

**PUBLIC VERSION –PRIVILEGED AND CONFIDENTIAL INFORMATION
AND PROTECTED MATERIALS HAVE BEEN REMOVED
PURSUANT TO 18 C.F.R. § 388.112**

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

CPV SENTINEL, LLC)

DOCKET NO. EC15-___-000

**Application for Authorization Under Section 203 of the Federal Power Act and
Request for Waivers, Confidential Treatment, Expedited Action and Shortened
Comment Period**

Pursuant to Section 203(a)(1) of the Federal Power Act (“FPA”)¹ and Part 33 of the Federal Energy Regulatory Commission’s (“Commission”) regulations,² CPV Sentinel, LLC (“CPV Sentinel” or “Applicant”) requests authorization for a transaction, described more fully in Section III of this Application, that will result in a change in the indirect ownership of Applicant (the “Transaction”) as follows: Competitive Power Ventures Holdings, LLC (“CPV Holdings”) will transfer all of its membership interests in CPV Power Development, Inc. (“CPV PDI”) (which indirectly holds a 25% interest in CPV Sentinel) to PG Coachella Power Holdings Inc. (“PG Coachella”), a newly formed portfolio company owned by investment vehicles advised or managed by Partners Group (USA) Inc. or its affiliates (“PG

¹ 16 U.S.C. § 824b(a)(1).

² 18 C.F.R. Part 33.

Investment Vehicles”), which is part of the Partners Group investment family (“Partners Group”).³

As explained in Section IV below, the Transaction is consistent with the public interest because it will not have an adverse effect on competition, rates or regulation, nor will it raise any cross-subsidization concerns.

Applicant respectfully requests that the Commission establish a twenty-one day comment period for this Application and issue an order granting the requested authorizations by **no later than October 23, 2015**, to allow for a closing of the Transaction as soon as possible thereafter. The Application qualifies for expedited action under Section 33.11 of the Commission’s regulations⁴ because the Transaction involves upstream changes in control, does not involve a merger or require a competitive screen analysis, is consistent with Commission precedent, and raises no cross-subsidization concerns.

As discussed in Section VI, pursuant to Section 388.112 of the Commission’s regulations,⁵ Applicant respectfully requests privileged and confidential treatment of Exhibit I, which contains the Purchase and Sale Agreement (“PSA”).

³ This Application includes no requests for authorization under Section 203(a)(2) because the acquiring companies currently are not (or will not be prior to closing of the Transaction) holding companies (*see The Goldman Sachs Group, Inc.*, 114 FERC ¶ 61,118, *reh’g denied*, 115 FERC ¶ 61,303 (2006)) and/or a blanket authorization under Section 33.1(c)(8) of the Commission’s regulations is available.

⁴ 18 C.F.R. § 33.11(c)(2).

⁵ 18 C.F.R. § 388.112.

Applicant also requests that, for the reasons set forth in Section V below, the Commission grant limited waivers of certain of its Part 33 filing requirements because such information is not necessary or relevant to the Commission's evaluation of the proposed Transaction under Section 203 of the FPA.

I. APPLICANT AND ITS RELEVANT AFFILIATES

CPV Sentinel owns and operates an 800 MW natural gas-fired generation facility and related interconnection facilities (the "Facility") located in Riverside County, California. The Facility is interconnected to the transmission system owned by Southern California Edison Company ("SCE") and operated by the California Independent System Operator, Inc. ("CAISO"). CPV Sentinel is an exempt wholesale generator ("EWG")⁶ and is authorized to sell power under market based rates.⁷ All of the output of the Facility is sold to SCE under a long-term power sale agreement.

CPV Sentinel is owned 50% by Sentinel Power Holdings, LLC ("Sentinel Power Holdings") and 50% by Diamond Voltage Holdings, LLC ("Diamond Voltage"). Sentinel Power Holdings is owned 50% by CPV Sentinel Holding, LLC ("CPV Sentinel Holding") and 50% by Diamond Sentinel, LLC ("Diamond Sentinel"). Diamond Voltage is owned indirectly 50% by Diamond Sentinel and

⁶ See Docket No. EG12-29-000 (Jan. 27, 2012).

⁷ See *CPV Sentinel, LLC*, Docket No. ER12-911-000 (Mar. 12, 2012) (unpublished letter order).

50% by Voltage Finance LLC.⁸ The Transaction relates only to the 50% membership interest of Sentinel Power Holdings owned by CPV Sentinel Holding. Currently, CPV Sentinel Holding is wholly owned by CPV PDI, which is a wholly owned subsidiary of CPV Holdings.⁹ Warburg Pincus Private Equity IX, L.P. and Warburg Pincus Equity Partners Liquidating Trust have a collective ownership interest of 95.2% of the voting shares in CPV Holdings.¹⁰

For purposes of the Commission's review of the proposed Transaction, the relevant geographic market for Applicant is the CAISO geographic market ("CAISO Market") because that is where the Facility is located. CPV Sentinel is affiliated with approximately 432 MW of generation in the CAISO Market: Indigo Generation LLC's 138 MW generation facility, Larkspur Energy LLC's 94 MW generation facility and Mariposa Energy LLC's 200 MW generation facility.

