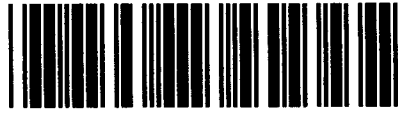




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Item Number: 1

Addendum StartPage: 0

DOCKET NO. 39490

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PUBLIC UTILITY COMMISSION

**APPLICATION OF STAR
ELECTRICITY, INC. FOR
AMENDMENT TO A RETAIL
ELECTRIC PROVIDER
CERTIFICATION**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

TITLE PAGE

Name of Applicant: Star Electricity, Inc.

Authorized Company Representative:

Representative Name: Marcie Zlotnik
Representative Title: Executive Vice President
Representative Address: 3200 Southwest Freeway
(Suite, Floor, Apartment Number, etc.): Suite 1000
(City, State, Zip Code): Houston, Texas 77027
Representative Phone Number: 713-357-2802
Representative Fax Number: 713-357-2882
Representative Email Address: marcie.zlotnik@constellation.com

000001

PART A – COMPANY ADMINISTRATIVE INFORMATION

A-1 (a) Type of application (check only one):

- Application for New Option 1 REP Certification
- Application for New Option 2 REP Certification
- Amendment to Existing REP Certification No. **10089**

(b) If you are filing an amendment, check one or more of the following amendment categories requested in this filing:

Option 1 REP

- Name Change
- Change in Ownership or Control
- Corporate Restructuring
- Transfer of Certificate
- Change in Service Area
- Change in Technical/Managerial Qualifications
- Change in Financial Qualifications
- Cessation of Operations
- Other (Explain below):
New directors and officers; Change in QSE

Option 2 REP

- Name Change
 - Change in Ownership or Control
 - Corporate Restructuring
 - Transfer of Certificate
 - Change in Technical/Managerial Qualifications
 - Change in Financial Qualifications
 - Cessation of Operations
 - Other (Explain below):
-
-

(c) Provide a summary explanation of all items checked in “b” above.

1. Change in Ownership or Control: On May, 27, 2011, Star Electricity, Inc., a Texas corporation, merged with CNE Merger Corp., a Texas corporation and a direct wholly owned subsidiary of Constellation NewEnergy, Inc. The surviving corporation is Star Electricity, Inc. As a result of this merger, Star Electricity, Inc. is a direct wholly owned subsidiary of Constellation NewEnergy, Inc. In connection with the merger, new directors and officers have been appointed. Unless specifically modified herein, there are no changes to the operations of Star

Electricity, Inc., which continues as a standalone entity under its own retail electricity provider license.

2. **Change in Financial Qualifications:** In connection with the transaction described above, Star Electricity, Inc. replaced financial qualifications furnished in accordance with P.U.C. SUBST. R. 25.107(f)(1) with an irrevocable letter which was filed in Project No. 37957 on May 31, 2011.

3. **Change in QSE:** In connection with the transaction described above, Star Electricity, Inc. will change its QSE as of July 1, 2011, as set forth in Attachment D-2A.

A-2 Provide required contact information:

(a) **Company Physical Address:**

Certificated/Primary Company Name: **Star Electricity, Inc.**
Company Contact: **Marcie Zlotnik**
Contact Title: **Executive Vice President**
Company/Physical Address (*Street Address*): **3200 Southwest Freeway**
(*Suite, Floor, Apartment Number, etc.*): **Suite 1000**
(*City, State, Zip Code*): **Houston, Texas 77027**
Company Phone Number: **713-357-2802**
Toll-free customer service telephone number: **1-866-917-8271**
Fax number: **713-357-2882**
Website address: <http://www.startexpower.com>
Email address: marcie.zlotnik@constellation.com

(b) **Mailing Address (If Different from Company Physical Address):**

Company Contact: _____
Contact Title: _____
(*Street/P.O. Box*): _____
(*City, State, Zip Code*): _____

(c) **Texas Office Address:**

Company Contact: **Marcie Zlotnik**
Contact Title: **Executive Vice President**
Company/Physical Address (*Street Address*): **3200 Southwest Freeway**
(*Suite, Floor, Apartment Number, etc.*): **Suite 1000**
(*City, State, Zip Code*): **Houston, Texas 77027**
Company Phone Number: **713-357-2802**
Toll-free customer service telephone number: **1-866-917-8271**
Fax number: **713-357-2882**
Website address: <http://www.startexpower.com>
Email address: marcie.zlotnik@constellation.com

