

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Uniform Cover and Calendar Sheet

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| 1. <b>REPORT DATE:</b><br>January 17, 2007  | 2. <b>BUREAU AGENDA NO.</b><br>JAN-2007-FUS-1004*  |
| 3. <b>BUREAU:</b> Fixed Utility Services  |  |
| 4. <b>SECTION(S):</b> Energy  | 5. <b>PUBLIC MEETING DATE:</b><br>January 26, 2007 |
| 6. <b>APPROVED BY:</b><br>Director: R. Rosenthal 3-5242 <i>etc</i><br>Mgr/Spvr: P. Diskin 4-5558 <i>PD</i><br>Legal Review: <i>KY</i> |  |
| 7. <b>PERSONS IN CHARGE:</b><br>Diskin/Shurskis/Keyton 7-8763   | 9. <b>EFFECTIVE DATE OF FILING:</b><br>N/A         |
| 8. <b>DOCKET NO.:</b> A-125149  |  |

**DOCKETED**  
FEB 01 2007

**DOCUMENT  
FOLDER**

10. (a) **CAPTION** (abbreviate if more than 4 lines)  
(b) **Short summary of history & facts, documents & briefs**  
(c) **Recommendation**

(a) Natural Gas Supplier License Application of CenterPoint Energy Services, Inc.  
(Home Office: Houston, TX)

(b) On December 1, 2006, CenterPoint Energy Services, Inc. filed an application to offer, render, furnish, or supply natural gas supply services to large commercial, industrial, and governmental customers in the service territories of Columbia Gas of Pennsylvania, Inc., Equitable Gas Company, PECO Energy Company, PPL Gas Utilities Corporation, UGI Penn Natural Gas, Inc., and UGI Utilities, Inc., within the Commonwealth of Pennsylvania, as a supplier of natural gas services.

The License Application was filed pursuant to Section 2208 of the Natural Gas Choice and Competition Act ("Act") and Title 52, Chapter 62, Subchapter D.

(c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed Order.

11. **MOTION BY:** Commissioner Chm. Holland

Commissioner Pizzingrilli - Yes  
Commissioner Fitzpatrick - Yes  
Commissioner

**SECONDED:** Commissioner Cawley

**CONTENT OF MOTION:** Staff recommendation adopted.



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

January 29, 2007

A-125149

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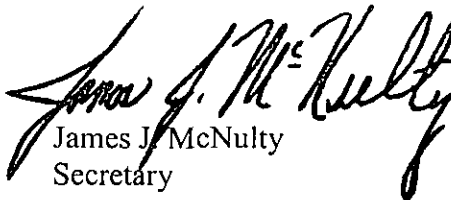
Application of CenterPoint Energy Services Inc.  
to become a licensed supplier of natural gas services.

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on January 26, 2007 adopted an Order in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,



James J. McNulty  
Secretary

encls  
cert. mail  
MH

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HARRISBURG PA 17105

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FOLDER

**DOCKETED**  
JUN 6 2007

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held January 26, 2007

Commissioners Present:

Wendell F. Holland, Chairman  
James H. Cawley, Vice Chairman  
Kim Pizzingrilli  
Terrance J. Fitzpatrick

**DOCUMENT  
FOLDER**

Application of CenterPoint Energy  
Services, Inc. to become a licensed supplier of  
natural gas services.

Docket Number: A-125149

**ORDER**

**DOCKETED**  
JUN 6 2007

**BY THE COMMISSION:**

On December 1, 2006, CenterPoint Energy Services, Inc. ("CenterPoint") filed a License Application to operate as a supplier of natural gas supply services in the service territories of Columbia Gas of Pennsylvania, Inc., Equitable Gas Company, PECO Energy Company, PPL Gas Utilities Corporation, UGI Penn Natural Gas, Inc., and UGI Utilities, Inc., within the Commonwealth of Pennsylvania. This application was filed pursuant to section 2208 of the Natural Gas Choice and Competition Act ("Act") and Title 52, Chapter 62, Subchapter D.

§2208 provides in pertinent part that:

Requirements for Natural Gas Suppliers.--No entity shall engage in the business of a natural gas supplier unless it holds a license issued by the Commission. To the extent that a natural gas distribution company provides natural gas supply service outside of its chartered or certificated territory, it also must hold a license. A

license shall not be required for customers who make de minimis incidental sales or resales to themselves, an affiliate or to other nonresidential retail gas customers.  
66 Pa. C.S. §2208.

A natural gas supplier is defined as:

An entity other than a natural gas distribution company, but including natural gas distribution company marketing affiliates, which provides natural gas supply services to retail gas customers utilizing the jurisdictional facilities of a natural gas distribution company. The term includes a natural gas distribution company that provides natural gas supply services outside its certificated service territories. The term includes a municipal corporation, its affiliates or any joint venture, to the extent that it chooses to provide natural gas supply services to retail customers located outside of its corporate or municipal limits, as applicable, other than:

- (i) as provided prior to the effective date of this chapter, pursuant to a certificate of public convenience if required under this title;
- (ii) total natural gas supply services in de minimis amounts;
- (iii) natural gas supply services requested by, or provided with the consent of, the public utility in whose certificated territory the services are provided; or
- (iv) natural gas supply services provided to the municipal corporation itself or its tenants on land it owns or leases, or is subject to an agreement of sale or pending condemnation, as of September 1, 1999, to the extent permitted by applicable law independent of this chapter.

