

131 FERC ¶ 61,104
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 5, 2010

In Reply Refer To:
Wisconsin Electric Power
Company
Wisconsin Gas LLC
Docket No. RP10-562-000

Schiff Hardin LLP
1666 K Street, NW
Suite 300
Washington, DC 20006

Attention: Regina Y. Speed-Bost, Attorney for
Wisconsin Electric Power Company & Wisconsin Gas LLC

Reference: Request for Temporary Waiver

Ladies and Gentlemen:

1. On April 1, 2010, Wisconsin Electric Power Company (Wisconsin Electric) and Wisconsin Gas LLC (Wisconsin Gas) (collectively, We Energies or Applicants) filed a request for a temporary waiver of the Commission's "shipper-must-have-title" and related transportation policies to facilitate the merger of Wisconsin Gas into its affiliate, Wisconsin Electric. We Energies requests the waivers to be effective for 90 days following the merger's closing, which is expected to be on or about July 1, 2010. For the reasons discussed below, the Commission grants the requested temporary waiver effective 90 days after the close of the merger, as proposed.

2. Wisconsin Electric and Wisconsin Gas are wholly-owned subsidiaries of Wisconsin Energy Corporation and are operated as separate entities under the We Energies brand name. We Energies explains that Wisconsin Gas will merge into Wisconsin Electric as part of an internal corporate consolidation. Upon completion of the merger, Wisconsin Gas will exit the natural gas business and cease to exist. Wisconsin

Electric will assume Wisconsin Gas's portfolio of natural gas transportation, storage, and purchase and sales agreements.¹

3. We Energies states that upon the approval of the Public Service Commission of Wisconsin, Wisconsin Electric and Wisconsin Gas will take the necessary steps under the State of Wisconsin's business law to merge the companies. We Energies asserts the temporary waivers are needed because the timing of any transactions required to effectuate the merger may not coincide with the transfer of Wisconsin Gas's gas purchase and sales agreements, which could lead to the inadvertent violation of the Commission's policies. We Energies further submits that granting the waivers serves the public interest because it permits the transfer of natural gas transportation contracts in an orderly, expeditious fashion that will ensure Wisconsin Gas's customers receive service and gas supplies without disruption.

4. Public notice of Applicants' filing issued on April 5, 2010. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2009). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2009), all timely motions to intervene and any 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 party filed a protest or adverse comments.

5. The Commission finds We Energies' temporary waiver request is adequately supported, and is consistent with previous Commission action facilitating the transfer of assets as a result of corporate restructurings, including mergers and sales of business units.² Accordingly, the Commission grants the requested waivers to be effective for 90

¹ Wisconsin Gas currently holds natural gas transportation and storage agreements with ANR Pipeline Company; Guardian Pipeline, L.L.C.; Michigan Consolidated Gas Company; Northern Natural Gas Company; Vector Pipeline, L.P.; Viking Gas Transmission Company; and Washington 10 Storage Corporation.

² *E.g.*, *Sequent Energy Management, L.P. and Integrys Energy Services, Inc.*, 129 FERC ¶ 61,188 (2009); *Tidal Energy Marketing (U.S.) LLC and Enbridge Gas Services (U.S.) Inc.*, 128 FERC ¶ 61,277 (2009); *Macquarie Cook Energy, LLC and Constellation Energy Commodities Group, Inc.*, 126 FERC ¶ 61,160 (2009).

days following the closing of the merger, as requested. Applicants shall provide notice to the Commission in this docket of the closing of the merger.

By direction of the Commission.

Kimberly D. Bose,
Secretary

cc: Public File
All Parties

Richard Quick
Manager, Gas Contracts
Wisconsin Electric Power Company
333 West Everett Street, A308
Milwaukee, WI 53203

Mary E. Bengel
Counsel
Wisconsin Electric Power Company
231 W. Michigan Street, A292 L
Milwaukee, WI 53203

Lalania Gilkey-Johnson
1666 K Street, NW
Suite 300
Washington, DC 20006