

141 FERC ¶ 61,250
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 21, 2012

In Reply Refer To:
Antero Resources Piceance LLC
and Ursa Piceance LLC
Docket No. RP13-278-000

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Attention: James E. Olson and Suzanne E. Clevenger, Attorneys for Antero Resources Piceance LLC and Kirk Morgan, Attorney for Ursa Piceance LLC.

Reference: Joint Petition for Temporary Waiver of Capacity Release Regulations and Policies

Dear Mr. Olson, Ms. Clevenger, and Mr. Morgan:

1. On November 14, 2012, Antero Resources Piceance LLC (Antero) and Ursa Piceance LLC (Ursa) (jointly, Petitioners) filed a joint petition for temporary waiver of the Commission's capacity release regulations and policies. Petitioners also seek a temporary and limited waiver of certain gas tariff provisions of Ruby Pipeline, L.L.C. (Ruby) and Wyoming Interstate Company, L.L.C. (WIC) to facilitate a capacity release transaction relating to Antero's sale of its production assets to Ursa. Petitioners request that such waivers remain in effect until the earlier of 90 days following the date of the Commission's order granting waivers, or the date the capacity release transaction is completed. Petitioners also request that the Commission act on this joint petition no later than December 21, 2012. For the reasons discussed below, the Commission grants Petitioners' requested temporary waivers.

2. Petitioners state that on November 1, 2012, they executed a purchase and sale agreement (PSA), whereby Ursa agreed to purchase and acquire all of Antero's natural gas production assets that are in the Piceance Basin located in Colorado. Petitioners state that the expected closing date of the transaction will be December 21, 2012.
3. Petitioners further state that the assets to be sold under the PSA include firm transportation agreements (FTSA) for capacity held on Ruby and WIC that Antero uses to move its production to market. Petitioners affirm that upon issuance of this order, Ursa will execute new FTSA's with Ruby and WIC incorporating the same terms and conditions applicable to the aforementioned FTSA's.
4. Specifically, Petitioners request a temporary waiver of: (1) the Commission's capacity release regulations set forth in 18 C.F.R. § 284.8; (2) the prohibition against tying arrangements; (3) the shipper-must-have-title policy; (4) the prohibitions against buy-sell arrangements; and (5) the provisions of the General Terms and Conditions (GT&C) in Ruby and WIC's FERC Gas Tariffs that implement the capacity release regulations.
5. Petitioners explain that the transfer of these FTSA's is an integral part of the larger transaction, and that the requested waivers are necessary to allow for the orderly transfer of firm capacity used in the transportation of the production sold as part of the transaction described above. They state that the requested waivers are temporary and will only be used for the limited purpose of consummating the capacity release of the FTSA's discussed above. Petitioners also state that granting the waivers will allow the continued use of this capacity to deliver existing natural gas production to market during the transaction.
6. Petitioners further explain that granting the requested waivers is in the public interest because Ursa will continue the development of the Piceance Basin assets while Antero's parent redeploys capital for the development of the Marcellus and Utica Shale plays. Petitioners state that development of all these shale plays will bring more competition and provide supplies of a critical and reliable domestic fuel source.
7. Public notice of the filing was issued on November 15, 2012. Interventions and protests were due on or before November 26, 2012, in accordance with section 154.210 of the Commission's regulations.¹ Pursuant to Rule 214,² all timely motions to intervene

¹ 18 C.F.R. § 154.210 (2012).

² 18 C.F.R. § 385.214 (2012).

and any unopposed motions 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 this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

8. The Commission has reviewed Petitioners' request for temporary waivers and finds that the request is adequately supported and consistent with previous waivers that the Commission has granted to permit the release of capacity under similar circumstances.³ Moreover, the approval of the requested temporary waivers is consistent with our decisions in other proceedings where we granted waivers of various policies and regulations relating to the transfer of interstate pipeline transportation capacity to facilitate the transfer of natural gas supply and transportation contracts and other assets as a result of various types of corporate restructurings, including corporate mergers and sales of entire business units.⁴

9. Petitioners have also provided the information required for approval of such waivers: (1) identification of the regulations and policies for which waiver is sought; (2) identification of the pipeline service agreements and capacity to be transferred; and (3) description of the overall transaction and its claimed benefits, with sufficient detail to permit the Commission and other interested parties to determine whether granting the requested waivers is in the public interest.⁵

10. Accordingly, for good cause shown, the Commission grants a temporary, limited waiver of its capacity release regulations, including the bidding and maximum applicable rate requirements, the shipper-must-have-title policy, the prohibitions on buy/sell and

³ *Big Sandy Pipeline, LLC*, 141 FERC ¶ 61,151 (2012); *Antero Resources Corp.*, 139 FERC ¶ 61,258 (2012); *Salmon Resources, LTD*, 138 FERC ¶ 61,059 (2012); *Big Sandy Pipeline, LLC*, 136 FERC ¶ 61,130 (2011), *BHP Billiton Petroleum (Fayetteville LLC)*, 135 FERC ¶61,088 (2011); *Wisconsin Electric Power Co.*, 131 FERC ¶ 61,104 (2010); *EnergyMark, LLC*, 130 FERC ¶ 61,059 (2010); *Total Gas & Power North America, Inc.*, 131 FERC ¶ 61,023 (2010); *Sequent Energy Mgmt., L.P., et al.*, 129 FERC ¶ 61,188 (2009); *North Baja Pipeline, LLC*, 128 FERC ¶ 61,082 (2009); *Macquarie Cook Energy, LLC*, 126 FERC ¶ 61,160 (2009); *Bear Energy LP*, 123 FERC ¶ 61,219 (2008).

⁴ *See, e.g., Macquarie Cook Energy, LLC*, 126 FERC ¶ 61,160 (2009).

⁵ *Clarification of Policy Regarding Waivers of Applicable Requirements to Facilitate Integrated Transfers of Marketing Businesses*, 127 FERC ¶ 61,106, at P 10 (2009).

tying arrangements, as well as the posting and bidding provisions. In addition, the Commission grants, to the extent necessary, a temporary and limited waiver of the requested FERC Gas Tariff provisions of Ruby and WIC so as to facilitate the capacity release transaction as part of Antero's sale of its production assets to Ursa. The Commission will allow the waivers to remain in effect until the earlier of 90 days following the date of this order, or the date the capacity release transaction is completed.

By direction of the Commission

Kimberly D. Bose,
Secretary.