

147 FERC ¶ 61,007  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

April 1, 2014

In Reply Refer To:  
Eni Petroleum US LLC  
Eni USA Gas Marketing LLC  
Docket No. RP14-612-000

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Ladies and Gentlemen:

1. On March 7, 2014, Eni Petroleum US LLC (Eni Petroleum) and Eni USA Gas Marketing LLC (Eni Gas) (collectively, Petitioners) filed a joint petition for temporary waiver of the Commission's capacity release regulations and policies, and the concordant natural gas tariff provisions of various interstate pipelines, in order to facilitate a capacity release transaction relating to an internal corporate reorganization. Petitioners request that such waivers remain in effect for a 120-day period beginning on April 2, 2014. Petitioners also request that the Commission act on this joint petition no later than April 2, 2014. For the reasons discussed below, the Commission grants Petitioners' requested temporary waivers.
2. The Petitioners state that, as part of internal corporate restructuring, Eni Gas will transfer its natural gas marketing and sales functions to its affiliates, Eni Petroleum and Eni Trading & Shipping Inc. (Eni Trading). After the transfer, Eni Gas will remain in existence, but its business will be limited to liquefied natural gas-related operations. As a part of the reorganization, Eni Gas will also cease purchasing Eni Petroleum's natural gas production upstream of the pipeline agreements identified in this Petition. To accomplish the goals of the reorganization, Eni Gas will assign the identified pipeline agreements to Eni Petroleum. The Petitioners state that other non-jurisdictional gas sales and marketing agreements currently in Eni Gas's name will be transferred to an affiliate, Eni Trading.
3. The agreements that Eni Gas intend to transfer to Eni Petroleum pursuant to the reorganization include natural gas transportation agreements on Destin Pipeline Company, L.L.C., Discovery Gas Transmission LLC, and Nautilus Pipeline Company, L.L.C. (collectively, Pipelines). Eni Gas will assign natural gas purchase and sales

agreements, and a variety of financial agreements routinely entered into by natural gas industry participants to Eni Trading.

4. In order to implement the reorganization, Petitioners request a temporary waiver of the following: the Commission's capacity release posting and bidding requirements set out at 18 C.F.R. § 284.8; shipper-must-have-title requirements; the Commission's prohibition on buy-sell arrangements; the prohibition on tying the release of pipeline capacity to any extraneous condition; the prohibition on capacity release transactions at prices above the maximum tariff rate; and the temporary waiver of Pipelines' tariff provisions implementing one or more of these requirements and policies, as well as any other waivers of the Commission's rules and policies necessary for Petitioners to implement the reorganization in a manner consistent with the Natural Gas Act and the Commission's related regulations and policies. The Petitioners state that granting the requested waivers will facilitate the orderly and efficient transfer of Eni Gas's operations, including assignment and/or release of approximately 166 agreements with a large number of counterparties.<sup>1</sup>

5. Public notice of the joint petition was issued on March 10, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.<sup>2</sup> Pursuant to Rule 214,<sup>3</sup> all timely motions to intervene 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.

6. We have reviewed Petitioners' request for temporary waivers and find 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,<sup>4</sup>

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<sup>1</sup> See Petition at 9.

<sup>2</sup> 18 C.F.R. § 154.210 (2013).

<sup>3</sup> 18 C.F.R. § 385.214 (2013).

<sup>4</sup> E.g., *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).

particularly when the transfers are a result of various types of corporate restructurings, including corporate mergers and sales of entire business units.

7. 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.<sup>5</sup>

8. Accordingly, for good cause shown, the Commission grants a temporary, limited waiver of its capacity release regulations, including the prohibitions on buy/sell and tying arrangements, as well as the posting and bidding provisions and shipper-must-have-title requirements. In addition, the Commission grants, to the extent necessary, a temporary and limited waiver of the above-referenced provisions of the Pipelines' tariffs so as to facilitate the capacity release transaction. The Commission will allow the waivers to remain in effect for the earlier of a 120-day period following April 2, 2014, or the date the capacity release transaction is completed.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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