⁸ The upstream ownership of Diamond Sentinel and Voltage Finance LLC is not changing as a result of this Transaction.

⁹ Applicant notes that CPV Sentinel is the only operating generation asset in which CPV PDI and CPV Holdings currently have an interest. See *CPV Maryland, LLC*, 151 FERC ¶ 62,086 (2015) (authorizing transfer of upstream ownership interests in other generation company investments previously held by CPV Holdings and CPV PDI).

¹⁰ The remaining ownership interests are owned by individuals, directly or through partnerships, trusts or limited liability companies, but none owns 10% or more of the voting interests in CPV Holdings.

II. DESCRIPTION OF PARTNERS GROUP¹¹

A. General Description

Partners Group is a global private markets investment management firm with over EUR 42 billion (over USD 46 billion) in investment programs under management in private infrastructure, private equity, private real estate, and private debt. The firm manages a broad range of customized portfolios for an international clientele of institutional investors. Partners Group is headquartered in Zug, Switzerland and has offices in San Francisco, Houston, New York, and other locations throughout the world.

PG Investment Vehicles are not affiliated with any companies that own or operate generation facilities.¹² PG Investment Vehicles own a majority interest in Fermaca, which owns and operates natural gas pipelines in Mexico. Fermaca recently entered into a joint venture with ONEOK to develop a natural gas pipeline, known as the Roadrunner Pipeline, extending from the Permian Basin in West Texas into Mexico. The Roadrunner Pipeline is expected to achieve commercial operation in 2016.¹³

¹¹ Partners Group has provided Applicant with the descriptions of itself and its affiliates that are contained in this Application. Partners Group has reviewed this Application and has confirmed to Applicant that the information and representations contained herein with respect to Partners Group and its affiliates are accurate.

¹² While PG Investment Vehicles hold limited partnership interests in other equity funds that have interests in generation companies, the PG Investment Vehicles' interest is no greater than 2% of the equity in each such fund.

¹³ See "Application for Natural Gas Act Section 3 Authorization and Presidential Permit" submitted by Roadrunner Gas Transmission, LLC on April 9, 2015 in Docket CP15-161-000.

B. PG Investment Vehicles Structure

PG Coachella is directly owned 100% by the PG Investment Vehicles. The PG Investment Vehicles are independent funds organized as limited partnerships (or foreign equivalents) that invest in assets around the world.¹⁴

Each PG Investment Vehicle has a direct or indirect general partner, administrator or manager (collectively, the “PG General Partners”) who exercises all management, operation and control authority over such PG Investment Vehicle by means of the authority granted to such PG General Partner through such PG Investment Vehicle’s partnership agreement (or foreign equivalent) or an administrative agreement. The indirect owner of all such PG General Partners is Partners Group Holding AG, which is a publicly traded entity on the Swiss stock exchange. The following three individuals each own or control 10% or more of the interests of Partners Group Holding AG: Alfred Gantner (10.01%), Marcel Erni (10.01%) and Urs Wietlisbach (10.01%).

III. DESCRIPTION OF THE TRANSACTION

Pursuant to the PSA, CPV Holdings will transfer all of its capital stock in CPV PDI to PG Coachella. As a result, PG Investment Vehicles will indirectly hold all of the issued and outstanding capital stock in CPV PDI, indirectly hold all

¹⁴ The PG Investment Vehicles are organized as limited partnerships (or foreign equivalents) that allow various parties to invest in the PG Investment Vehicles through ownership of limited partnership interests (or foreign equivalents). Typical for this type of investment structure, the limited partners (or foreign equivalents) exercise no management or operational control, and therefore do not exercise indirect control over PG Coachella.

of the membership interests in CPV Sentinel Holding, indirectly hold 50% of the membership interests in Sentinel Power Holdings and indirectly hold 25% of the membership interests in CPV Sentinel.¹⁵ Warburg Pincus will no longer hold any indirect interests in CPV Sentinel.

While the Transaction will result in an indirect change in some of Applicant's upstream owners, CPV Sentinel will continue to own its assets including any of the FPA-jurisdictional contracts and/or facilities that it may own.

IV. THE TRANSACTIONS ARE CONSISTENT WITH THE PUBLIC INTEREST

FPA § 203(a)(4) provides that the Commission will approve jurisdictional transactions that are "consistent with the public interest." As explained in Order No. 642 and the *Merger Policy Statement*,¹⁶ the Commission examines three factors in analyzing whether a proposed transaction is consistent with the public interest:

(i) its effect on competition, (ii) its effect on rates, and (iii) its effect on regulation.

Additionally, pursuant to the Energy Policy Act of 2005 and Order No. 669, the Commission determines whether a proposed transaction will result in a cross-subsidization of a non-utility associate company or a pledge or encumbrance of utility assets for the benefit of an associate company and, if so, whether the cross-

¹⁵ As noted, the Transaction does not affect membership interests in CPV Sentinel that will continue to be held indirectly by Diamond Sentinel and Voltage Finance LLC.

