

152 FERC ¶ 61,196
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

September 14, 2015

In Reply Refer To:
MidAmerican Energy Company
and MidAmerican Energy
Services, LLC
Docket No. RP15-1190-000

Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036-1795

Attention: Steven J. Ross

Dear Mr. Ross:

1. On August 12, 2015, MidAmerican Energy Company (MEC) and MidAmerican Energy Services, LLC (MidAmerican Energy Services) (collectively the Petitioners) filed a Petition¹ 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 MEC's unregulated retail marketing business to MidAmerican Energy Services (the Transaction), so that MEC can exit from that business. The Petitioners request that such waiver remain in effect for no more than 90 days prior to and 60 days following the closing of the Transaction. For the reasons discussed below, and for good cause shown, the Commission grants the requested limited waiver.

2. The Petitioners state that, in connection with retail marketing services currently being provided by an unregulated division, MEC has entered into transportation service agreements with Northern Natural Gas Company, Natural Gas Pipeline Company of America, LLC, ANR Pipeline Company, Northern Border Pipeline Company, and Bison

¹ The Petitioners filed a revised Petition on August 24, 2015 that included a statement that the request for waiver of Northern Natural Gas Company's tariff provisions applies only to the posting and bidding requirements under Northern Natural Gas Company's tariff.

Pipeline LLC, (collectively Pipeline Transportation Agreements)² pursuant to which MEC arranges natural gas deliveries to various receipt points for its unregulated retail gas customers. The requested waiver will enable MEC to transfer the Pipeline Transportation Agreements to MidAmerican Energy Services by assignment or permanent capacity release under the provisions of each individual pipeline's tariff.

3. To facilitate the Transaction, the Petitioners request waiver of certain Commission regulations and policies. Specifically, the Petitioners seek waiver of the Commission's (1) capacity release rules set forth in section 284.8 of the Commission's regulations, including the posting and bidding requirements and restrictions on capacity releases above or below the maximum rate;³ (2) other Commission requirements, policies, and regulations associated with the release of jurisdictional natural gas transportation capacity, such as shipper-must-have-title policy, the prohibition on buy/sell arrangements, and the prohibition against tying; (3) any other applicable tariff provisions of the Affected Pipelines;⁴ and (4) to the extent necessary, any provision of the filed operating statement of any company providing service pursuant to section 311 of the Natural Gas Policy Act of 1978⁵ relating to the Commission's shipper-must-have-title policy or any prohibition against capacity tying. The Petitioners request that the waiver remain in effect for a period of no more than 90 days prior to and 60 days following the closing of the Transaction (Requested Waiver Period). The Petitioners explain that they anticipate closing the Transaction on or about January 1, 2016 and state that an order granting waiver if issued by September 14, 2015 will allow them to timely complete all activities related thereto.

4. Public notice of the Petitioners' initial petition was issued on August 13, 2015, with interventions or protests due August 19, 2015. Public notice of the revised petition filed on August 24, 2015 was issued on August 26, 2015, with interventions and protests due on August 31, 2015. Pursuant to Rule 214,⁶ 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

² The Petitioners included a list of these agreements as Appendix A to their filing.

³ 18 C.F.R. § 284.8 (2015).

⁴ The Affected Pipelines are ANR Pipeline Company, Bison Pipeline LLC, Northern Border Pipeline Company, Natural Gas Pipeline Company of America, LLC, and Northern Natural Gas Company.

⁵ 15 U.S.C. § 3371 (2012).

⁶ 18 C.F.R. § 385.214 (2015).

proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

5. The Commission has reviewed the Petitioners' 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.⁷ Specifically, we find that the Petitioners have 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.⁸

6. Accordingly, for good cause shown, the Commission grants the Petitioners' request for temporary, limited waiver of the Commission's capacity release regulations, including posting and bidding provisions, restrictions on capacity releases above or below 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 the Affected Pipelines' tariffs,⁹ so as to facilitate the capacity release transaction and any provision of the filed operating statement of any company providing service pursuant to section 311 of the Natural Gas Policy Act of 1978, 15 U.S.C. § 3371 (2012), relating to the Commission's shipper-must-have-title policy or any prohibition against capacity tying.

⁷ See, e.g., *Barclays Bank PLC*, 152 FERC ¶ 61,069 (2015); *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).

⁸ *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).

⁹ *But see*, n.1, *supra*.

7. Further, the Commission grants the Petitioners' Requested Waiver Period of no more than 90 days prior to, and 60 days following the closing of the Transaction, which is anticipated on or about January 1, 2016.

By direction of the Commission.

Kimberly D. Bose,
Secretary.