types of Services Rendered	Direct Costs Charged	Indirect Costs Charged	Cost of Capital	Total Amount Billed
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CNE Energy Services Group, Inc.	Southern Connecticut Gas Company	Retiree Benefits	\$1,503	-	-	\$1,503
NYSEG Solutions, Inc.	New York State Electric & Gas Corporation	Ancillary Services	\$981,119	-	-	\$981,119
PEI Power II, LLC	NYSEG Solutions, Inc.	Electric Supply	\$35,069	-	-	\$35,069
Union Water Power Company	Central Maine Power Company	Construction	\$927,462	-	-	\$927,462
Union Water Power Company	Central Maine Power Company	Locating	\$275,652	-	-	\$275,652

Part II - Transactions performed by associate companies on behalf of reporting companies

*Instructions.*

2. Parts I and II concern transactions performed by reporting companies on behalf of associate companies, and transactions performed by associate companies on behalf of reporting companies, respectively.

Associate	Reporting
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Company Rendering Services	Company Receiving Services	Types of Services Rendered	Direct Costs Charged	Indirect Costs Charged	Cost of Capital	Total Amount Billed
Southern Connecticut Gas Company	CNE Energy Services Group	Operational Services	\$45,659	-	-	\$45,659
Southern Connecticut Gas Company	CNE Energy Services Group	Gas Supply	\$750,316	-	-	\$750,316
Southern Connecticut Gas Company	TEN Companies Inc.	Legal Services	\$1,645	-	-	\$1,645
Connecticut Natural Gas Corporation	CTG Resources, Inc.	Management Services	\$25,000	-	-	\$25,000
Connecticut Natural Gas Corporation	TEN Companies, Inc.	Operational and Support Services	\$239,457	-	-	\$239,457
Connecticut Natural Gas Corporation	TEN Companies, Inc.	Property Rental	\$13,024	-	-	\$13,024
Rochester Gas and Electric Corporation	Energetix, Inc.	Operational and Support Services	\$88,935	-	-	\$88,935
Associate Company Rendering Services	Reporting Company Receiving Services	Types of Services Rendered	Direct Costs Charged	Indirect Costs Charged	Cost of Capital	Total Amount Billed
Southern Connecticut Gas Company	CNE Peaking, LLC	Sales / Services	\$285,693	-	-	\$285,693
Southern Connecticut Gas	Total Peaking Services, LLC	Rents / Support	\$363,772	-	-	\$363,772

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Company	Services					
Southern Connecticut Gas Company	CNE Energy Services Group, Inc.	Support Services	\$30,900	\$2,680	-	\$33,580
Southern Connecticut Gas Company	CNE Energy Services Group, Inc.	Rent	\$19,932	-	-	\$19,932
TEN Companies, Inc.	CNE Energy Services Group, Inc.	Management Services	\$15,000	-	-	\$15,000
Rochester Gas and Electric Corporation	Energetix, Inc.	Gas and Electric Distribution charges	\$20,973	-	-	\$20,973
Energy East Solutions	Energetix, Inc.	Gas Supply	\$3,606,493	-	-	\$3,606,493

Associate Company Rendering Services	Reporting Company Receiving Services	Types of Services Rendered	Direct Costs Charged	Indirect Costs Charged	Cost of Capital	Total Amount Billed
NYSEG Solutions, Inc.	Energetix, Inc.	Electric Supply ICAP	\$40,950	-	-	\$40,950
New York State Electric & Gas Corporation	Energy East Solutions, Inc.	Gas Supply	\$54,787	-	-	\$54,787
Energy East Solutions, Inc.	NYSEG Solutions, Inc.	Gas Supply	\$2,067,144	-	-	\$2,067,144
South Glenn Falls Energy, LLC	NYSEG Solutions, Inc.	Electric Supply	\$509,387	-	-	\$509,387
Carthage Energy, LLC	NYSEG Solutions, Inc.	Electric Supply	\$371,294	-	-	\$371,294