Regulatory Contact Information:

Regulatory Contact Name: **Marcie Zlotnik**
Regulatory Contact Title: **Executive Vice President**
Regulatory Contact Address: **3200 Southwest Freeway**
(Suite, Floor, Apartment Number, etc.): **Suite 1000**
(City, State, Zip Code): **Houston, Texas 77027**
Regulatory Contact Phone Number: **713-357-2802**
Regulatory Contact Fax Number: **713-357-2882**
Regulatory Contact Email Address: marcie.zlotnik@constellation.com

Complaint Contact Information:

Contact Name: **Jeryce Clayton**
Contact Title: **Office of the President**
Required Contact Address: **3200 Southwest Freeway**
(Suite, Floor, Apartment Number, etc.): **Suite 1000**
(City, State, Zip Code): **3200 Southwest Freeway**
Contact Phone Number: **713-292-2563**
Contact Fax Number: **1-877-477-8576**
Contact Email Address: Jeryce.Clayton@constellation.com
Preferred Complaint Email Address:
StarTexCustomerRelations@constellation.com

- (d) Officers, Directors and Principals. Provide as Attachment A-2 the name, title, address, phone number, facsimile number and email address of each of the applicant's officers, directors and principals.

A-3. Name(s) on certificate.

- (a) State the Certificated Name of the Applicant. If the applicant is requesting a Certificated Name or the addition of a d/b/a name, provide verification of each authorization to conduct business in Texas. If the applicant is a corporation, partnership, or limited liability company, provide a copy of the Office of the Secretary of State Certificate of Filing or provide the file number and the date of authorization for each requested name. If the applicant is a Sole Proprietorship, provide a copy of the County Certificate of Filing or provide the name of the county, file number, and date of authorization for each requested name.

Certificated Name: Star Electricity, Inc.
File Number: _____ **Date:** _____ (For new Certificated Names Only)

EXISTING Approved d/b/as (if applicable):

- (1) StarTex Power
- (2) SmartPay Power
- (3)
- (4)
- (5)

REQUESTED d/b/as (if applicable) **N/A, none requested**

- (1) Requested d/b/a: _____
File Number: _____ Date: _____
- (2) Requested d/b/a: _____
File Number: _____ Date: _____
- (3) Requested d/b/a: _____
File Number: _____ Date: _____
- (4) Requested d/b/a: _____
File Number: _____ Date: _____
- (5) Requested d/b/a: _____
File Number: _____ Date: _____

DELETION of d/b/as (if applicable): **N/A, none to be deleted**

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____

(b) Form of business (check one):

Corporation Partnership _____ Private Company _____
Limited Liability Company _____ Sole Proprietorship _____
Other (specify) _____

PART B – SERVICE AREA

Indicate the requested service area below: **This information does not change**

(a) Option 1 REP – Service Area by Geography (select only one)

Entire State of Texas.

_____ By Service area of one or more Transmission and Distribution Utilities (TDU), Municipal Utilities, or Electric Cooperatives (Identify each requested utility and cooperative): _____

000005

_____ Geographic area of one or more Independent Organization within Texas (e.g., ERCOT) (Identify each organization): _____

_____ Specific geographic area. Identify on Attachment B-1 the zip codes defining the requested service area.

(b) Option 2 REP – Service Area by Customer

_____ Provide as Attachment B-2 the affidavit from each customer required by §25.107(d)(2).

PART C – FINANCIAL REQUIREMENTS

C-1 Access to Capital. An applicant must choose one of the three methods below to demonstrate that the applicant meets the capital requirements of §25.107(f)(1).

_____ (a) Investment-grade credit rating. If the applicant elects to meet the requirements of §25.107(f)(1)(A)(i), provide as Attachment C-1 the documentation required by §25.107(f)(4)(A) demonstrating an investment-grade credit rating. If the applicant relies on a guarantor to satisfy this requirement, provide the documentation required by §25.107(f)(1)(A)(i) for the guarantor and provide agreements or commitments demonstrating compliance with §25.107(f)(4)(G).