¹⁶ *Revised Filing Requirements Under Part 33 of the Commission's Regulations*, Order No. 642, 65 Fed. Reg. 70984 (Nov. 28, 2000), *reh'g*, Order No. 642-A, 66 Fed. Reg. 16121 (Mar. 23, 2001); *Inquiry Concerning the Commission's Merger Policy under the Federal Power Act: Policy Statement*, Order No. 592, 61 Fed. Reg. 68595 (Dec. 30, 1996) ("*Merger Policy Statement*"), *reconsideration*, Order No. 592-A, 62 Fed. Reg. 33341 (June 19, 1997).

subsidization, pledge, or encumbrance is consistent with the public interest.¹⁷ As demonstrated below, the Transaction is consistent with the public interest with respect to each of these factors and will not result in any cross-subsidization issues.

A. The Transaction Will Have No Adverse Effect on Competition in the Relevant Market

Order No. 642 identifies two types of analyses relevant to determining whether a transaction subject to Commission authorization under FPA § 203 has adverse effects on competition: horizontal market analysis and vertical market analysis.¹⁸ However, the Commission does not require the filing of a horizontal or vertical competitive screen analysis as described in Appendix A to the *Merger Policy Statement* and Sections 33.3 and 33.4 of the Commission's regulations if the applicant "[a]ffirmatively demonstrates that the merging entities do not currently conduct business in the same geographic markets or that the extent of the business transactions in the same geographic markets is *de minimis*."¹⁹

The relevant geographic market for the Transaction is the CAISO Market because that is where CPV Sentinel is located.

¹⁷ *Transaction Subject to FPA Section 203*, Order No. 669, 71 Fed. Reg. 1348 (Jan. 6, 2006), *reh'g*, Order No. 669-A, 71 Fed. Reg. 28422 (May 16, 2006), *reh'g*, Order No. 669-B, 71 Fed. Reg. 42579 (July 27, 2006).

¹⁸ Order No. 642 at 31,872.

¹⁹ 18 C.F.R. § 33.3(a)(2)(i).

1. The Transaction Raises No Horizontal Market Power Concerns.

There are no horizontal market power concerns associated with the Transaction because PG Investment Vehicles do not own or control any generation in the CAISO market.²⁰ Thus, the Transaction would not result in any generation overlap in the CAISO market, and no increase in the current generation market share of CPV Sentinel and its affiliates.²¹ Consequently, there are no horizontal market power concerns with respect to the CAISO market, and the Commission should authorize the Transaction without requiring the filing of the horizontal competitive screen analysis under Section 33.3 of the Commission's regulations.²²

2. The Transaction Raises No Vertical Market Power Concerns

No vertical market concentration analysis is required for the Commission to conclude that Transaction presents no vertical market power concerns. The Commission's regulations provide that such analysis is not required if "[t]he merging entities currently do not provide inputs to electricity products (i.e., upstream relevant products) and electricity products (i.e., downstream relevant

²⁰ See *supra* note 12.

²¹ See *CPV Sentinel, LLC, "Triennial Market Power Update"*, at Appendix A, Exhibit CS-3, Docket No. ER12-911-004 (June 27, 2013) (reporting market shares of 5.3% or less in each season in the CAISO market), accepted for filing, *CPV Sentinel, LLC*, Docket ER12-911-004 (Jan. 31, 2014) (unpublished letter order).

²² 18 C.F.R. § 33.3.

products) in the same geographic markets or that the extent of the business transactions in the same geographic market is *de minimis*.”²³

Concern with regard to vertical market power generally arises when the combined entity may restrict potential downstream competitors’ access to upstream supply markets or increase potential competitors’ costs. These circumstances are not present in the Transaction.

The Transaction does not raise any vertical market power concerns because it will not result in any new combination of transmission or gas assets. Other than limited electric interconnection facilities that CPV Sentinel owns to connect the Facility to the CAISO transmission grid to effectuate their wholesale power sales, neither CPV Sentinel nor its affiliates own or control any transmission facilities or transmission companies, nor do they own or control natural gas transmission or distribution assets or companies.

PG Investment Vehicles’ proposed ownership interest in Applicant raises no vertical market power concerns because neither they nor their affiliates owns or controls electric transmission facilities or electric generation sites.²⁴ Further, PG Investment Vehicles do not currently own or control intrastate natural gas transportation, intrastate natural gas storage or distribution facilities, or sources of coal supplies and the transportation of coal supplies. As noted *supra*, PG

²³ 18 C.F.R. § 33.4(a)(2)(i).

²⁴ See *supra* note 12.

Investment Vehicles own a majority interest in Fermaca, which is an investor in the planned Roadrunner pipeline. However, natural gas that will be delivered over that pipeline will be destined for Mexico and therefore would raise no vertical market power concerns with respect to the CAISO geographic market in which CPV Sentinel is located.

