

138 FERC ¶ 61,201  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

March 19, 2012

In Reply Refer To:  
Iberdrola Renewables, Inc.  
Iberdrola Energy Services LLC  
Docket No. RP12-398-000

Bracewell & Giuliani LLP  
2000 K Street, NW, Suite 500  
Washington, DC 20006

Attention: Mark K. Lewis  
Attorney for Petitioners

Reference: Temporary Waiver Request

Dear Mr. Lewis:

1. On February 23, 2012, Iberdrola Renewables, Inc. (IRI) and Iberdrola Energy Services LLC (IES) (collectively, the Petitioners) filed a request for temporary, limited waivers of certain of the Commission's capacity release regulations and policies, in order to facilitate the prearranged permanent release of firm natural gas transportation agreements on numerous pipelines<sup>1</sup> from IRI to IES (Petition). The Petitioners state this release of capacity would be an essential part of a transaction by which IRI would transfer its entire natural gas business to IES, a newly created affiliate with no current operations.<sup>2</sup> The Petitioners request the Commission act by March 20, 2012, and allow the requested waivers to remain in effect until 90 days past the closing date of the

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<sup>1</sup> See Petition at Appendix A, "List of Firm Transportation Agreements, Firm Storage Agreements, Park and Loan Agreements and AMAs."

<sup>2</sup> Petition at 3-4.

transaction.<sup>3</sup> For the reasons discussed below, and for good cause shown, we grant the requested temporary, limited waivers.

2. In order to permit the transaction, the Petitioners seek temporary waiver of the Commission's capacity release rules set forth in section 284.8 of the Commission's regulations, as well as the prohibition on tying, the posting and bidding requirements for capacity release transactions, the shipper-must-have-title policy, the prohibition on buy-sell arrangements, and the restrictions on capacity releases below or above the maximum rate. The Petitioners also request waiver, to the extent applicable, of any tariff provisions on affected pipelines that enforce these Commission policies. The Petitioners state that the waiver would be temporary and would only be used for the limited purpose of consummating the referenced transaction.

3. The Petitioners note that the Commission has previously granted temporary, limited waivers of the capacity release regulations in order to permit parties to consummate complex transactions, similar to the waiver they request here. They contend that the Commission has also stated that its policy is to permit broad waiver of its capacity release requirements so that the parties can consummate the transfer of an entire business unit.<sup>4</sup>

4. Public notice of the filing was issued on February 24, 2012. Interventions and protests were due on or before March 1, 2012. Pursuant to Rule 214,<sup>5</sup> all timely filed motions to intervene and any unopposed motion to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

5. The Commission has reviewed the Petitioners' request and finds it is adequately supported and consistent with previous waivers that the Commission has granted under similar circumstances. Our actions here are consistent with those decisions where the

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<sup>3</sup> Petitioners state that they plan the closing date to be on or around April 1, 2012.

<sup>4</sup> Petition at 6-7 & n.9 (citing *Request for Clarification of Policy Regarding Waivers of Applicable Requirements to Facilitate Integrated Transfers of Marketing Businesses*, 127 FERC ¶ 61,106, at P 8 (2009)).

<sup>5</sup> 18 C.F.R. § 385.214 (2011).

Commission granted similar limited, temporary waivers in order to facilitate the transfer of interstate pipeline transportation capacity as part of various types of corporate restructurings, including corporate mergers and transfers of entire business units.<sup>6</sup> Specifically, the Commission grants a limited, temporary waiver of section 284.8 of its regulations. The Commission also grants a limited, temporary waiver of the prohibition on tying, the posting and bidding requirements for capacity release transactions, the shipper-must-have-title policy, the prohibition on buy-sell arrangements, and the restrictions on capacity releases below or above the maximum rate, so that Petitioners can complete their transaction in an orderly and efficient manner within their time constraints. To the extent applicable, the Commission grants waiver of any tariff provisions on affected pipelines that enforce these Commission policies.

6. Accordingly, for good cause shown, the Commission grants the Petitioners' request for temporary waivers, limited to those necessary to carry out the specific transaction presented, in order to facilitate the permanent transfer of IRI's natural gas business to IES in an efficient and expeditious manner.

7. The temporary, limited waivers requested by Applicants are granted from the date that this order is issued, until 90 days following the closing of the transaction, as discussed more fully above.

8. Applicants will provide notice to the Commission in this docket of the closing of the transaction.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>6</sup> *E.g., Duke Energy Ohio, Inc., et al.*, 134 FERC ¶ 61,230 (2011); *Conectiv Energy Supply, Inc.*, 132 FERC ¶ 61,247 (2010); *Macquarie Cook Energy, LLC and Constellation Energy Commodities Group, Inc.*, 126 FERC ¶ 61,160 (2009); and *Barclays Bank PLC and UBS AG*, 125 FERC ¶ 61,383 (2008).