

152 FERC ¶ 61,083  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

July 29, 2015

In Reply Refer To:  
Dogwood Energy LLC  
Kansas Power Pool  
Docket No. RP15-1115-000

Crowell & Moring LLP  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004

Attention: Deborah A. Carpentier  
Attorney for Dogwood Energy LLC

Reference: Joint Petition for Temporary Waiver of Capacity Release Regulations  
and Policies

Ladies and Gentlemen:

1. On July 6, 2015, Dogwood Energy LLC (Dogwood) and Kansas Power Pool (KPP) (collectively, the Petitioners) filed a request for temporary waivers of certain capacity release and other Commission rules, regulations, and policies, to facilitate the permanent release of a portion of the capacity associated with Dogwood's existing firm capacity on Southern Star Central Gas Pipeline, Inc. (Southern Star) under an interstate firm transportation service agreement (FTSA). The Petitioners request the waivers be effective upon the date of the issuance of a Commission order and continue for a period of ninety (90) days after the date of the final closing of the transfer of ownership interests in an electric generating facility located near Pleasant Hill, Missouri. For the reasons discussed below, and for good cause shown, the Commission grants the requested temporary waivers.

2. The Petitioners state that the request is made in connection with the proposed sale by Dogwood of undivided ownership interests in its 620-MW electric generating facility located near Pleasant Hill, Missouri, and other related assets to KPP. The Petitioners state that Dogwood will transfer and that KPP will purchase an undivided ownership interest in the generating facility, entitling KPP to an additional percentage of the facility's output depending on the percentage of the undivided interest that KPP acquires.

Dogwood will retain approximately 52.2 percent of the undivided interests in the facility after the transaction has closed.

3. As part of this asset transaction, the Petitioners state, Dogwood will permanently release to KPP a portion of its FTSA for 1,155 Dth per day of capacity with Southern Star. The FTSA is Southern Star's Rate Schedule FTS-M contract number 15421, which provides for a maximum daily quantity of 19,425 Dth per day and has a reservation rate of \$0.1586 per Dth, which is the maximum rate allowed under the tariff. The Petitioners state that a portion of the capacity associated with Dogwood's existing firm capacity on Southern Star will be permanently released to KPP in accordance with its acquired interest.

4. To facilitate the permanent release of a portion of the capacity associated with an existing FTSA from Dogwood to KPP, the Petitioners request temporary and limited waivers of certain Commission regulations and policies. Specifically, the Petitioners seek waiver of the Commission's prohibition against tying the release of pipeline capacity to extraneous conditions, as well as, to the extent necessary, related capacity release rules and tariff provisions of Southern Star.

5. The Petitioners request the waivers remain in effect until 90 days following the closing date of the asset transaction contemplated herein. The Petitioners state that they have discussed their joint proposal with Southern Star, and that Southern Star has expressed no opposition to the petition.<sup>1</sup>

6. The Petitioners argue that the waivers are in the public interest because they will allow the transfer of ownership interests in the electric generation facility to occur in an orderly and efficient manner. The Petitioners assert that the Commission has granted waivers of its capacity release rules and policies to facilitate the transfer of natural gas assets as part of larger transactions involving other related assets, including electric generating assets.<sup>2</sup>

7. Public notice of the filing was issued on July 8, 2015. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2014)). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2014), 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

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<sup>1</sup> Joint Petition at p. 2.

<sup>2</sup> Joint Petition at p. 4 (citing, among others, *Arkansas Electric Coop. Corp., et al.*, 140 FERC ¶ 61,026 (2012) (*Arkansas Electric*)).

will not disrupt this proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

8. The Commission has reviewed the Petitioners' request for waivers and finds that their request is adequately supported and consistent with previously granted similar waivers of the Commission's prohibition against tying arrangements.<sup>3</sup> Granting the requested waiver of the Commission's prohibition against tying the release of pipeline capacity to extraneous conditions and, to the extent necessary, a temporary waiver of capacity release provisions in section 284.8 of the Commission's regulations<sup>4</sup> and in Southern Star's tariff will allow the Petitioners to execute the transfer of ownership interests in the electric generating facility and related assets from Dogwood to KPP in an orderly and efficient manner within their time constraints, consistent with Commission policy. Further, the waivers will help ensure uninterrupted access to natural gas for KPP as intended by the asset transaction. The Petitioners remain obligated to comply with any other applicable provisions of Southern Star's tariff.

9. The Commission will grant the temporary waivers and allow them to remain in effect as of the date of this order and continuing for 90 days following the date of the final closing of the transaction described in this order. The Petitioners must provide notice to the Commission of the closing date of the transaction described in this order, within 30 days following the closing date.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>3</sup> *E.g.*, *Arkansas Electric*, 140 FERC ¶ 61,026; *EnergyMark, LLC and Constellation NewEnergy – Gas Div., LLC*, 130 FERC ¶ 61,059 (2010); *Sequent Energy Mgmt., L.P., et al.*, 129 FERC ¶ 61,188 (2009); *Macquarie Cook Energy, LLC and Constellation Energy Commodities Group, Inc.*, 126 FERC ¶ 61,160 (2009); *Bear Energy LP, et al.*, 123 FERC ¶ 61,219 (2008); *Barclays Bank PLC and UBS AG*, 125 FERC ¶ 61,383 (2008); *Wasatch Energy, LLC and Northwest Pipeline Corp.*, 118 FERC ¶ 61,173 (2007); *Sempra Energy Trading Corp.*, 121 FERC ¶ 61,005 (2007); *Northwest Pipeline Corp. and Duke Energy Trading and Mktg., L.L.C.*, 109 FERC ¶ 61,044 (2004).

<sup>4</sup> 18 C.F.R. § 284.8 (2014).