Therefore, there are no vertical market power concerns, and the Commission should authorize the Transaction without requiring the filing of the vertical competitive screen analysis under Section 33.4 of the Commission's regulations.²⁵

B. The Transaction Will Not Have An Adverse Effect on Rates

The Transaction will have no adverse effect on rates. In assessing the effect that a proposed jurisdictional transaction could have on rates, the Commission's primary concern is "the protection of wholesale ratepayers and transmission customers."²⁶ The Transaction will have no adverse effect on the wholesale rates Applicant will charge its wholesale power sales customers. Both before and after the Transaction is consummated, all wholesale sales of electric energy, capacity and ancillary services by the Applicant will be made pursuant to its market-based rate authority. Moreover, Applicant does not have captive wholesale customers.

²⁵ 18 C.F.R. § 33.4

²⁶ *New England Power Co.*, 82 FERC ¶ 61,179, at 61,659, *reh'g*, 83 FERC ¶ 61,275 (1998). *See Merger Policy Statement*, 61 Fed. Reg. at 68603 (concern is to protect ratepayers from rate increases because of a merger).

The Transaction will have no adverse effect on transmission rates because the Applicant does not sell or provide transmission service and, thus, has no transmission customers.

C. The Transaction Will Not Have an Adverse Effect on Regulation

The Commission's review of a jurisdictional transaction's effect on state or federal regulation is focused on ensuring that a transaction does not result in a regulatory gap.²⁷ After the Transaction is consummated, Applicant will continue to be regulated by the Commission under the FPA to the same degree as before the Transaction. Applicant does not make any retail sales and, thus, is not subject to the ratemaking jurisdiction of a state commission. Accordingly, the Transaction will not impair the ability of any state authorities to regulate retail sales. Accordingly, the Transaction will not affect or impair effective state regulation.

D. The Transaction Will Not Result in Cross-Subsidization

Pursuant to FPA § 203(a)(4) and Section 2.26(f) of the Commission's regulations,²⁸ the Commission evaluates whether a proposed transaction will result in the cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company. The Transaction raises no issues concerning cross-subsidization.

²⁷ Order No. 642 at 31,914-15.

²⁸ 18 C.F.R. § 2.26(f).

As applicable here, in its *Supplemental Policy Statement*,²⁹ the Commission identified three classes of transactions that are unlikely to raise cross-subsidization concerns described in the Order No. 669 rulemaking proceeding. One such class involves transactions in which no franchised public utility with captive customers is involved in the transaction.³⁰ None of CPV Sentinel or PG Coachella, or any of their respective affiliates, is a franchised public utility with captive customers. Applicant is an EWG and will continue to sell power exclusively at wholesale pursuant to their market-based rate authority.

Consequently, the Transaction falls within the safe harbor for transactions that do not involve a franchised public utility because the Transaction will not be among entities that are franchised public utilities. In such cases, the Commission has found that there is no potential for harm to customers and, therefore, detailed explanation and evidentiary support to comply with Exhibit M is not required.³¹

However, Applicant provides in Exhibit M the representations that, based on the facts and circumstances known to Applicant or that are reasonably foreseeable, the Transaction will not result in, at the time of the Transaction or in

²⁹ *FPA Section 203 Supplemental Policy Statement*, 72 Fed. Reg. 42277 (Aug. 2, 2007) (“*Supplemental Policy Statement*”).

³⁰ *Id.* at P 17. The Commission defines captive customers as “any wholesale or retail electric energy customers served by a franchised public utility under cost-based regulation.” 18 C.F.R. § 33.1(b)(5).

³¹ *Supplemental Policy Statement* at PP 14, 15.

the future, cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets for the benefit of an associate company.

V. INFORMATION REQUIRED BY PART 33 OF THE COMMISSION'S REGULATIONS

In compliance with Section 33.2 of the Commission's regulations,³²

Applicant submits the following required information.

A. Section 33.2(a): The Exact Name of the Applicant and Its Principal Business Addresses.

The exact legal name of the Applicant and its principal business address is as follows:

CPV Sentinel, LLC
15775 Melissa Lane
North Palm Springs, CA 92258

B. Section 33.2(b): The Names and Addresses of the Persons Authorized to Receive Notices and Communications Regarding the Application, Including Phone and Fax Numbers, and E-Mail Addresses.

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³² 18 C.F.R. § 33.2.

C. Section 33.2(c): Description of the Applicants.

- 1. Section 33.2(c)(1): All business activities of the Applicants, including authorizations by charter or regulatory approval.**

Section I of this Application describes the business activities of the Applicant. Applicant respectfully requests waiver of the requirement to submit this or any additional information as a separate Exhibit A.

- 2. Section 33.2(c)(2): A list of Applicant's energy subsidiaries and energy affiliates, percentage ownership interest in such subsidiaries and affiliates, and a description of the primary business in which each energy subsidiary and affiliate is engaged.**

Section I of the Application contains descriptions of Applicant and its energy-related affiliates located in the CAISO Market. For this reason, Applicant respectfully requests waiver, to the extent necessary, of the requirement to provide additional information regarding current affiliates of Applicant.

- 3. Section 33.2(c)(3): Organizational charts depicting the Applicants' current and proposed post-transaction corporate structures (including any pending authorized but not implemented changes) indicating all parent companies, energy subsidiaries and energy affiliates of the Applicants unless the Applicants demonstrates that the proposed transaction does not affect the corporate structure of any party to the transaction.**

See Exhibit C. The organizational charts depicting pre-Transaction and post-Transaction corporate structures of the upstream owners of the Applicant. All relevant entities are included in the organizational charts. However, the Applicant requests a waiver of the information requirements of 18 C.F.R.

