

# JONES DAY

500 GRANT STREET • SUITE 4500 • PITTSBURGH, PENNSYLVANIA 15219.2514  
TELEPHONE: 412.391.3939 • FACSIMILE: 412.394.7959

Direct Number: (412) 394-7294  
jbstory@JonesDay.com

JP490111/ccs/1233981  
667099-715008

June 13, 2011

## VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105

Re: Pennsylvania Public Utility Commission v. UGI Penn Natural Gas, Inc.,  
Docket Nos. R-2011-2238943 and C-2011-2243199

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of CenterPoint Energy Services, Inc. in the above-referenced proceeding.

Copies of this document have been served in accordance with the attached Certificate of Service. Please date stamp an extra copy of this transmittal letter and the Memorandum and kindly return them to me for record-keeping purposes.

Very truly yours,



Jane Borthwick Story  
PA Bar No. 205641

*Attorney for CenterPoint Energy Services, Inc.*

Enclosure

cc: Per Certificate of Service  
Hon. Kandace F. Melillo, ALJ

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Office of Consumer Advocate	:	
	:	Docket No. R-2011-2238943
v.	:	Docket No. C-2011-2243199
	:	
UGI Penn Natural Gas, Inc. 1307(f)	:	

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**PREHEARING MEMORANDUM  
OF  
CENTERPOINT ENERGY SERVICES, INC.**

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In response to the Prehearing Conference Order issued in the above-captioned matter, CenterPoint Energy Services, Inc. (“CES”) provides the following information:

**I. Introduction**

On April 29, 2011, UGI Penn Natural Gas, Inc. (“UGI PNG” or “Company”) submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (“PGC”) rates to the Pennsylvania Public Utility Commission (“Commission” or “PUC”). On June 1, 2011, UGI PNG submitted its definitive filing.

The Company’s filing was assigned to Administrative Law Judge Kandace F. Mellilo for investigation and scheduling of hearings to determine whether the Company’s gas costs comply with the standards set forth in the Public Utility Code. Judge Mellilo has scheduled a Prehearing Conference in this matter for June 16, 2011.

CES filed a Petition to Intervene in this proceeding on June 8, 2011. CES’s Petition is currently pending before Judge Mellilo.

**II. Issues**

The issues preliminarily anticipated by CES are as follows:

1. The reasonableness and prudence of the proposed costs of natural gas and the allocation of those costs as relevant to licensed natural gas suppliers (“NGS”); and
2. The reasonableness and prudence of the approach to and methodology related to the proposed assignment of capacity to NGSs and the associated allocation of capacity and transportation-related storage and balancing costs and charges.

CES reserves the right to raise such other issues as may become apparent as a result of discovery to be conducted in this proceeding.

### **III. Discovery**

CES has not instituted discovery at this time but plans to conduct discovery in accordance with Commission regulations and Judge Melillo’s encouragement for the parties to exchange information on an informal basis. CES intends to initiate discovery promptly.

### **IV. Witnesses**

CES is presently evaluating this matter and is considering whether or not it will sponsor testimony in this proceeding. CES anticipates that it will be in a better position once it has an opportunity to review discovery presently available and responses to discovery requests that it will propound. CES plans to inform the parties and Judge Melillo as soon as possible of any intended witness that it would plan to present and the topics of testimony. CES reserves the right to present direct, rebuttal and surrebuttal testimony in this proceeding on the issues identified above as well as any additional issues that may arise or become apparent during the course of the proceeding.

### **V. Consolidation**

CES has no objection to consolidation of the proceedings of UGI Utilities, Inc. – Gas Division at Docket Nos. R-2011-2238953 and C-2011-2243186, UGI Penn Natural Gas, Inc. at

Docket Nos. R-2011-2238943 and C-2011-2243199, and UGI Central Penn Gas, Inc. at Docket Nos. R-2011-2238949 and C-2011-2243177.

## **VI. Proposed Schedule**

As of the date of this Prehearing Memorandum, CES has participated in discussions with other parties directed at establishing a procedural schedule. CES understands that a proposed schedule consistent with the dates below has been submitted to Judge Mellilo in advance of the prehearing conference:

Prehearing Conference:	June 16, 2011
Other Party Direct:	July 11, 2011
Rebuttal:	July 25, 2011
Surrebuttal:	August 3, 2011
Hearings:	August 5 and 8, 2011
Main Briefs:	August 23, 2011
Reply Briefs:	September 7, 2011

CES supports this proposed schedule.

## **VII. Settlement Discussions**

To date, CES has not been involved in any settlement discussions and is not aware of any settlement discussions that may have taken place. CES is willing to participate in such discussions with the other parties at the appropriate time.