_____ (b) Tangible net worth. If the applicant elects to meet the requirements of §25.107(f)(1)(A)(ii), provide as Attachment C-1 the documentation required by §25.107(f)(4)(B) demonstrating tangible net worth greater than or equal to \$100,000,000, a minimum current ratio of 1.0, and a debt to total capitalization ratio not greater than 0.60. If the applicant relies on a guarantor to satisfy these requirements, provide the documentation required by §25.107(f)(1)(A)(ii) for the guarantor and provide agreements or commitments demonstrating compliance with §25.107(f)(4)(G).

 X (c) Shareholders' equity and letter of credit. If the applicant elects to meet the requirements of §25.107(f)(1)(B), provide as Attachment C-1 the documentation required by §25.107(f)(4)(C) and (F) demonstrating shareholders' equity of not less than \$1,000,000 and an irrevocable stand-by letter of credit payable to the Commission of \$500,000. If the applicant believes that it is exempt from the shareholders' equity requirement under §25.107(f)(1)(B)(iii), include in Attachment C-1 the documentation required by §25.107(f)(4)(F) and provide documentation demonstrating that the applicant began serving load on or before January 1, 2009. **As stated in Attachment C-1, an irrevocable letter of credit provided under P.U.C. SUBST. R. 25.107(f)(1)(B) was filed under seal in Project No. 37957 on May 31, 2011. For documentation demonstrating that the Applicant was serving load on or before January 1, 2009, see Part B of**

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the Applicant's Annual Report Form for Retail Electric Providers (REPs) for the Reporting Period of Calendar Year 2008, Project No. 25721, Item # 1224.

C-2 Protection of Customer Deposits. An applicant that wishes to have the option of collecting customer deposits or residential advance payments must indicate its intention to do so and must comply with the requirements of §25.107(f)(2).

Yes No Does the applicant wish to have the option of collecting deposits or advance payments from customers? If Yes, provide as Attachment C-2 the documentation required by §25.107(f)(4)(D), (E), or (F) to demonstrate compliance with §25.107(f)(2). **No change from compliance with P.U.C. SUBST. R. 25.107(f)(2) filed by Star Electricity, Inc. in Project No. 25721, Item # 1797.**

C-3 Financial standards required for billing and collection of transition charges.

Yes No Will the applicant comply with §25.107(f)(5), relating to financial standards required of REPs for the billing and collection of transition charges?

C-4 Yes No Does the applicant or a predecessor in interest of the applicant have any history of insolvency, bankruptcy, dissolution, merger, or acquisition during the 60 months immediately preceding the application? If Yes, provide as Attachment C-4 an explanation of each incident.

C-5 Identify the last month and day of the fiscal reporting year of the applicant and its guarantor, if applicable. For the post-transaction entity, the fiscal year will terminate on December 31. For the pre-transaction entity, StarTex terminated its most recent fiscal year on May 31, 2011 and intends to file the annual report associated with the pre-transaction entity in conjunction with that date.

PART D – TECHNICAL AND MANAGERIAL REQUIREMENTS

An applicant must answer each question for its entire company, including all assumed names under which it operates.

D-1 Yes No Is the REP currently providing service to customers? If Yes, answer Questions D-2 thru D-12. If No, answer Questions D-3 thru D-12.

D-2 Independent Organization Requirements:

- a. Provide as Attachment D-2A the following information for each of your Qualified Scheduling Entities (QSEs): (1) Type of Service Provided; (2) Term of Service Agreement; (3) Date Service Agreement Began; (4) Company Name; (5) Contact Person; (6) Contact Person Title; (7) Company address (street address, city, state & zip code); (8) Company phone number; (9) Facsimile number; and (10) Email address. **See Attachment D-2A for the information pertaining to the new QSE that will act for Star Electricity, Inc. beginning July 1, 2011.**

- b. Yes No Are you current with your ERCOT testing obligation? If no, provide an explanation as Attachment D-2B.
- c. Yes No Have you defaulted on the Load Serving Entity (LSE) Agreement? If yes, provide an explanation as Attachment D-2C.
- d. Yes No Are you providing Outage Notification as required by §25.107(g)(1)(G)? If no, provide an explanation as Attachment D-2D.
- e. Yes No Do you agree to comply with all system rules established by the independent system operator as required by §25.107(g)(2)(F)? If no, provide an explanation as Attachment D-2E.