§33.2(c)(3), to the extent waiver may be deemed necessary, to provide additional information because such information is not relevant to the Commission's evaluation of the proposed Transaction.

- D. Section 33.2(c)(4): A description of all joint ventures, strategic alliances, tolling arrangements or other business arrangements, including transfers of operational control of transmission facilities to Commission-approved Regional Transmission Organizations, both current, and planned to occur within a year from the date of filing, to which the Applicants or their respective parent companies, energy subsidiaries, and energy affiliates are a party, unless the Applicants demonstrate that the proposed transaction does not affect any of its business interests.**

Other than as set forth in the Application, the Transaction will not affect the business arrangements of Applicant. Applicant, therefore, respectfully requests a waiver of the requirement to provide Exhibit D.

- 1. Section 33.2(c)(5): The identity of common officers or directors of parties to the Transaction.**

There are no common officers or directors between (1) CPV Holdings and CPV PDI on the one hand, and (2) PG Coachella on the other. Applicant, therefore, respectfully requests a waiver of the requirement to provide an Exhibit E.

- 2. Section 33.2(c)(6): A description and location of wholesale power sales customers and unbundled transmission services customers served by the applicants or their parent companies, subsidiaries, affiliates and associate companies.**

Applicant will sell energy, capacity and/or ancillary services pursuant to its market-based rate tariff. Additional information would not assist the Commission

in its evaluation of the Transaction. Applicant, therefore, respectfully requests a waiver to the extent additional information would be required by 18 C.F.R.

§ 33.2(c)(6), and of the requirement to provide an Exhibit F.

E. Section 33.2(d): A Description of Jurisdictional Facilities Owned, Operated, or Controlled by the Applicants or their Parent Companies, Subsidiaries, Affiliates, and Associate Companies.

See Sections I and III. The Applicant's FPA-jurisdictional facilities will consist of its interconnection facilities and market-based rate tariff, wholesale power sales agreements and/or related books and records. Applicant respectfully requests waiver of the requirement to provide further information regarding jurisdictional facilities owned, operated or controlled by other affiliates of Applicant because such information is not relevant to the Commission's evaluation of the Transaction and, to the extent necessary, Applicant also respectfully requests waiver of the requirement to submit this or any additional information as a separate Exhibit G.

F. Section 33.2(e): Narrative Description of the Transactions

Section III of this Application describes the Transaction. Therefore, Applicant respectfully requests waiver of the requirement to submit this information as a separate Exhibit H.

G. Section 33.2(e)(2): All Jurisdictional Facilities and Securities Associated With or Affected by the Transaction

Section V.E above describes the relevant jurisdictional facilities of the Applicant that will be affected by the Transaction. Applicant, therefore,

respectfully requests waiver of the requirement to provide this or any additional information in a separate Exhibit H.

H. Section 33.2(f): Contracts Related to the Transaction

See Confidential Exhibit I. Applicant requests a waiver of any requirement to provide any other contracts or documents in connection with the Transaction because Applicant does not believe that such documents would provide the Commission with additional information relevant to its public interest evaluation of the Transaction.³³

I. Section 33.2(g): Explanatory Statement Demonstrating that the Transaction is Consistent with the Public Interest

Section IV of this Application describes how the Transaction is consistent with the public interest. Applicant, therefore, respectfully requests waiver of the requirement to provide this or any additional information in a separate Exhibit J.

J. Section 33.2(h): If the Transaction Involves Physical Property of Any Party, the Applicants Must Provide a General or Key Map Showing In Different Colors the Properties of Each Party to the Transaction.

The Transaction does not involve a merger or other combination of jurisdictional facilities, and a map would not provide the Commission with information relevant to its analysis of the Transaction. Applicant, therefore, respectfully requests a waiver of the requirement to provide a map in Exhibit K.

³³ See *EIF Berkshire Holdings, LLC*, 116 FERC ¶ 61,273 (2006).

- K. Section 33.2(i): If The Applicant Is Required To Obtain Licenses, Orders, or Other Approvals From Other Regulatory Bodies In Connection With the Transaction, the Applicant Must Identify the Regulatory Bodies and Indicate the Status of Other Regulatory Actions, and Provide a Copy of Each Order of Those Regulatory Bodies That Relates to the Transaction.**

None.

- L. Section 33.2(j)(1): Explanation Providing Assurance That the Transaction Will Not Result in Cross-Subsidization or Pledge or Encumbrance of Utility Assets**

See Exhibit M.

VI. REQUEST FOR CONFIDENTIAL TREATMENT

Pursuant to Section 388.112 of the Commission's regulations,³⁴ Applicant requests confidential treatment for Exhibit I because the material therein contains sensitive commercial and financial information that is privileged or confidential and not publicly available. If such information were to become public, it would harm the parties in future negotiations for similar transactions and in structuring future investments. Applicant has attached a draft protective agreement as Attachment 2 to this Application in accordance with Section 33.8(a) of the Commission's regulations.³⁵

VII. ACCOUNTING TREATMENT

Consistent with the waivers customarily granted entities that have market-based rate authority, Applicant is not required to maintain its books of account in

³⁴ 18 C.F.R. § 388.112.

