

149 FERC ¶ 61,125
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 14, 2014

In Reply Refer To:
Interstate Power & Light Company
Minnesota Energy Resources
Corporation
Docket No. RP14-1286-000

Glenn S. Benson
Attorney for Interstate Power & Light Company
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue NW
Suite 800
Washington, DC 20006

Mary Klyasheff
Attorney for Minnesota Energy Resources Corporation
Integrus Energy Group, Inc.
200 E. Randolph Street
Chicago, IL 60601

Dear Mr. Benson and Ms. Klyasheff:

1. On September 29, 2014, Interstate Power & Light Company (IPL) and Minnesota Energy Resources Corporation (MERC) (collectively, Petitioners) filed a petition for temporary waiver of the Commission's capacity release regulations and policies and certain tariff provisions of Northern Natural Gas Company's (Northern Natural) FERC Gas Tariff. Petitioners state that the waivers are necessary to enable IPL to transfer its existing gas distribution business in Minnesota to MERC via an Asset Purchase and Sale Agreement (Purchase and Sale Agreement). Petitioners request issuance of an order granting the waivers no later than November 14, 2014, and ask that such waivers be effective immediately upon issuance of a Commission order and remain effective for 120 days. For the reasons discussed below, the Commission grants the requested temporary waivers for the limited purpose of effectuating the Purchase and Sale Agreement.

2. Petitioners state that the Purchase and Sale Agreement includes the transfer of four Firm Transportation Agreements¹ from IPL to MERC for service on Northern Natural's system. Petitioners contend that the transfer of these Firm Transportation Agreements is an integral part of a larger transaction involving the sale of all IPL's gas distribution assets in Minnesota to MERC. In order to enable the transfer of the capacity along with the gas distribution assets, Petitioners request waiver of the Commission's prohibition against tying. Also, Petitioners state that three of the agreements are discounted rate agreements and, following the asset transfer, MERC will retain use of the discounted rate. Thus, Petitioners request waiver of the posting and bidding requirements related to capacity release in the Commission's regulations² and Northern Natural's tariff.³

3. Petitioners maintain that the requested temporary waivers are consistent with waivers previously granted by the Commission under similar circumstances involving the sale of natural gas distribution assets.⁴ Petitioners state that the Purchase and Sale Agreement will become effective following receipt of regulatory approval from the Minnesota Public Utilities Commission, which Petitioners expect to occur on or before December 1, 2014. Petitioners therefore request that the Commission grant the waivers requested herein by November 14, 2014.

4. Public notice of the petition was issued on October 1, 2014. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁵ Pursuant to Rule 214,⁶ 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.

¹ Petitioners included a list of these agreements as Schedule A to their filing: Contract Nos. 21264, 106082, 22335, 22560.

² Petition at 10 (citing 18 C.F.R. §§ 284.8(c)-(e) (2014)).

³ Northern Natural Gas Co., FERC Gas Tariff, Sixth Revised Vol. No. 1, General Terms and Conditions, Sections 47(A), (B), (C), (D), (E), (F), (G) and (J).

⁴ Petition at 2 (citing *ONEOK, Inc.*, 146 FERC ¶ 61,047, at P 28 (2014); *Laclede Gas Co.*, 145 FERC ¶ 61,067, at PP 6-7 (2013); *Atmos Energy Corp.*, 142 FERC ¶ 61,110, at PP 6-8 (2013); *Atmos Energy Corp.*, 140 FERC ¶ 61,073, at P 16 (2012)).

⁵ 18 C.F.R. § 154.210 (2014).

⁶ 18 C.F.R. § 385.214 (2014).

5. The Commission has reviewed Petitioners' request for temporary waivers and finds that the request is adequately supported and consistent with prior waivers granted by the Commission under similar circumstances.⁷ Petitioners 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.⁸

6. Accordingly, for good cause shown, the Commission grants temporary, limited waiver of the posting and bidding requirements related to capacity release in the Commission's regulations⁹ and Northern Natural's tariff.¹⁰ The Commission also grants temporary, limited waiver of the Commission's prohibition against tying. As requested, the waivers will remain effective for 120 days following the issuance of this order, or until the date the capacity release transaction is completed, whichever is sooner.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁷ See e.g., *ONEOK*, 146 FERC ¶ 61,047 at P 28; *Laclede*, 145 FERC ¶ 61,067 at PP 6-7; *Atmos*, 142 FERC ¶ 61,110 at PP 6-8; *Atmos*, 140 FERC ¶ 61,073 at P 16.

⁸ *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).

⁹ 18 C.F.R. §§ 284.8(c)-(e) (2014).

¹⁰ Northern Natural Gas Co., FERC Gas Tariff, Sixth Revised Vol. No. 1, General Terms and Conditions, Sections 47(A), (B), (C), (D), (E), (F), (G) and (J).