D-3 Provide as Attachment D-3 the following information for each third party entity or consultant that you rely upon to meet the technical qualifications for REP certification: (1) Type of Service Provided; (2) Term of Service Agreement; (3) Date Service Agreement Began; (4) Number of years of Experience, (5) Type of Experience; (6) Company Name; (7) Contact Person; (8) Contact Person Title; (9) Company address (street address, city, state & zip code); (10) Company phone number; (11) Facsimile number; and (12) Email address. **N/A, no reliance is placed on any third party entity or consultant to meet technical qualifications.**

D-4 Competitive electric or gas industry experience. Provide as Attachment D-4 the following information for each of the principals and permanent employees whose experience the applicant relies upon to meet the requirements of §25.107(g)(1)(D): **No change from the information provided in the REP Annual Report for Star Electricity, Inc. filed on August 4, 2010, in Project No. 25721, Item # 1797.**

(1) The name, title, telephone number, email address, type of experience, number of years of experience, number of years with the applicant of each principal and permanent employee that the applicant relies upon to meet this requirement.

(2) Any information or documentation necessary to substantiate a claim that the principal or permanent employee has the required experience, including but not limited to a resume that provides employment history in the competitive electric or gas industries and includes job titles or classifications, a description of the types of experience, and the contact information of former and current employers. Commission Staff may follow up its initial review of this information with a request for additional information or a telephone interview.

(3) If any person that you rely upon to meet this requirement was a principal of a REP that experienced a mass transition of its customers to a Provider of Last Resort (POLR), identify the person and the name of the REP or REPs that experienced a mass transition.

D-5 Risk Management Experience. Provide as Attachment D-5 the following information to demonstrate compliance with §25.107(g)(1)(E):

No change from the information provided in the REP Annual Report for Star Electricity, Inc. filed on August 4, 2010, in Project No. 25721, Item # 1797.

(1) The name, title, telephone number, and email address of the principal or permanent employee that the applicant relies upon to meet this requirement, or the contact person, contact person telephone number, and contact person email address of the risk management services company that will provide energy commodity risk management services pursuant to the terms of a two-year contract with the applicant.

(2) Any information or documentation necessary to substantiate a claim that the principal, permanent employee, or risk management services company has the required experience, including but not limited to a resume that provides employment history in energy commodity risk management and includes job titles or classifications, a description of the types of risk management experience, and the contact information of former and current employers; the dollar amounts of client portfolios managed, the specific nature of the risk management objectives, and the contact information for each client, account statements or other similar documents, and credentials that evidence the completion of formal education in commodity risk management. Commission Staff may follow up its initial review of this information with a request for additional information or a telephone interview.

D-6 Provide as Attachment D-6 a brief explanation of how you plan to provide adequate staffing to meet all service level commitments.

No material change from the information provided in the REP Annual Report for Star Electricity, Inc. filed on August 4, 2010, in Project No. 25721, Item # 1797.

D-7 Complaint history, disciplinary record, and compliance record. Provide as Attachment D-7 the information required by §25.107(g)(2)(B). If you have nothing to report, please state "None" in the following blank: **N/A, as this is an application to amend a REP certification. P.U.C. SUBST. R. 25.107(g)(2) states that the information sought by this requirement is to be provided in connection with an "initial application for a REP certification." Both Star Electricity, Inc. and Constellation NewEnergy, Inc. are current in their filings under P.U.C. SUBST. R. 25.107(i)(3), including the information related to these matters filed thereunder.**

D-8 Investigations, penalties, and violations of deceptive trade or consumer protection laws and regulations. Provide as Attachment D-8 the information required by §25.107(g)(2)(D). If you have nothing to report, please state "None" in the following blank: **N/A, as this is an application to amend a REP certification. P.U.C. SUBST. R. 25.107(g)(2) states that the information sought by this requirement is to be provided in connection with an "initial application for a REP certification." Both Star Electricity, Inc. and Constellation NewEnergy, Inc. are current in their filings under P.U.C. SUBST. R. 25.107(i)(3), including the information related to these matters filed thereunder.**