³⁵ 18 C.F.R. § 33.8(a).

accordance with the Commission's Uniform System of Accounts in Part 101 of the Commission's regulations. Therefore, Applicant has not, pursuant to 18 C.F.R. § 33.5, presented proposed accounting entries to its books or financial statement showing the effect of the Transaction.

VIII. VERIFICATION

Applicant has provided the verification required under Section 33.7 of the Commission's regulations in Attachment 1.

IX. CONCLUSION

For the reasons stated herein, Applicant respectfully requests that the Commission approve this Application without modification or condition. The Applicant respectfully requests that the Commission grant expedited treatment to this Application and issue its order on or before October 23, 2015 to accommodate closing of the Transaction as soon as possible thereafter.

Respectfully submitted,

/s/ Deborah A Carpentier

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September 23, 2015

Attorneys for CPV Sentinel, LLC

List of Exhibits¹

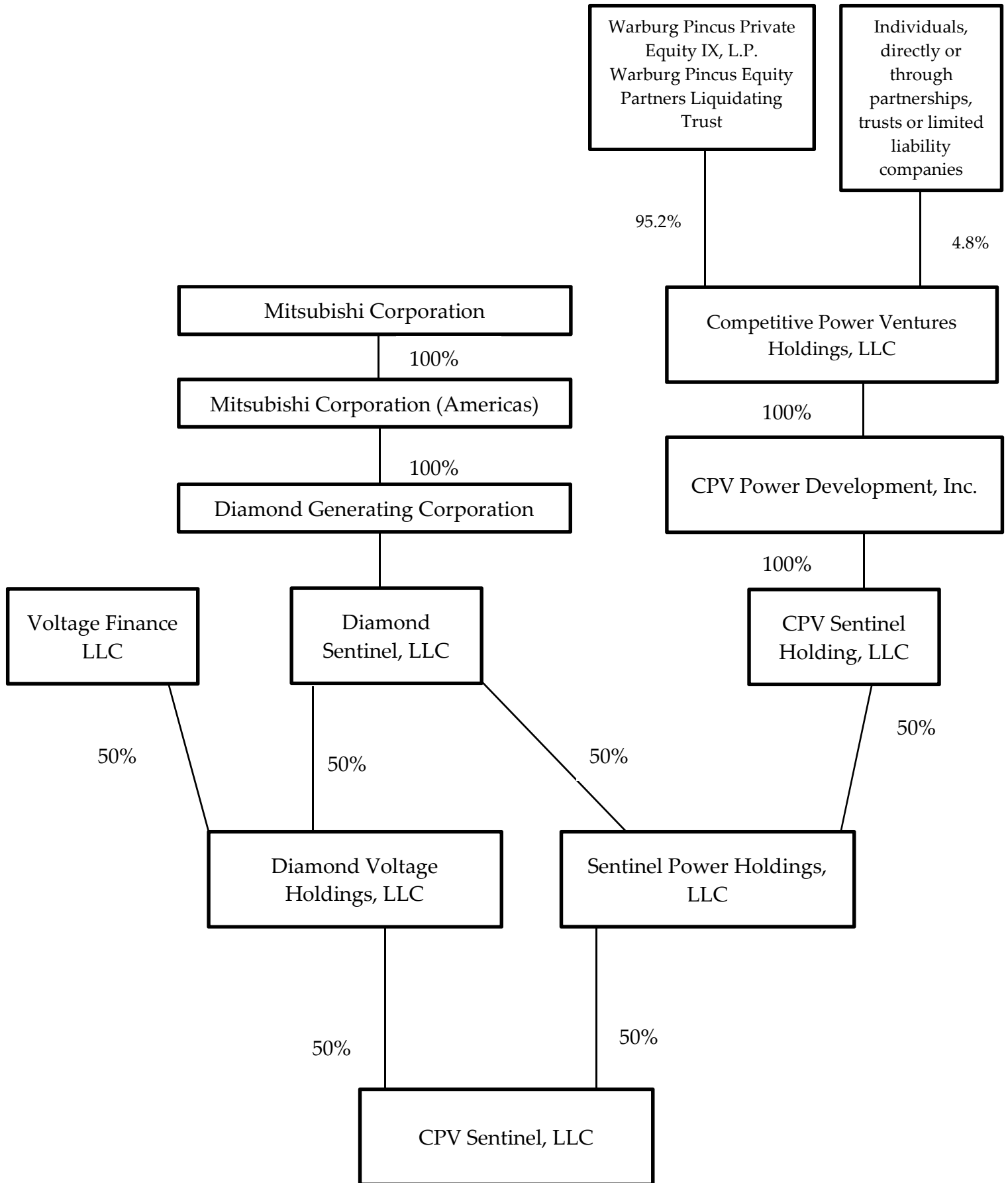
Exhibit C	Pre- and Post-Transaction Organizational Charts
Confidential Exhibit I	Summary of Terms and Conditions of Transaction
Exhibit M	Explanation Providing Assurance that the Transactions Will Not Result in Cross-Subsidization or Pledge or Encumbrance of Utility Assets

¹Unless otherwise defined in the Exhibits, capitalized terms used in the Exhibits have the meaning ascribed to them in the Application.

