

123 FERC ¶ 61,219  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

May 29, 2008

In Reply Refer To:  
Bear Energy LP, J.P. Morgan  
Ventures Energy Corporation,  
JPMorgan Chase Bank, N.A.  
Docket No. RP08-384-000

VanNess Feldman, P.C.  
1050 Thomas Jefferson, St., NW  
Washington, DC 20007

Attention: Margaret A. Moore  
Counsel

Reference: Request for Waivers

Dear Ms. Moore:

1. On May 21, 2008, Bear Energy LP (Bear Energy), J.P. Morgan Ventures Energy Corporation (JPM Ventures), and JPMorgan Chase Bank, N.A. (Bank) (Applicants) filed a request for a temporary waiver of certain Commission natural gas policies and regulations for a limited transition period. This request was made in connection with the merger of The Bear Stearns Companies Inc. (Bear Stearns) with JPMorgan Chase & Co. (JPMorgan Chase) (Parent Companies Merger), which will include the consolidation of Bear Stearns' and JPMorgan Chase's natural gas trading and marketing businesses, primarily through the planned merger of Bear Energy with JPM Ventures. Pursuant to the Parent Companies Merger, Bear Stearns will become an indirect wholly-owned subsidiary of JPMorgan Chase. In light of the circumstances of the Parent Companies Merger, Applicants request expedited treatment of their request for temporary waiver. For the reasons discussed, and for good cause shown, the Commission grants the requested waivers.

2. Because the Parent Companies Merger unfolded on an expedited basis and under extraordinary circumstances, Applicants are continuing the process of defining the scope of the merged activities and conducting due diligence, system analysis, and integration of business operating models and best practices that normally predates a merger. These

procedures are expected to be completed by September 1, 2008, the target date for the formal closing of the Bear Energy/JPM Ventures Merger.

3. Immediately following the Parent Companies Merger, Applicants will undertake steps to address issues associated with the Commission's natural gas policies and regulations and the basis for this request for temporary waiver. As of September 1, 2008, it is anticipated that all of the natural gas business of both firms will be transferred to either JPM Ventures or a new entity and the Bank will ultimately transfer certain legacy contracts currently held in its own name to JPM Ventures or the new entity and that the Bank will exit the natural gas business.

4. Applicants submit that the exact nature of their operations while due diligence and integration of their respective operations are still unfolding is not yet clear. As a result, Applicants may require temporary administrative arrangements that could be viewed as inconsistent with certain Commission policies and regulations, i.e., the shipper-must-have-title policy and the policy prohibiting buy/sell agreements. At the same time, Applicants state that Bear Energy and JPM Ventures will each be entering into new gas trades as necessary to assure that the normal business of supplying natural gas continues uninterrupted. Applicants state that during this period, temporary or inadvertent violations of Commission policies and/or regulations may occur. Applicants state that their objective is to complete the Bear Energy/JPM Ventures Merger by September 1, 2008, in such a manner as to complete the process as efficiently as possible prior to the official merger date.

5. Applicants assert that the Commission has held that an entity that is attempting to exit the natural gas business "should, within limitations, be permitted to exit in a rational and orderly fashion, if such action is open and will not unduly discriminate against other shippers."<sup>1</sup> Applicants submit that in order to facilitate an efficient and orderly business transition, the Commission has granted waivers of its regulations and policies to allow entities to undergo the process of divesting themselves of their natural gas obligations.<sup>2</sup>

6. For good cause shown and to allow an orderly and rational merger, the Commission grants a waiver of the applicable Commission regulations and policies, including the shipper-must-have-title policy and the policy against buy/sell arrangements. The waiver will be in effect for a limited transition period until 60 days after the formal

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<sup>1</sup> See *Sempra Energy Trading Corp., et al.*, 121 FERC ¶ 61,005 (2007); *Duke Energy Marketing America, LLC* 114 FERC ¶ 61,198, at P 12 (2006); *Northwest Pipeline Corp.*, 109 FERC ¶ 61,044 (2004), *order on clarification*, 112 FERC ¶ 61,187 (2005). See also *Louis Dreyfus Energy Services, L.P.*, 114 FERC ¶ 61,246, at PP 16, 21 (2006)

<sup>2</sup> *Id.*

closing of the Bear Energy/JPM Ventures Merger. Such waiver shall only be used for the limited purpose of completing the consolidation of Bear Stearns' and JPMorgan Chase's natural gas trading and marketing business, including the Bear Energy/JPM Ventures Merger.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.