

149 FERC ¶ 61,172
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 26, 2014

In Reply Refer To:
Comisión Federal de Electricidad
Docket No. RP15-147-000

Cadwalader, Wickersham & Taft LLP
Attention: Kenneth W. Irvin
700 Sixth Street, NW
Washington, DC 20001

Dear Mr. Irvin:

1. On November 3, 2014, Comisión Federal de Electricidad (Comisión Federal) filed a petition seeking clarification that prior authorization for certain natural gas supply and transportation contracts will continue after Comisión Federal replaces Mex Gas Supply, S.L. (Mex Gas) as a shipper on El Paso Natural Gas Company LLC's (El Paso) Samalayuca Lateral following the permanent release of capacity. Additionally, Comisión Federal seeks clarification that authorization will apply to any asset manager it may designate for the Samalayuca Lateral subject to Order No. 712.¹ The Commission grants the requested clarifications.
2. Public notice of Comisión Federal's filing was issued on November 5, 2014. Interventions and protests were due November 13, 2014. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2014)), all timely filed 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 the proceeding or place additional burdens on existing parties. No adverse comments were filed.

¹ *Promotion of a More Efficient Capacity Release Market*, Order No. 712, FERC Stats. & Regs. ¶ 31,271 (2008), *order on reh'g*, Order No. 712-A, FERC Stats. & Regs. ¶ 31,284 (2008), *order on reh'g*, Order No. 712-B, 127 FERC Stats. & Regs. ¶ 61,051 (2009).

3. The Samalayuca Lateral extends from El Paso's southern mainline in west Texas to a point of interconnection at the Mexican border, southeast of Ciudad Juárez. The Mexican portion of the Samalayuca Lateral supplies natural gas to natural gas-fired power plants, which generate electricity for the benefit of Comisión Federal. The Samalayuca Lateral was certificated in an order by the Commission on June 11, 1997, which recognized that Gasoductos de Chihuahua would transport natural gas on behalf of Comisión Federal to a power plant.² On January 31, 2002, the Commission allowed an expansion of the Samalayuca Lateral's capacity to serve additional plants, and confirmed that state-owned company MGI Supply Ltd. (MGI) (now known as Mex Gas) could transport natural gas on the lateral for Comisión Federal's benefit.³ On August 28, 2008, the Commission granted MGI's request for clarification and held that authorization for natural gas delivery arrangements would continue if TransAlta Energy Marketing Corporation (TransAlta), the owner and operator of a power plant operated for Comisión Federal's benefit, transferred ownership of its power plant to a different company if structured in accordance with prior authorizations.⁴ On September 30, 2014, the Commission granted Mex Gas's request for temporary waiver of capacity release regulations so that Mex Gas, pursuant to state-mandated restructuring of the Mexican utility industry, could transfer its assets, including transportation agreements on the Samalayuca Lateral, to Comisión Federal.⁵

4. Comisión Federal will now become a shipper on the Samalayuca Lateral for the same purpose as was Mex Gas. Thus, Comisión Federal seeks confirmation that prior authorizations and longstanding contractual arrangements between itself and TransAlta may continue following the transfer of capacity from Mex Gas to Comisión Federal.

5. The Commission grants Comisión Federal's petition for clarification. The Commission finds that the various transportation agreements described by Comisión Federal were authorized by the Commission in the 1997 and 2002 certificate orders. Further, the transfer of assets from Mex Gas to Comisión Federal is similar to the proposed transfer described by the Commission's 2008 Order, in which authorization for natural gas delivery arrangements would continue if TransAlta transferred control of its power plant to a different owner.⁶ In both cases, the natural gas supply and transportation

² *El Paso Natural Gas Co.*, 79 FERC ¶ 61,315 (1997).

³ *El Paso Natural Gas Co.*, 98 FERC ¶ 61,096 (2002).

⁴ *MGI Supply Ltd.*, 124 FERC ¶ 61,201, at P 5 (2008).

⁵ *Mex Gas Supply, S.L.*, 148 FERC ¶ 61,254 (2014).

⁶ *MGI*, 124 FERC ¶ 61,201 at P 5.

arrangements remain for the benefit of Comisión Federal. Thus, this authorization continues essentially unchanged to serve the same purpose. The Commission, therefore, confirms the authorization continues, as requested in the petition.

6. Additionally, Comisión Federal seeks clarification that this authorization for the agreements will continue in the event it appoints an asset manager pursuant to Order No. 712. The Commission clarifies, as requested, that this authorization would continue in that circumstance, as it is consistent with the framework established in Order No. 712 for the use of asset managers.

By direction of the Commission.

Kimberly D. Bose,
Secretary.