Exhibit C

Pre- and Post-Transaction Organizational Charts

PRE-TRANSACTION ORGANIZATIONAL STRUCTURE



POST-TRANSACTION ORGANIZATIONAL STRUCTURE

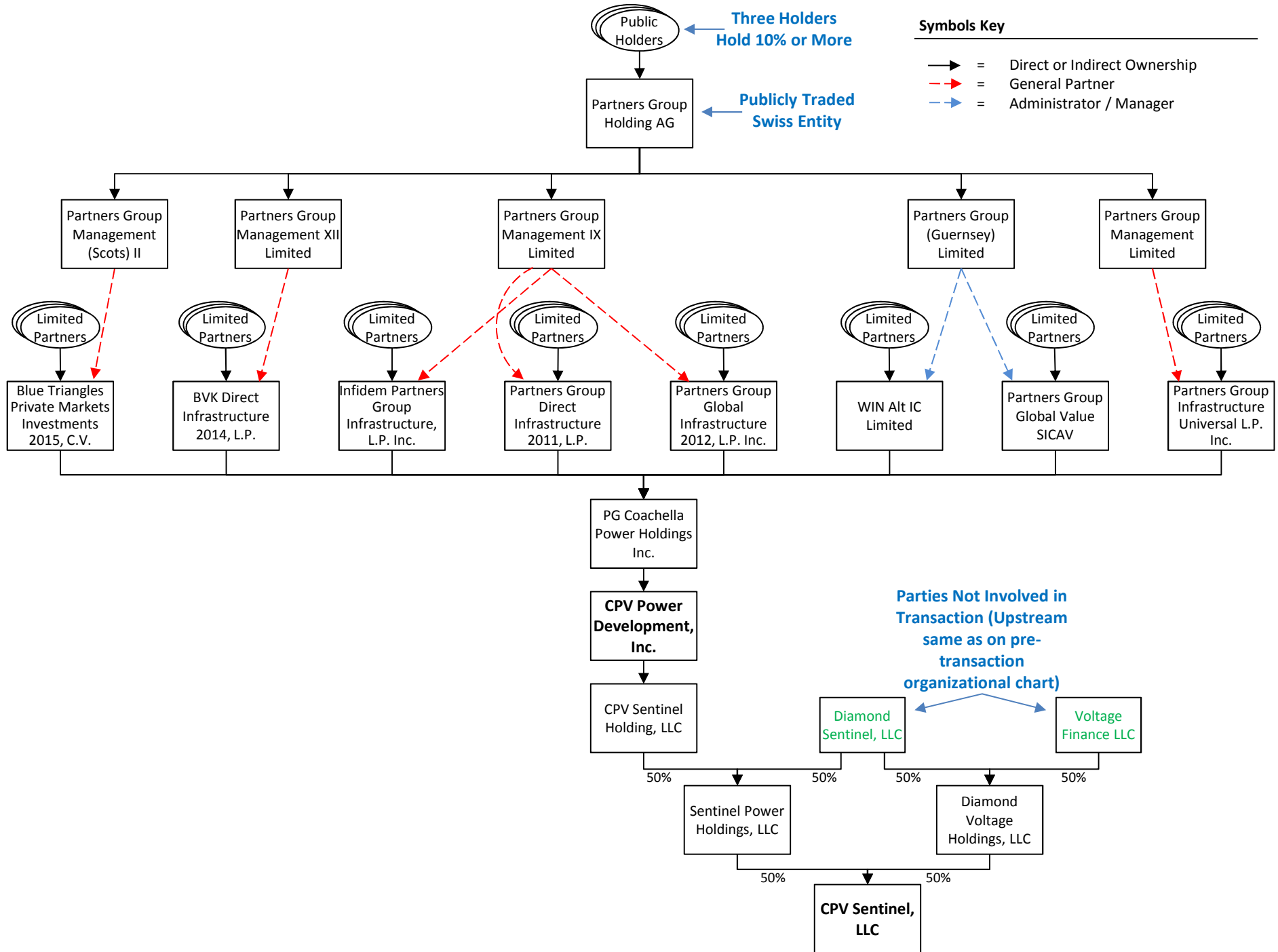


Exhibit I

PUBLIC VERSION

**PRIVILEGED AND CONFIDENTIAL INFORMATION
AND PROTECTED MATERIALS HAVE BEEN REMOVED
PURSUANT TO 18 C.F.R. § 388.112**

Exhibit M

EXPLANATION PROVIDING ASSURANCE THAT THE TRANSACTION WILL NOT RESULT IN CROSS-SUBSIDIZATION OR PLEDGE OR ENCUMBRANCE OF UTILITY ASSETS