## **VIII. Service Information**

Jane Borthwick Story and Jason F. Leif are representing CES in this case. Mr. Leif's Motion for Admission *Pro Hac Vice* is currently pending before Judge Mellilo. The following is their service information:

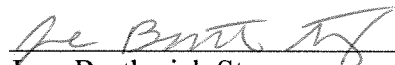
Jane Borthwick Story  
Jones Day  
500 Grant Street, Suite 4500  
Pittsburgh, Pennsylvania 15219-2514  
Phone: (412) 394-7294  
Fax: (412) 394-7959  
jbstory@jonesday.com

Jason F. Leif  
Jones Day  
717 Texas, Suite 3300  
Houston, Texas 77002-2712  
Phone: (832) 239-3727  
Fax: (832) 239-3600  
jfleif@jonesday.com

**IX. Copies of Testimony and Exhibits**

CES is willing to accept service of testimony and exhibits by email to Ms. Story and Mr. Leif at the identified email addresses. If service is not available by email, CES requests that hard copies of testimony and exhibits be sent to both Ms. Story and Mr. Leif at the identified mailing addresses.

Respectfully submitted,



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Jane Borthwick Story  
PA Attorney I.D. No. 205641  
Jones Day  
500 Grant Street, Suite 4500  
Pittsburgh, Pennsylvania 15219-2514  
Phone: (412) 394-7294  
Fax: (412) 394-7959  
jbstory@jonesday.com

Jason F. Leif  
TX Attorney I.D. No. 24030937  
Jones Day  
717 Texas, Suite 3300  
Houston, Texas 77002-2712  
Phone: (832) 239-3727  
Fax: (832) 239-3600  
jfleif@jonesday.com

*Attorneys for CenterPoint Energy Services, Inc.*

Dated: June 13, 2011

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code. § 1.54 (relating to service by a party).

### VIA ELECTRONIC FILING AND FIRST CLASS MAIL

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105

### VIA E-MAIL (as available) AND FIRST CLASS MAIL

Jennedy S. Johnson, Esquire  
PA Office of Consumer Advocate  
5th Floor Forum Place  
555 Walnut Street  
Harrisburg, PA 17101  
[jjohnson@paoca.org](mailto:jjohnson@paoca.org)  
[cshoen@paoca.org](mailto:cshoen@paoca.org)

Paul L. Zeigler, PC  
Procter & Gamble  
300 Bridge Street Second Floor  
PO Box B  
New Cumberland, PA 17070

Paul J. Szykman  
UGI Penn Natural Gas, Inc.  
UGI Central Penn Gas, Inc.  
UGI Utilities, Inc.  
One UGI Center  
Wilkes Barre, PA 18711

David B. MacGregor, Esquire  
Post & Schell PC  
Four Penn Center  
1600 John F Kennedy Boulevard  
Philadelphia, PA 19103-2808

Charles Daniel Shields, Esquire  
PA PUC Office of Trial Staff  
PO Box 3265  
Harrisburg, PA 17105-3265

Johnnie E. Simms, Esquire  
PA PUC Office of Trial Staff  
PO Box 3265  
Harrisburg, PA 17105-3265

Pamela C. Polacek, Esquire  
McNees Wallace & Nurick  
100 Pine Street  
PO Box 1166  
Harrisburg, PA 17108-1166  
[ppolacek@mwn.com](mailto:ppolacek@mwn.com)  
[kmaurer@mwn.com](mailto:kmaurer@mwn.com)

Mark C. Morrow  
Senior Counsel  
460 North Gulph Road  
King of Prussia, PA 19406  
[morrowm@ugicorp.com](mailto:morrowm@ugicorp.com)  
[morrowch2@comcast.net](mailto:morrowch2@comcast.net)

Irwin A. Popowsky, Esquire  
Office of Consumer Advocate  
5th Floor Forum Place  
555 Walnut Street  
Harrisburg, PA 17101-1923

Hon. Kandace F. Melillo, ALJ  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor, L-M West  
Harrisburg, PA 17120  
[kmelillo@state.pa.us](mailto:kmelillo@state.pa.us)

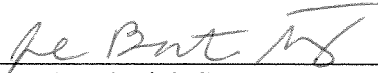
James A. Mullins  
PA Office of Consumer Advocate  
5th Floor Forum Place  
555 Walnut Street  
Harrisburg, PA 17101-1921  
[jmullins@paoca.org](mailto:jmullins@paoca.org)

Steven Gray  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Jerome Mierzwa  
Exeter Associates  
10480 Little Patuxent Parkway  
Suite 300  
Columbia, MD 21044

Vasiliki Karandrikas  
McNees Wallace & Nurick  
100 Pine Street  
PO Box 1166  
Harrisburg, PA 17108-1166

Robert D. Knecht  
Industrial Economics, Incorporated  
2067 Massachusetts Ave.  
Cambridge, MA 02140

  
\_\_\_\_\_  
Jane Borthwick Story  
*Counsel for CenterPoint Energy Services, Inc.*

Dated this 13th day of June, 2011.