

153 FERC ¶ 61,124
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

October 30, 2015

In Reply Refer To:
Anadarko Energy Services
Company and
Moriah Powder River, LLC
Docket No. RP15-1330-000

Mark R. Haskell
Levi McAllister
Morgan, Lewis & Bockius
1111 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Messrs. Haskell and McAllister:

1. On September 30, 2015, Anadarko Energy Services Company (Anadarko) and Moriah Powder River LLC (Moriah) (Petitioners) filed a Joint Petition for limited temporary waiver of the Commission's capacity release rules and policies, to facilitate the assignment and release of capacity under short-term and long-term discounted rate firm natural gas transportation service agreements at existing maximum recourse rates, which is a required element of an underlying larger transaction. Petitioners request issuance of an order on this Joint Petition no later than October 30, 2015, as closing of the larger transaction is expected to take place on November 2, 2015. For the reasons discussed below, the Commission grants the limited temporary waiver requested by the Petitioners.

2. The Petitioners state that Anadarko currently has ten firm transportation service agreements through which it holds capacity to transport natural gas on Wyoming Interstate Company, L.L.C. (WIC). Anadarko seeks to assign and temporarily release to Moriah, at existing rates, four of the agreements¹ which total 170,000 Dth of capacity

¹ The firm transportation agreements subject to the transaction are WIC Contract Nos. 41143008, 41152000, 41151001B, and 41161000B.

per day (Capacity). The Petitioners also seek limited temporary waiver of the WIC tariff provisions implementing the Commission's capacity release policies in order to effectuate their transaction.

3. As noted, the transfer of capacity is part of a larger transaction between Moriah, Anadarko's affiliate, Anadarko E&P Onshore LLC, and a related transfer of ancillary midstream assets to one of Moriah's affiliates. The transaction accompanies a purchase and sale agreement whereby Anadarko E&P will dispose of its oil and natural gas interests located in Wyoming, including: (i) numerous oil and natural gas leases and the lands covered by those leases; (ii) agreements relating to the leases and land; (iii) coalbed methane wells; (iv) all equipment and machinery located on the land and primarily used for the production, upstream gathering, treatment, processing, injecting, storage of natural gas and petroleum products produced from the affected land; (v) all power lines, power poles, electrical substations, electrical infrastructure and related electrical equipment used or held for use to operate equipment on the affected land; (vi) a natural gas pipeline gathering system and all lines and appurtenances thereto; and (vii) other miscellaneous assets.

4. The Petitioners claim that the assignment of Capacity is a necessary component of the transaction, and that without the Capacity, Moriah cannot directly market the gas it produces from its production assets. The Petitioners explain that Moriah will use the Capacity in the same manner that Anadarko has used the Capacity to get natural gas from wellheads to market.

5. To facilitate the transaction, the Petitioners request waiver of certain Commission regulations and policies, as well as related capacity release provisions in WIC's tariff. Specifically, the Petitioners seek waiver of: (1) the Commission's capacity release policies and rules set forth in section 284.8 of the Commission's regulations, including the posting and bidding requirements, the shipper-must-have-title policy, the prohibition on buy/sell arrangements, the prohibition against tying, and such other like authorization or waiver needed to implement the Capacity transfer; including (2) temporary and limited waiver of Section 9 of the General Terms and Conditions of WIC's FERC Gas Tariff which implements the Commission's capacity release regulations and policies. The Petitioners request that the waiver remain in effect for a period of 120 days to allow adequate time for Anadarko to assign the agreements and transfer the Capacity to Moriah.

6. The Petitioners explain that the Commission has granted temporary waivers of its capacity release regulations and policies to permit parties to consummate mergers,

corporate consolidations, and similar transactions.² Further, the Petitioners contend that the Commission has granted such temporary waivers so the acquiring entity will be able to transport natural gas produced from the assets that the acquiring entity acquires.³ The Petitioners argue the requested relief will allow Anadarko to release the Capacity to Moriah in an orderly and effective manner and ensure the continued delivery of natural gas to markets.

7. Public notice of the filing was issued on October 1, 2015. Interventions and protests were due on October 8, 2015, as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (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. The Petitioners state that WIC does not oppose the Joint Petition.

8. 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.⁴ Specifically, the Commission finds that the Petitioners have

² Joint Petition at 5, citing *WPX Energy Appalachia, LLC*, 150 FERC ¶ 61,013 (2015); *Wyoming Interstate Company, L.L.C.*, 146 FERC ¶ 61,040 (2014); *Cheyenne Plains Gas Pipeline Company, L.L.C.*, 145 FERC ¶ 61,006 (2013); *ProLiance Energy, LLC*, 144 FERC ¶ 61,155 (2013); *Big Sandy Pipeline, LLC*, 141 FERC ¶ 61,151 (2012); *Antero Resources Corp.*, 139 FERC ¶ 61,258 (2012); *Kerr McGee Energy Services Corporation*, 139 FERC ¶ 61,175 (2012); *Salmon Resources, LTD*, 138 FERC ¶ 61,059 (2012); *Big Sandy Pipeline, LLC*, 136 FERC ¶ 61,130 (2011); *Wisconsin Electric Power Co.*, 131 FERC ¶ 61,104 (2010); *EnergyMark, LLC*, 130 FERC ¶ 61,059 (2010); *Sequent Energy Management, L.P.*, 129 FERC ¶ 61,188 (2009); *Macquarie Cook Energy, LLC*, 126 FERC ¶ 61,160 (2009); *Bear Energy LP*, 123 FERC ¶ 61,219 (2008).

³ Joint Petition at 5-6, citing *Dogwood Energy LLC*, 152 FERC ¶ 61,083 (2015); *Virginia Power Energy Marketing, Inc.*, 142 FERC ¶ 61,223 (2013); *Iberdrola Renewables, Inc.*, 138 FERC ¶ 61,201 (2012).

⁴ See, e.g., *Barclays Bank PLC*, 152 FERC ¶ 61,069 (2015); *J.P. Morgan Ventures Energy Corp.*, 148 FERC ¶ 61,010 (2014); *Antero Resources Corp.*, 139 FERC ¶ 61,258 (2012); *Salmon Resources, LTD*, 138 FERC ¶ 61,059 (2012); *Big Sandy*

(continued...)

appropriately provided the information required for approval of such waivers, by: (1) identifying the regulations and policies for which waiver is sought; (2) identifying the pipeline service agreements and capacity to be transferred; (3) describing 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; and by (4) filing the Petition as much in advance of the requested date as possible.⁵

9. Accordingly, for good cause shown, the Commission grants the Petitioners' request for temporary, limited waiver of the Commission's capacity release regulations and policies as specified above, so that Petitioners can complete their transaction in an orderly and efficient manner within their time constraints. In addition, the Commission grants, only to the extent necessary, a temporary and limited waiver of the WIC tariff provisions implementing the Commission's capacity release regulations and policies, so as to facilitate the Capacity release transaction. The temporary, limited waivers requested by Petitioners are granted from the date that this order is issued, and shall continue for 120 days thereafter.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

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); *Bear Energy LP*, 123 FERC ¶ 61,219 (2008).

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).