

158 FERC ¶ 61,023
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 13, 2017

In Reply Refer To:
AEP Generation Resources Inc.
AEP Generating Company
Lightstone Generation LLC
Docket No. RP17-29-001

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Dear Mr. Ross and Mr. Barrowes:

1. On January 6, 2017, AEP Generation Resources Inc. (AEP Generation Resources), AEP Generating Company (AEP Generating) (collectively, AEP) and Lightstone Generation LLC (Lightstone Generation) (collectively, Petitioners) filed a joint petition to amend its previously granted temporary waiver of the Commission's capacity release regulations and policies, and the applicable capacity release tariff provisions of certain pipeline companies), to change the name of the parties to whom capacity will be released.¹ For the reasons discussed below and for good cause shown, the Commission grants the amendment to Petitioner's limited capacity release waiver, to be effective January 13, 2017, as requested.

2. In its original application, Petitioners stated that the waiver was necessary for a limited transition period in order to facilitate the acquisition of two facilities that are a

¹ The Commission granted the original waiver request on December 1, 2016 (December 1, 2016 Order). *See AEP Generation Resources Inc.*, 157 FERC ¶ 61,170 (2016).

part of a larger transaction involving the sale of four power plants (the Transaction), which they anticipated will close in early 2017. Petitioners explained that Lightstone Generation, f/k/a Burgundy Power LLC, entered into an agreement with wholly-owned subsidiaries of American Electric Power, the parent of AEP, for the purchase of Darby, Lawrenceburg, and two other generating plants, along with certain facilities and other assets.² Therefore, Petitioners requested waiver to transfer the firm pipeline transportation agreements and capacity associated with the Darby and Lawrenceburg electric generation facilities. According to Petitioners, the agreement between AEP and Lightstone Generation provided that the gas transportation agreements would be transferred and assigned to Lightstone Generation and Lightstone Generation would continue to use the transportation agreements to deliver natural gas to Darby and Lawrenceburg as fuel supply for electric generation. In the instant application, Petitioners are requesting waiver and expedited action to reflect a change in the identity of the entities that will be assigned the transportation agreements.

3. Petitioners state the requested amendment is necessary in order to change the names of the parties to whom the capacity will be released. Specifically, as noted above, the original waiver request provided that the transportation agreements used to transport fuel to the Darby and Lawrenceburg facilities would be transferred and assigned to Lightstone Generation. However, Petitioners state that, since then, Lightstone Generation has been working to finalize its commercial arrangements for the purchase and ongoing management and operation of the generation facilities, including financing and credit. According to Petitioners, these arrangements, which were finalized only recently, require that gas transportation agreements associated with each individual generation facility be held by separate wholly-owned and wholly-controlled subsidiaries of Lightstone Generation formed for the purpose of owning each generation facility, not the parent company Lightstone Generation as originally indicated. Thus, under the finalized commercial arrangements, Petitioners state that the Darby plant assets and the gas transportation contracts used to transport fuel to Darby for electric generation will be held by Lightstone Generation's subsidiary, Darby Power, LLC. Likewise, Petitioners state that the Lawrenceburg plant assets and the gas transportation contracts used to transport

² Petitioners explained that the Darby plant, located near Mount Sterling, Ohio, is a six-unit natural gas-fired simple cycle generating station with a summer electric capacity rating of 471 MW that began commercial operation in 2001 and that the Lawrenceburg plant, located in the City of Lawrenceburg, Indiana, is a two-unit, natural gas-fired combined-cycle generating station with a summer net electric capacity rating of 1,120 MW that began commercial operation in 2004. Petitioners stated the transportation agreements and capacity associated with Darby and Lawrenceburg are no-notice services.

fuel to Lawrenceburg for electric generation will be held by Lightstone Generation's subsidiary, Lawrenceburg Power, LLC.

4. Public notice of the filing was issued on January 10, 2017. Interventions and protests were due by January 11, 2017, as provided in section 154.211 of the Commission's regulations.³ Pursuant to Rule 214,⁴ 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 interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No adverse comments or protests were filed.

5. The Commission has reviewed Petitioners' request to amend the previously granted temporary waiver due to a change in circumstances. Accordingly, for good cause shown, the Commission grants Petitioners' request to amend its temporary waiver of our capacity release regulations because (a) the change in the identity of the entities to whom the gas transportation capacity will be released only recently became known as a result of Lightstone Generation finalizing its commercial arrangements; (b) the change in the identity of the entities within the subject corporate structure that will be assigned the gas transportation agreements does not affect the basis for granting the original waiver; and (c) no party opposes the instant request and, as noted in the December 1, 2016 Order, no adverse comments or protests were filed in response to the original application.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

³ 18 C.F.R. § 154.211 (2016).

⁴ 18 C.F.R. § 385.214 (2016).