

152 FERC ¶ 61,069
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

July 24, 2015

In Reply Refer To:
Barclays Bank PLC
Docket No. RP15-1078-000

Cadwalader, Wickersham & Taft LLP
Thomas R. Millar
700 Sixth Street, NW
Washington, DC 20001

Attention: Doron F. Ezickson

Dear Messrs. Ezickson and Millar:

1. On June 24, 2015, Barclays Bank PLC (Barclays) filed a Petition requesting a temporary waiver of the Commission's capacity release regulations, policies and related tariff provisions for the limited purpose of facilitating a transfer of Barclays' various jurisdictional natural gas park and loan transportation or storage agreements and its firm transportation capacity rights under two asset management agreements (collectively the Jurisdictional Service Agreements), so that Barclays can exit from its North American natural gas trading business (the Transaction). Barclays requests an order granting the requested waiver no later than July 24, 2015, and that such waiver remain in effect for 180 days. For the reasons discussed below, and for good cause shown, the Commission grants the requested limited waiver.

2. Barclays states that it intends to sell its interests under the Jurisdictional Service Agreements, along with other non-jurisdictional physical natural gas assets, to one or more purchasers in order to effectuate its exit from the natural gas trading business. In conjunction with this Transaction, Barclays states that it seeks to transfer four park and loan storage or transportation agreements with various interstate pipelines, firm transportation capacity rights under two asset management agreements, and fifteen park and loan storage or transportation agreements with intrastate natural gas companies

providing service under section 311 of the Natural Gas Policy Act of 1978 or section 284.224 of the Commission's regulations.¹

3. To facilitate the Transaction, Barclays requests waiver of certain Commission regulations and policies, as well as any other waiver or authorization deemed necessary. Specifically, Barclays seeks waiver of the Commission's: (1) capacity release regulations set forth in section 284.8 of the Commission's regulations, including the posting and bidding requirements;² (2) restrictions on capacity releases above or below the maximum rate of the applicable Affected Pipelines;³ (3) shipper-must-have-title policy; (4) prohibition against buy/sell arrangements; and (5) prohibition against tying arrangements to permit the capacity under the Jurisdictional Service Agreements to be permanently released, or assigned, from Barclays to the purchasers. Barclays also requests that the Commission waive the applicable capacity release related tariff provisions of the Affected Pipelines.⁴ Barclays requests that the waiver remain in effect for a period of 180 days after the waiver becomes effective (Requested Waiver Period). Barclays explains that it anticipates closing the Transaction on July 29, 2015 and states that an effective date not later than July 24, 2015 allows it sufficient time to execute competitive auction processes and finalize all necessary documents before closing.

4. Finally, Barclays explains that the requested waiver period of 180 days is necessary, not only to transfer its interests under the Jurisdictional Service Agreements, but also to execute dozens of "novations" in order to complete the transfer of over 300 over-the-counter, non-jurisdictional trading agreements, and assign its interests under one Canadian natural gas transportation or storage agreement. Barclays states that, consistent with Commission precedent, it will submit an informational status report within ninety (90) days of the effective date of a Commission order granting Barclay's waiver request in order to update the Commission on the identity of the selected purchaser or purchasers⁵ and include notification of any additional jurisdictional service agreements associated with the Transaction that are not already indicated in Appendix A.

¹ Barclays included a list of these agreements as Attachment A to their filing.

² 18 C.F.R. § 284.8(c)-(e) (2014).

³ 18 C.F.R. §§ 284.8(b)(2), 284.8(h)(1)(iii) (2014).

⁴ The Affected Pipelines are: Dominion South Pipeline Co., LP; El Paso Natural Gas Company, LLC; ETC Katy Pipeline, LTD; Millennium Pipeline Company, LLC; Natural Gas Pipeline Company of America; and Tennessee Gas Pipeline Company.

⁵ See, e.g., *J.P. Morgan Ventures Energy Corp.*, 148 FERC ¶ 61,010, at P 10 (2014).

5. Public notice of Barclays' petition was issued on June 25, 2015. Interventions and protests were due as provided in section 154.210 of the Commission's regulations.⁶ Pursuant to Rule 214,⁷ 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 comments were filed.

6. The Commission has reviewed Barclays' request for temporary waiver and finds that the request is adequately supported and consistent with previous waiver requests that the Commission has granted to permit the release of capacity under similar circumstances.⁸ Specifically, we find that Barclays has provided the information required for approval of such waivers, which includes: (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) a 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 waiver is in the public interest.⁹

7. Accordingly, for good cause shown, the Commission grants Barclays' request for temporary, limited waiver of the Commission's capacity release regulations, including posting and bidding provisions, restrictions on capacity releases at negotiated rates in excess of the maximum rate, the prohibitions on buy/sell and tying arrangements and the shipper-must-have-title requirements. In addition, the Commission grants, only to the extent necessary, a temporary and limited waiver of the above-referenced provisions of

⁶ 18 C.F.R. § 154.210 (2014).

⁷ 18 C.F.R. § 385.214 (2014).

⁸ See, e.g., *J.P. Morgan Ventures Energy Corp.*, 148 FERC ¶ 61,010 (2014); *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).

⁹ *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).

the Affected Pipelines' tariffs so as to facilitate the capacity release transaction.¹⁰ Further, consistent with Petitioners' proposal, we will grant a waiver period of 180 days, and require Barclays to provide the Commission with an informational status report within 90 days of the issuance of this order. The status report will serve to update the Commission and the public on the contract transfer and novation process, and note any additional jurisdictional service agreements involved in the Transaction that were not included on the list of pertinent agreements set forth in Appendix A of the Petition.

8. Finally, in a notice issued in Docket No. RM01-5-000 on November 17, 2011, the Commission stated that it "may not issue an order on reports." Therefore, Barclays is advised that future informational reports, if not protested, will be treated as informational and the Commission may not issue an order on those reports.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁰ The Affected Pipelines are listed in note 4.