

NewEnergy Gas 9960 Corporate Campus Drive Suite 2000 Louisville, KY 40223

Phone: 502-426-4500 Fax: 502-426-8800 www.newenergy.com

February 10, 2011

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

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

RE:

Constellation NewEnergy-Gas Division, LLC

Natural Gas Supplier License No. A-125095

Amended Authority Request

Dear Secretary Chiavetta:

Constellation NewEnergy-Gas Division, LLC (CNEG) is a licensed Natural Gas Supplier in the Commonwealth of Pennsylvania. CNEG is currently authorized by the Pennsylvania Public Utility Commission (Commission) to provide natural gas services to the public within the service territories of Columbia Gas of Pennsylvania, Inc., National Fuel Gas Distribution Corporation, UGI Utilities, Inc., Equitable Gas Company, T. W. Phillips Gas and Oil Company, and the Peoples Natural Gas Company. CNEG presently provides natural gas services to commercial and industrial customers located in the service territories of these utilities.

On January 14, 2011, CNEG submitted a request to the Commission to amend CNEG's existing license to include the service territory of Philadelphia Gas Works (PGW). CNEG understands that request is currently being evaluated by the Commission's Staff.

CNEG herein respectfully requests the Commission amend CNEG's existing license to also include the PECO service territory. If approved, in addition to its present business activities, CNEG intends to solicit natural gas-related business from commercial receiving less than 6,000 Mcf annually, commercial receiving 6000 Mcf or more annually, industrial, and governmental customers located in PECO's service territory.

Based upon information from Commission Staff, CNEG understands that the following information is required to support its request:

¹ The initial license was granted in the name Alliance Energy Services Partnership (Alliance Energy) on April 5, 2001. On April 28, 2004 the Commission approved the request by Alliance Energy to change the name on its license to Constellation NewEnergy-Gas Division, LLC.



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1. Evidence that CNEG has met the creditworthiness standards of PECO.

Enclosed is an email dated February 3, 2011 from Jon Davis of PECO Enterprise Risk Management stating CNEG is deemed to be a creditworthy entity by PECO Energy and has satisfied the requirements to be an HVT supplier.

Proof of publication in the newspapers distributed in the geographic area served by PECO of notice of intent to provide natural gas and related services in its service territory.

Also, enclosed is a copy of CNEG's January 2001 initial newspaper notice in the *Philadelphia Inquirer*. Please note the notice states CNEG's intent to "sell natural gas and related services throughout all of Pennsylvania." CNEG understands that if the initial newspaper notice indicated intent to provide service statewide, then notice at this time to support the request herein is not required.

Finally, CNEG respectfully requests the Commission amend CNEG's existing license to also authorize service to commercial customers receiving less than 6,000 Mcf annually and governmental customers in all its currently authorized service territories as well as the PGW and PECO service territories.

If there are any questions, please contact me at (502) 214-6313.

Respectfully submitted,

Stephen Baker Associate, Legal Compliance

XC:

James Shurskis (jshurskis@state.pa.us)

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

Baker, Stephen

From:

jon.davis@exeloncorp.com

Sent:

Thursday, February 03, 2011 8:49 AM

To:

Quinn, Brett W

Cc:

chris.sauerbaum@peco-energy.com

Subject:

RE: PECO Gas Tariff - Creditworthiness

Constellation NewEnergy-Gas Division LLC is deemed to be a creditworthy entity by PECO Energy and has satisfied the requirements to be an HVT supplier. Please note that as this entity acquires customers and additional volume, PECO Energy Company will ask for collateral to cover any additional risk exposure it may bear. Risk exposure will be measured based upon the formula outlined in the PECO gas tariff to calculate necessary collateral.

From: Quinn, Brett W [mailto:Brett.Quinn@constellation.com]

Sent: Wednesday, February 02, 2011 5:29 PM

To: Davis, Jon K:(BSC)

Subject: FW: PECO Gas Tariff - Creditworthiness

Hi Jon,

Our legal compliance group has requested that PECO explicitly state in an email that "Constellation NewEnergy-Gas Division, LLC" be referenced as the creditworthy HVT supplier so that we may obtain PA PUC license authority. Please see the email below from Stephen Baker. Thanks again.

Brett W. Quinn 410.470.2174

From: Baker, Stephen

Sent: Wednesday, February 02, 2011 3:53 PM

To: Quinn, Brett W

Subject: RE: PECO Gas Tariff - Creditworthiness

Would you please obtain a simple email (examples below) from PECO which specifies that <u>Constellation</u> <u>NewEnergy-Gas Division</u>, <u>LLC</u> is deemed a creditworthy HVT supplier (versus the generic name Constellation) for purposes of obtaining Pennsylvania PUC license authority.

Suggested examples of language are:

"Please be advised that per PECO's review (Page 31 of the Tariff) of Constellation NewEnergy-Gas Division, LLC's creditworthiness, Constellation NewEnergy-Gas Division, LLC is deemed a creditworthy HVT supplier."

"This email serves as notification that per PECO's review (Page 31 of the Tariff) of Constellation NewEnergy-Gas Division, LLC, Constellation NewEnergy-Gas Division, LLC has satisfied the PECO's creditworthiness requirements as an HVT supplier."

Stephen Baker

Associate, Legal Compliance

502.214.6313 direct 502.526.6432 mobile 502.426.8800 fax stephen.baker@constellation.com

Proof of Publication in The Philadelphia Inquirer Under Act. No 160, P.L. 877, July 9, 1976

STATE OF PENNSYLVANIA COUNTY OF PHILADELPHIA

Anna Dickerson being duly sworn, deposes and says that The Philadelphia Inquirer is a daily newspaper published at Broad and Callowhill Streets, Philadelphia County, Pennsylvania, which was established in the year 1829, since which date said daily newspaper has been regularly published and distributed in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of said daily newspaper on the following dates:

January 19th, 2001.

Affiant further deposes and says that he is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that he is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

anadicterson.

Sworn to and subscribed before me this 19th day of January, 2001.

My Commission Expires:

NOTARIAL SEAL Margaret C. Ruchalski, Notary Public City of Philadelphia, Phila. County My Commission Expires May 27, 2002

Copy of Notice of Publication

PUBLIC UTILITY COMMISSION
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