

141 FERC ¶ 61,256
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 28, 2012

In Reply Refer To:
DCP Midstream, LP and
DCP South Central Texas LLC
Docket No. RP13-277-000

DCP Midstream, LP
370 17th Street
Suite 2500
Denver, CO 80202

Attention: Ms. Katie E. Rice
Director, Regulatory Affairs

Reference: Request for Temporary Capacity Release Waiver

Dear Ms. Rice:

1. On November 13, 2012, DCP Midstream, LP (DCP) and DCP South Central Texas LLC (DCP South Central) (jointly, Petitioners) filed a request for a temporary and limited waiver of the Commission's capacity release regulations and policies. In addition, Petitioners request a temporary and limited waiver of the provisions of Trunkline Gas Company, LLC's (Trunkline) FERC Gas Tariff that implements the Commission's capacity release regulations and policies. Petitioners request that the Commission issue an order no later than January 1, 2013 and that the waivers remain in effect for 60 days. For the reasons discussed below, the Commission grants Petitioners' requested temporary and limited waivers.

2. Specifically, Petitioners request a temporary and limited waiver of the Commission's capacity release regulations, as set forth in 18 C.F.R. § 284.8 (2012), and related policies, including the posting and bidding requirements and the prohibition against tying to the extent applicable, as well as any other authorizations or waivers deemed necessary to permit the transactions described in their petition. Petitioners also request a temporary and limited waiver of section 9 of the General Terms and Conditions (GT&C) of Trunkline's tariff. Petitioners seek these waivers to enable DCP to assign and

permanently release the capacity associated with a single, long term, negotiated rate, natural gas transportation firm service agreement to its affiliate, DCP South Central.

3. Petitioners state that Trunkline was authorized in 2011 to modify its South Texas System to facilitate the bi-directional transportation of liquids-rich gas.¹ The resulting 165-mile segment of Trunkline's pipeline system, which is known as the Modified Transmission System, is used to transport liquids-rich gas from the Eagle Ford Shale production area to various DCP processing plants located in south central Texas. On July 16, 2011, Trunkline entered into a Firm Transportation Agreement (Contract No. 24531) with DCP at a negotiated rate (FT Agreement), which is currently less than Trunkline's maximum tariff rate.

4. Petitioners explain that DCP's parent company is pursuing a corporate reorganization whereby it will transfer to a new joint venture, DCP South Central, its south central Texas gathering and processing facilities.² Several of those processing facilities receive raw natural gas for processing gathered by means of Trunkline's Modified Transmission System pursuant to the FT Agreement. Petitioners state that as part of this corporate reorganization and transfer of assets, DCP will need to transfer to DCP South Central the agreements associated with these assets, which include the FT agreement.

5. Public notice of the filing was issued on November 14, 2012. Interventions and protests were due on or before November 26, 2012, in accordance with section 154.210 of the Commission's regulations.³ Pursuant to Rule 214,⁴ all timely filed motions to intervene and any unopposed motion 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 the proceeding or place additional burdens on existing parties. No protests or adverse comments were filed.

6. The Commission has reviewed Petitioners' request for temporary waivers and finds that the request is consistent with previous waivers the Commission has granted

¹ *Trunkline Gas Co.*, LLC, 135 FERC ¶ 61,019 (2011).

² DCP South Central will be owned 66 percent by DCP Midstream, LLC and 33 percent by DCP Midstream Partners, LP, a publicly traded master limited partnership.

³ 18 C.F.R. § 154.210 (2012).

⁴ 18 C.F.R. § 385.214 (2012).

under similar circumstances.⁵ Moreover, Petitioners have provided the information required for approval of such waivers: (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) 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 waivers is in the public interest.

7. Accordingly, for good cause shown, the Commission grants a limited, temporary waiver of section 284.8 of its regulations, which governs the release of firm capacity; the prohibition on tying; the posting and bidding requirements for capacity release transactions; and the prohibition on the release of capacity at a rate above the maximum recourse rate. In addition, the Commission grants a limited, temporary waiver of section 9 of the GT&C of Trunkline's tariff to allow the permanent release of the agreement by DCP to DCP South Central. The Commission will allow the waivers to remain in effect for 60 days from the date of this order.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁵ *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); *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).