

151 FERC ¶ 61,061
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

April 20, 2015

In Reply Refer To:
Union Power Partners, L.P.
Entergy Arkansas, Inc.
Entergy Gulf States Louisiana, L.L.C.
Entergy Texas, Inc.
Docket No. RP15-655-000

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Gentlemen:

1. On March 17, 2015, Union Power Partners, L.P. (Union Power) and Entergy affiliates¹ (collectively, Petitioners) filed a joint petition (Petition) for temporary waiver of the Commission's capacity release regulations and policies, in order to facilitate a release of natural gas pipeline capacity that is integral to the sale (Transaction) of a natural gas electric generating facility (Facility). Petitioners request that the Commission act on this joint petition no later than June 1, 2015, and that the waivers extend from the date that the Commission issues its order until 90 days following the close of the

¹ For the purposes of this docket, the Commission shall use "Entergy affiliates" to refer jointly to the affiliates Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., and Entergy Texas, Inc., who seek the waiver. Entergy Services, Inc. submitted the filing on its affiliates' behalf.

Transaction. For good cause shown, as discussed below, the Commission grants Petitioners' requested temporary waivers.

2. Petitioners state that Union Power currently owns the Facility, which consists of four power blocks at one site. The Transaction contemplates selling one power block to Entergy Texas, Inc., one to Entergy Arkansas, Inc., and two to Entergy Gulf States Louisiana, L.L.C. Because each power block requires its own dedicated natural gas source, Union Power plans to award the three respective purchasers one-fourth, one-fourth, and one-half of its total firm transportation capacity on the pipeline serving the Facility, Trans-Union Interstate Pipeline, L.P. (Trans-Union).

3. 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); the prohibition on tying the release of pipeline capacity to any extraneous condition; the shipper-must-have-title requirement; the prohibition on buy/sell arrangements; and the Trans-Union tariff provisions that implement these regulations and policies. The Petitioners state that it will use the requested waivers only for the limited purpose of facilitating an efficient and timely transfer of assets.²

4. Public notice of the petition was issued on March 18, 2015. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.³ Pursuant to Rule 214,⁴ 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.

5. 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, such as the sale of a major natural gas electric generating facility.⁵ The transportation contract included in the Transaction appears essential for ensuring that the gas-fired Facility continues to have uninterrupted access to natural gas fuel supplies. Petitioners

² Petition at 5.

³ 18 C.F.R. § 154.210 (2014).

⁴ 18 C.F.R. § 385.214 (2014).

⁵ *E.g.*, *PPL Generation, LLC, PPL EnergyPlus, LLC, and Harbor Gen Holdings, LLC*, 133 FERC ¶ 61,122 (2010), *Arkansas Elec. Coop. Corp. and Hot Spring Power Co., LLC*, 140 FERC ¶ 61,026 (2012).

state that the Transaction will transfer the subject capacity at the current negotiated rate, and state that Trans-Union is aware of and does not oppose the Joint Petition; it therefore appears that granting waiver will not harm any third parties.

6. Accordingly, for good cause shown, the Commission grants the Petitioners' request for a temporary waiver of the specified capacity release regulations, policies, and tariff provisions to allow the permanent release of a firm transportation service agreement from Union Power to the Entergy affiliates. Specifically, the Commission grants a limited, temporary waiver of section 284.8 of its regulations. The Commission also grants a limited waiver of the prohibition on tying, the shipper-must-have-title requirement, the prohibition on buy/sell arrangements, and to the extent necessary, Trans-Union tariff provisions related to the Commission's capacity release rules, so that Petitioners can complete their Transaction in an orderly and efficient manner within their time constraints.

7. Petitioners request that the Commission act on this joint petition no later than June 1, 2015, and that the waivers extend from the date that the Commission issues its order until 90 days following the close of the Transaction. We will allow the waivers to remain in effect until the earlier of 90 days following the date of assignment of the service agreements, or the date that the related capacity release transactions are completed. The Petitioners must file an informational notice in this docket once the actual date of assignment has been established.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.