

151 FERC ¶ 61,082
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 30, 2015

In Reply Refer To:
World Fuel Services, Inc.
U.S. Energy Services, Inc.
Docket No. RP15-851-000

David L. Wochner
Counsel for World Fuel Services, Inc.
and U.S. Energy Services, Inc.
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Dear Mr. Wochner:

1. On April 2, 2015, World Fuel Services, Inc. (WFS) and U.S. Energy Services, Inc. (USES) (Petitioners) jointly filed a Petition (Joint Petition) requesting that the Commission grant temporary, limited waivers of the Commission's capacity release regulations and policies in order to enable USES to permanently release and/or assign its natural gas transportation capacity to WFS in order to facilitate an internal reorganization of WFS following WFS's 2013 purchase of USES. Petitioners request that the waivers remain in effect for a 180-day period. Petitioners also request that the Commission issue an order on the Joint Petition no later than May 1, 2015. As discussed below, and for good cause shown, we grant the requested waivers.
2. As noted, Petitioners state that a grant of the requested waivers will allow WFS to reorganize and consolidate its natural gas transportation portfolio following the acquisition of USES by WFS in July 2013. As part of its effort to streamline and consolidate its U.S. operations following the acquisition of USES, WFS states that it will consolidate all natural gas transportation and supply contracts under one corporate entity, WFS, and USES will exit the natural gas transportation business.
3. To implement the reorganization, Petitioners specifically request waivers of the following: the Commission's capacity release posting and bidding requirements (18 C.F.R § 284.8 (2014)); 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; the tariff provisions that implement these regulations and policies; and any other necessary waivers of the Commission's rules and policies. Petitioners also request waivers of the applicable tariff provisions of Northern Natural Gas Company, Tallgrass Interstate Gas Transmission LLC, and Viking Gas Transmission Company necessary to effectuate the transaction.¹ Petitioners request that the waivers be effective for 180 days from the date of issuance to allow for the orderly transition of the full portfolio of natural gas transportation contracts.

4. WFS states that it has contacted all affected pipelines regarding such consolidation and has received support from each such pipeline.

5. Public notice of the Joint Petition was issued on April 7, 2015. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.² Pursuant to Rule 214,³ 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 the 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,⁴ particularly when the transfers are a result of various types of corporate restructurings, including corporate mergers and spinoffs of entire business units. In addition, we also find that Petitioners have provided the information required for the granting 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

¹ Petitioners have identified the pipeline capacity involved in Exhibit 1 which provides a description of the various transportation agreements covered by the Joint Petition.

² 18 C.F.R. § 154.210 (2014).

³ 18 C.F.R. § 385.214 (2014).

⁴ *Chesapeake Energy Marketing, L.L.C.*, 150 FERC ¶ 61,015 (2015); *Exelon Generation Co., LLC*, 148 FERC ¶ 61,242 (2014); *OXY USA Inc.*, 147 FERC ¶ 61,183 (2014); and *GeoMet, Inc.*, 147 FERC ¶ 61,083 (2014).

permit the Commission and other interested parties to determine whether granting the requested waivers is in the public interest.⁵

7. Accordingly, for good cause shown, the Commission grants temporary, limited waivers of its capacity release regulations, including the posting and bidding provisions and the prohibitions on tying arrangements, the shipper-must-have-title requirement, and the prohibition on buy/sell arrangements. In addition, the Commission grants, only to the extent necessary, temporary and limited waivers of the provisions of Northern Natural Gas Company, Tallgrass Interstate Transmission LLC, and Viking Gas Transmission Company's tariffs that implement the above policies and regulations that are necessary to facilitate the capacity release transaction. The Commission will allow the waivers to take effect immediately, and remain in effect for a 180-day period following issuance of this Order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁵ *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).