D-9 Convictions and liabilities for fraud, theft, larceny, deceit, and violations of securities laws, customer protection laws, and deceptive trade laws. Provide as Attachment D-9 the

information required by §25.107(g)(2)(E). If you have nothing to report, please state "None" in the following blank: **NONE**

D-10 Provide below the name and PUC certification number for each of the Applicant's affiliates that are certificated to provide electric service in Texas:

Constellation NewEnergy, Inc.
REP Certification No. 10014


D-11 Provide as Attachment D-11 any other evidence in support of your plans to meet the requirements of §25.107(g) that you would like considered. If you have nothing to report, please state "None" in the following blank: **NONE**

AFFIDAVIT

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

1. My name is Robert Zlotnik. I am the President and Chief Executive Officer (Executive Officer) of the Applicant, Star Electricity, Inc.

2. I swear or affirm that I have personal knowledge of the facts stated in this application for, or amendment to, a REP, that I am competent to testify to those facts, and that I have the authority to make this Application on behalf of the Applicant. I further swear or affirm that all of the statements and representations made in this application are true and correct. I swear or affirm that the Applicant understands and will comply with all requirements applicable to a Retail Electric Provider.

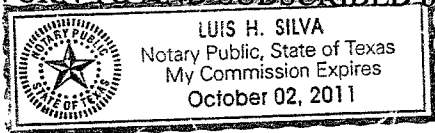


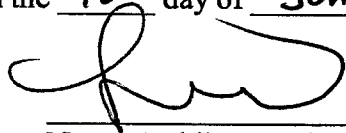
Signature

Robert Zlotnik
Typed or Printed Name

President and Chief Executive Officer
Title of Signatory

~~SWORN TO AND SUBSCRIBED~~ before me on the 10 day of June, 2011.





Notary Public In and For the
State of: TEXAS

My commission expires: 10-2-2011

Attachment A-2
OFFICERS AND DIRECTORS

Directors

Name: Mark P. Huston
Title: Director
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: mark.huston@constellation.com

Name: Kathleen W. Hyle
Title: Director
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: kathleen.hyle@constellation.com

Name: Edward J. Quinn
Title: Director
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: edward.quinn@constellation.com

Officers

Name: Robert Zlotnik
Title: President and Chief Executive Officer
Address: 3200 Southwest Freeway, Suite 1000
Houston, Texas 77027
Telephone: 713.357.2800
Fax: 713.357.2890
Email: robert.zlotnik@constellation.com

Name: Andrew L. Good
Title: Vice President
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: andrew.good@constellation.com

Name: Jonathan W. Thayer
Title: Chief Financial Officer
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: jonathan.thayer@constellation.com

Name: Jennifer E. Lowry
Title: Treasurer
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: jennifer.lowry@constellation.com

Name: Christopher J. Budzynski
Title: Assistant Treasurer
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: christopher.budzynski@constellation.com

Name: Charles A. Berardesco
Title: Secretary
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: charles.berardesco@constellation.com

Name: Sean J. Klein
Title: Assistant Secretary
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: sean.klein@constellation.com

Name: Randall D. Osteen
Title: Assistant Secretary
Address: 100 Constellation Way
Baltimore, Maryland 21202
Telephone: 410.470.2800
Fax: 410.470.2600
Email: randall.osteen@constellation.com

ATTACHMENT C-1

**FINANCIAL QUALIFICATIONS
under P.U.C. SUBST. R. 25.107(f)(1)**

See Confidential Letter of Credit filed under seal on May 31, 2011, in Project No. 37957.

For documentation demonstrating that the Applicant was serving load on or before January 1, 2009, see Part B of by Star Electricity, Inc.'s Annual Report Form for Retail Electric Providers (REPs) for the Reporting Period of Calendar Year 2008, Item # 1224 filed in Project No. 25721.

ATTACHMENT C-2

**FINANCIAL QUALIFICATIONS
under P.U.C. SUBST. R. 25.107(f)(2)**

**No change from compliance with P.U.C. SUBST. R. 25.107(f)(2) filed by Star Electricity, Inc.
in Project No. 25721, Item # 1797.**

ATTACHMENT D-2A

QUALIFIED SCHEDULING ENTITY (QSE)

SEE CONFIDENTIAL INFORMATION FILED UNDER SEAL