

152 FERC ¶ 61,174
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 3, 2015

In Reply Refer To:
Eni Petroleum US LLC
EnVen Energy Ventures, LLC
Docket No. RP15-1183-000

Bracewell & Giuliani LLP
2000 K Street, NW
Suite 500
Washington, DC 20006

Attention: D. Kirk Morgan II
Attorney for Eni Petroleum US LLC

Reference: Joint Petition for Limited Waivers

Dear Mr. Morgan:

1. On August 6, 2015, Eni Petroleum US LLC (Eni Petroleum) and EnVen Energy Ventures, LLC, (EnVen) (jointly, the Petitioners) filed a Joint Petition requesting a temporary and limited waiver of certain of the Commission's capacity release regulations and policies in order to facilitate the assignment and permanent release of capacity under a long-term firm natural gas transportation agreement between Destin Pipeline Company, L.L.C. (Destin) and Eni Petroleum (the Firm Transportation Agreement) to EnVen. The Petitioners state that the transfer of capacity under the Firm Transportation Agreement is an integral part of a larger transaction involving the sale by Eni and Eni Operating Co. Inc. (Eni Opco) of certain production assets in the Gulf of Mexico to EnVen (the Asset Sale). The Petitioners request that such waivers and authorizations remain in effect until the earlier of 90 days following the date of the Commission order granting waivers, or the date the capacity release transaction is completed. For the reasons discussed below and good cause shown, the Commission grants the requested limited waivers.

2. Eni Petroleum is an energy company engaged primarily in oil and gas exploration and production in the Gulf of Mexico and is a shipper on interstate jurisdictional natural gas pipelines. EnVen is an energy company engaged in the business of producing and selling supplies of natural gas and is also a shipper on interstate jurisdictional natural gas pipelines.

3. The Petitioners state that on July 31, 2015, the Petitioners executed a Purchase and Sale Agreement whereby EnVen agreed to purchase and pay for certain Eni Petroleum and Eni Opco production assets in the Gulf of Mexico, together with 6,587 Mcf/d of capacity under the Firm Transportation Agreement between Eni Petroleum and Destin. The production assets consist of wells, gathering lines, and processing facilities in the Gulf of Mexico. The Petitioners further state that Eni Petroleum, Eni Opco, and EnVen currently intend to close the Asset Sale on or before September 10, 2015 (the Closing), after any and all necessary governmental approvals are received and all other conditions to Closing are satisfied. The Petitioners state that they will notify the Commission of the date of Closing.

4. To facilitate the Asset Sale, Petitioners seek a temporary and limited waiver of the Commission's capacity release posting and bidding requirements and, to the extent applicable, the prohibition against tying and the prohibition on the release of capacity above the maximum recourse rate, as well as any other authorizations or waivers deemed necessary. The Petitioners also seek temporary and limited waiver of the specific Destin FERC Gas Tariff provisions implementing the Commission's capacity release regulations and policies.

5. Specifically, the Petitioners request waiver, to the extent necessary, of: (1) the Commission's prohibition against tying arrangements; (2) sections 284.8(b)(2), 284.8(d), 284.8(e), and 284.8(h)(1)(iii) of the Commission's regulations to permit these capacity release transactions to be treated similarly to prearranged maximum rate release transactions, which can be implemented without posting for bids from other shippers; (3) the provisions of Destin's tariff implementing the Commission's capacity release requirements; and (4) the Commission's shipper-must-have-title policy and policy prohibiting buy-sell arrangements.

6. The Petitioners assert that granting the waiver would be in the public interest because it would facilitate the Asset Sale and ensure that Destin is financially indifferent to this permanent release of capacity. Petitioners contend that the permanent release of the identified capacity under the Firm Transportation Agreement to EnVen is an integral part of the Asset Sale and Eni Petroleum is not looking simply to reallocate unneeded firm capacity. Petitioners state that Eni Petroleum uses the Firm Transportation Agreement to transport natural gas from the production assets that EnVen will be acquiring from Eni Petroleum and Eni Opco as part of the Asset Sale. The Petitioners assert that EnVen will only obtain the portion of capacity under the Firm Transportation Agreement that is directly related to certain production assets that it will be acquiring as part of the Asset Sale, thereby ensuring that EnVen will not obtain capacity that is unrelated to the larger transaction. The Petitioners further assert that Eni Petroleum will retain the capacity that it requires under the Firm Transportation Agreement to continue to move natural gas from the production assets that Eni Petroleum and Eni Opco will not be conveying to EnVen as part of the Asset Sale.

7. The Petitioners contend that granting this Petition will assist in achieving the transfer and ensuring that the pipeline is financially indifferent to the respective releases and assignments. The Petitioners further contend that the Commission has granted such waivers in circumstances which are substantially the same. The Petitioners assert that the temporary, 90-day waiver of the Commission's capacity release regulations, and associated FERC Gas Tariff provisions will only be used for the limited purpose of consummating the transfer of capacity under the Firm Transportation Agreement as part of the larger, integrated transaction between the Petitioners and their affiliates, thereby allowing for the continued use of the capacity to deliver existing natural gas production to market during the transition.

8. The Petitioners request that the Commission issue an order granting this waiver request and any and all other authorizations or waivers deemed necessary by September 3, 2015, so that the requested waivers will be available when all closing conditions have been met, and, as a result, permanent release of the Firm Transportation Agreement and Closing may occur expeditiously thereafter. The Petitioners state that they have discussed their joint proposal with Destin, and Destin has authorized the Petitioners to state that Destin does not oppose the Petition.

9. Public notice of the filing was issued on August 11, 2015. Interventions and protests were due on or before August 13, 2015. Pursuant to Rule 214, 18 C.F.R. § 385.214 (2015), 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.

10. The Commission has reviewed the Petitioners' request for waivers and finds that the request is adequately supported and consistent with previous waivers that the Commission has granted to permit the prearranged permanent release of capacity under similar circumstances.¹ Accordingly, the Commission will grant temporary, limited

¹ *E.g.*, *Antero Resources Corp.*, 139 FERC ¶ 61,258 (2012); *Constellation NewEnergy – Gas Div., LLC*, 130 FERC ¶ 61,059 (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 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).

waiver of its capacity release regulations and policies, as well as the provisions set forth in Destin's tariff, as requested for the limited purpose of facilitating the permanent prearranged capacity release deal as an integral part of a larger transaction involving the sale by Eni Petroleum and Eni Opco of certain production assets in the Gulf of Mexico to EnVen. Granting these waivers will allow the Petitioners to execute their agreement, transfer the assets in an orderly and efficient manner, and ensure uninterrupted access to natural gas. The Commission will allow the waivers to remain in effect until the earlier of 90 days following the date of this order granting waivers, or the date the capacity release transaction is completed.

By direction of the Commission.

Kimberly D. Bose,
Secretary.