The term excludes an entity to the extent that it provides free gas to end-users under the terms of an oil or gas lease. Notwithstanding any other provision of this title, a natural gas supplier that is not a natural gas distribution company is not a public utility as defined in section 102 (relating to definitions) to the extent that the natural gas supplier is utilizing the jurisdictional distribution facilities of a natural gas distribution company or is providing other services authorized by the Commission.  
66 Pa. C.S. §2202.

As used in the above definition of a natural gas supplier, the term natural gas supply services includes: (i) the sale or arrangement of the sale of natural gas to retail customers; and (ii) services that may be unbundled by the Commission under section 2203(3) of the Act (relating to standards for restructuring of the natural gas utility industry). Natural gas supply service does not include distribution service.

66 Pa. C.S. §2202.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives, and employees have agreed to abide by all Commission regulations, procedures, and orders, including Emergency Orders which may be issued verbally or in writing during any emergency situations that may develop from time to time in the course of doing business in Pennsylvania.

CenterPoint has stated that upon the approval of this Application, it proposes to provide natural gas supply services to large commercial, industrial, and governmental customers in the service territories of Columbia Gas of Pennsylvania, Inc., Equitable Gas Company, PECO Energy Company, PPL Gas Utilities Corporation, UGI Penn Natural Gas, Inc., and UGI Utilities, Inc.

CenterPoint has published notice of its Application in the Pennsylvania newspapers as required by the Commission to provide service in the service territories of Columbia Gas of Pennsylvania, Inc., Equitable Gas Company, PECO Energy Company, PPL Gas Utilities Corporation, UGI Penn Natural Gas, Inc., and UGI Utilities, Inc.

Regarding the financial and technical fitness requirements of the License Application, CenterPoint has submitted financial statements for CenterPoint Energy Resources Corp. ("CE Resources"), including a 10-Q for the quarter ended 3/31/2006, a 10-K for the fiscal year ended December 31, 2005, and a copy of a Dun and Bradstreet Credit Report, dated September 19, 2006, showing that CE Resources has a "good"

financial condition. CenterPoint is a foreign corporation incorporated in the State of Delaware and is a wholly owned subsidiary of CE Resources. CenterPoint has gone through several name changes including NorAm Energy Management, Inc., Reliant Energy Retail, Inc., and CenterPoint Energy Marketing, Inc. Under its prior name of NorAm Energy Management, Inc., CenterPoint was licensed as an electric generation supplier in Pennsylvania, at Docket No. A-110012. The license was cancelled by Commission Order entered November 9, 2001. In 2005, CenterPoint marketed approximately 538 Bcf of natural gas, transportation, and related energy services to nearly 7,000 customers which vary in size from small commercial to large utility companies in the central and eastern regions of the United States. CenterPoint transports natural gas on over 30 pipelines throughout the central and eastern United States. Based on CenterPoint's expertise and financial information, it appears at this time that CenterPoint is qualified to supply natural gas supply services.

Section 2208(c) (1), 66 Pa. C.S. §2208(c) (1), provides that a natural gas supplier license shall not be issued unless the applicant furnishes a bond or other security in a form and amount to ensure its financial responsibility. The criteria used to establish the form and amount of the bond or other security is set forth in the natural gas distribution company's tariff. The amount and form of the bond or other security may also be mutually agreed to between the natural gas distribution company and the natural gas supplier. Section 2208 also provides that should the parties fail to achieve an agreement, then the form and amount of bond or other financial security "shall be determined by criteria approved by the Commission." CenterPoint has provided documentation to evidence its compliance with the Section 2208(c) bonding requirement for the following natural gas distribution companies: Columbia Gas of Pennsylvania, Inc., Equitable Gas Company, PECO Energy Company, PPL Gas Utilities Corporation, UGI Penn Natural Gas, Inc., and UGI Utilities, Inc.

CenterPoint has provided the required Pennsylvania Emergency Management Agency (“PEMA”) contact information.

As of January 17, 2007, no protests have been filed.

We find that CenterPoint Energy Services, Inc.:

1. Is fit, willing, and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and the Commission orders and regulations.
2. Has agreed to abide by all Commission regulations, procedures, and orders, including Emergency Orders, which may be issued verbally or in writing during any emergency situations that may develop from time to time in the course of doing business in Pennsylvania.
3. Has proposed to offer natural gas supply services which, to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Natural Gas Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation, and convenience of the public; **THEREFORE,**

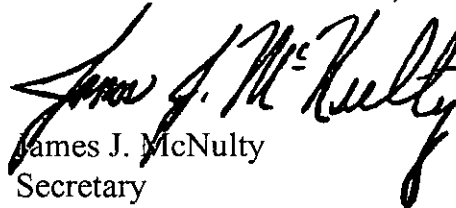
**IT IS ORDERED:**

1. That the application of CenterPoint Energy Services, Inc. is hereby approved, consistent with this Order.

2. That a license be issued authorizing CenterPoint Energy Services, Inc. the right to begin to offer, render, furnish, or supply natural gas supply services to the public within the following local distribution company service territories within the Commonwealth of Pennsylvania: Columbia Gas of Pennsylvania, Inc., Equitable Gas Company, PECO Energy Company, PPL Gas Utilities Corporation, UGI Penn Natural Gas, Inc., and UGI Utilities, Inc.

3. That this proceeding, at Docket No. A-125149, be closed.

BY THE COMMISSION,

  
James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: January 26, 2007

ORDER ENTERED:

JAN 29 2007