

FILE

ExelonSM

470 Olde Worthington Road
Suite 375
Westerville, OH 43082
(614)797-4370
(614)797-4380 Fax

www.exelonenergy.com

Energy

April 23, 2004

Chairman Alan R. Schriber
Commissioner Ronda Hartman Fergus
Commissioner Judy A. Jones
Commissioner Donald L. Mason
Commissioner Clarence D. Rogers, Jr.
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RECEIVED-DOCKETING DIV
2004 APR 26 AM 9:53
PUCO

Re: Letter supporting and urging the Commission to approve the Columbia Choice 2004 Stipulation filed on April 9, 2004 in Case Nos. 94-987-GA-AIR, 96-1113-GA-ATA, 98-222-GA-GCR, 02-221-GA-GCR, and 03-1459-GA-ATA.

Honorable Chairman and Commissioners:

The purpose of this letter is to encourage the Public Utilities Commission of Ohio (Commission) to approve the 2004 Stipulation filed by Columbia Gas of Ohio (COH) referenced above. Exelon Energy Company (Exelon Energy) is an active gas marketer on the COH system serving commercial and industrial customers in both the Customer Choice (Choice) and the General Transportation Service (GTS) programs. Exelon Energy strongly believes that the Stipulation will allow COH customers and marketers to preserve the benefits of one of the most successful gas transportation programs in the United States while providing enhancements to the programs that resolve some points of contention.

Since firm transportation and storage capacity on the Columbia Gas Transmission (TCO) pipeline system is very limited to certain market areas, Exelon Energy does take advantage of the capacity assignment options of the Choice program. The 75% capacity assignment provisions of the stipulation serve to recover costs for the GCR customers as well as adding flexibility for the marketers to be selective in the types and delivery points for the capacity to be assigned which allows them to more effectively manage their transportation portfolios. Another major improvement to the Choice program is the Choice Peaking Service. Exelon Energy has questioned the imposition of charges for non-temperature balancing services when our required gas deliveries are made based upon temperature forecasts and a true up is done for actual temperatures. By creating a ceiling of 82% of peak day deliveries, the marketers will receive value and avoid incremental gas purchases during presumably high market price periods under the Choice Peaking Service that could otherwise increase costs to customers.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
Technician J Date Processed 4-26-04

The Stipulation addresses a real concern for marketers and GTS customers with the Gas Transfer Service. Customers and marketers have often been subjected to cash out provisions of the COH tariff for a particular account or aggregation pool when another account or pool owned by the same entity has gas in an offsetting position. One pool could be subject to a bank purchase for having excess gas while another pool is charged for 120% gas sales for being short supply. The Gas Transfer Service allows the GTS customer and marketer the opportunity to transfer or trade imbalances to avoid additional costs without any negative impact to the COH system and the GCR customers since those positions offset. This service availability is a substantial improvement in the resolution of OFO or OMO imbalances that again would be offsetting and have no negative impact on the COH system. The imbalance trading mechanism has been in place for several years on the Dominion East Ohio system and works well.

The Collaborative process has proven to be an effective means of developing and improving gas transportation programs and services in the State of Ohio by the direct involvement of the various stakeholders. With this Stipulation resulting from the Collaborative process and serving to resolve some long-term issues with the COH transportation programs, Exelon Energy asks the Commission to approve the Stipulation and allow the implementation of its provisions as soon as possible.

Should you have any questions concerning Exelon Energy or its position on these issues, please feel free to call me at (614) 797-4377.

Respectfully submitted,



Don L. Williams
Director, Sales – Ohio
Exelon Energy Company

cc: PUCO Docketing Division