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New York State Electric & Gas Corporation	NYSEG Solutions, Inc.	Support Services	-	\$76,649	-	\$76,649
NYSEG Solutions, Inc.	South Glenn Falls Energy, LLC	Gas Supply	\$1,003,718	-	-	\$1,003,718
NYSEG Solutions, Inc.	Carthage Energy, LLC	Gas Supply	\$71,300	-	-	\$71,300
Central Maine Power Company	Union Water Power Company	Billing	\$4,816	-	-	\$4,816

ITEM 4 - SUMMARY OF AGGREGATE INVESTMENT

Investments in energy-related companies:

**Energy East Corporation**

(\$ in Thousands)

Total consolidated capitalization as of June 30, 2004	\$2,711,409	line 1
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Total capitalization multiplied by 15% (line 1 multiplied by 0.15)	\$406,711	line 2
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Greater of \$50 million or line 2	\$406,711	line 3
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Total current aggregate investment:  
(categorized by major line of energy-related business)

None	-	
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Total current aggregate investment	-	line 4
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Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding company system

(line 3 less line 4)

\$406,711 line 5

Investments in gas-related companies:

LNG Storage Partners \$8,416

LNG Marketing Partners \$9,091

Total current aggregate investment:

\$17,507

## ITEM 5 - OTHER INVESTMENTS

*Instruction.*

This item concerns investments in energy-related and gas-related companies that are excluded from the calculation of aggregate investment under rule 58.

Major Line Of Energy-Related Business	Other Investment in Last U-9C-3 Report	Other Investment in This U-9C-3 Report	Reason for Differences in Other Investment
Carthage Energy, LLC	\$118,500	\$233,000	Additional Investment
South Glenn Falls Energy, LLC	\$345,000	\$632,000	Additional Investment

## ITEM 6 - FINANCIAL STATEMENTS AND EXHIBITS

## A. Financial Statements

Copies of the balance sheet (Exhibit 6A-1) and income statement (Exhibit 6A-2) for the companies listed in Item 1 are filed confidentially pursuant to Rule 104.

## Financial Statement:

LNG Storage Partners

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

LNG Marketing Partners

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Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

Energetix Inc.

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

CNE Energy Services Group, Inc.

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

Total Peaking Services, LLC

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

CNE Peaking, LLC

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

New Hampshire Gas Corporation

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

Seneca Lake Storage

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

Energy East Solutions, Inc.

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

NYSEG Solutions, Inc.

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

Cayuga Energy, Inc.

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

PEI Power II, LLC

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

Carthage Energy, LLC

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

South Glens Falls Energy, LLC

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

TEN Companies, Inc.

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

The Hartford Steam Company

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

TEN Transmission Company

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

Union Water Power Company

Balance Sheet - As of June 30, 2004

Income Statement - Three Months and Six Months Ended June 30, 2004

**B. Exhibits**

1. Copies of contracts required to be provided by Item 3 shall be filed as exhibits.

Copies of Service Agreements required by Item 3 are filed confidentially pursuant to Rule 104.

2. A certificate stating that a copy of the report for the previous quarter has been filed with interested state commissions shall be filed as an exhibit. The certificate shall provide the names and addresses of the state commissions.

The company certifies that a conformed copy of Form U-9C-3 for the previous quarter will be filed with the following state commissions:

Honorable Janet H. Deixler

Secretary

NYS Department of Public Service

3 Empire State Plaza

Albany, NY 12223

Mr. Dennis Keschl

Administrative Director

State of Maine

Maine Public Utility Commission

State House Station

Louise Rickard  
Executive Secretary  
Department of Public Utility Control  
10 Franklin Square  
New Britain, CT 06051

The Commonwealth of Massachusetts  
Department of Telecommunications & Energy  
Office of Utility Accounting  
One South Station  
Boston, MA 02110

S I G N A T U R E

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, as amended, the undersigned company has duly caused this Certificate to be signed on its behalf by the undersigned thereunto duly authorized.

Energy East Corporation

August 27, 2004

By: /s/Robert E. Rude  
Name: Robert E. Rude  
Title: Vice President and Controller