Based on the facts and circumstances known to Applicants or that are reasonably foreseeable, the Transaction will not result in, at the time of such Transaction or in the future, cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company. The Transaction does not involve a franchised public utility with captive customers and, therefore, falls within one of the safe harbors set forth in the *Supplemental Policy Statement*.¹ The Commission has recognized that “the detailed explanation and evidentiary support required by Exhibit M may not be warranted” for a safe harbor transaction,² and that, as a general matter “there is no potential for harm to customers” in the case of such transaction.³

Furthermore, in accordance with Section 33.2(j)(1)(ii) of the Commission’s regulations,⁴ Applicant verifies that based on facts and circumstances known to it or that is reasonably foreseeable, the Transaction will not, at the time of their respective completion or in the future, result in:

- (1) Any transfer of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company;
- (2) Any new issuance of securities by a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company;
- (3) Any new pledge or encumbrance of assets of a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; or

¹See FPA Section 203 *Supplemental Policy Statement*, 72 Fed. Reg. 42277, at P 17 (Aug. 2, 2007) (“*Supplemental Policy Statement*”).

²*Id.* at P 15.

³*Id.* at P 17.

⁴18 C.F.R. § 33.2(j)(1)(ii).

Exhibit M

- (4) Any new affiliate contract between a non-utility associate company and a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, other than non-power goods and services agreements subject to review under sections 205 and 206 of the Federal Power Act.

Attachment 1

Verification

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

CPV Sentinel, LLC) Docket No. EC15-___-000

Verification of Mark McDaniels

I, Mark McDaniels, verify under penalty of perjury that I have knowledge of the matters set forth in the foregoing Application for Authorization Under Section 203 of the Federal Power Act and Request for Waivers, Confidential Treatment, Expedited Action and Shortened Comment Period (the "Application"); that I have read the foregoing Application and know the contents thereof; and that all of the statements contained therein are true and correct to the best of my knowledge, information and belief.

Executed on the ^{23rd} day of September 2015.



Mark McDaniels
Authorized Signatory on behalf of
CPV Sentinel, LLC

Attachment 2

Draft Protective Agreement

PROTECTIVE AGREEMENT

This Protective Agreement (“Agreement”) is entered into this ___ day of _____, 2015 by and between _____ (“Applicants”) and _____ (“Intervenor”), and shall govern the use of all Protected Materials produced by Applicants to Intervenor, or vice versa, in connection with the proceeding before the Federal Energy Regulatory Commission (the “Commission”) in Docket No._____. Applicants and Intervenor are sometimes referred to herein individually as a “Party” or jointly as the “Parties.”

1. Applicants filed Protected Materials in the captioned Commission proceeding and Intervenor is a Participant in such proceeding, as the term Participant is defined in 18 C.F.R. § 382.102(b), or has filed a motion to intervene or a notice of intervention in such proceeding. Applicants and Intervenor enter into this Agreement in accordance with their respective rights and obligations set forth in 18 C.F.R. § 388.112(b)(2). Notwithstanding any order terminating such proceeding, this Agreement shall remain in effect until specifically modified or terminated by the Commission or court of competent jurisdiction.

2. This Agreement applies to the following two categories of Protected Materials: (A) a Party may designate as protected those materials which customarily are treated by that Party as sensitive or proprietary, which are not available to the public, and which, if disclosed freely, would subject that Party or its customers to risk of competitive disadvantage or other business injury; and (B) a Party shall designate as protected those materials which contain critical energy infrastructure information, as defined in 18 C.F.R. § 388.113(c)(1) (“Critical Energy Infrastructure Information”).

3. Definitions – For purposes of this Order:

(a) (1) The term “Protected Materials” means (A) materials provided by a Party in association with this proceeding and designated by such Party as protected; (B) any information contained in or obtained from such designated materials; (C) any other materials that are made subject to this Protective Order by the Commission, by any court or other body having appropriate authority, or by agreement of the Participants; (D) notes of Protected Materials; and (E) copies of Protected Materials. The Party producing the Protected Materials shall physically mark them on each page as “PROTECTED MATERIALS” or with words of similar import as long as the term “Protected Materials” is included in that designation to indicate that they are Protected Materials. If the Protected Materials contain Critical Energy Infrastructure Information, the Party producing such information shall additionally mark on each page containing

such information the words “Contains Critical Energy Infrastructure Information—“Do Not Release.”

(2) The term “Notes of Protected Materials” means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in Paragraph 3(a)(1). Notes of Protected Materials are subject to the same restrictions provided in this Agreement for Protected Materials except as specifically provided in this Agreement.

(3) Protected Materials shall not include (A) any information or document contained in the publicly available files of the Commission or of any other federal or state agency, or any federal or state court, unless the information or document has been determined to be protected by such agency or court, or (B) information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Agreement, or (C) any information or document labeled as “Non-Internet Public” by a Party, in accordance with Paragraph 30 of FERC Order No. 630, FERC Stats. & Regs. ¶ 31,140 (2003). Protected Materials do include any information or documents contained in the files of the Commission that have been designated as Critical Energy Infrastructure Information.

(b) The term “Non-Disclosure Certificate” shall mean the certificate annexed hereto by which Reviewing Representatives have been granted access to Protected Materials shall certify their understanding that such access to Protected Materials is provided pursuant to the terms and restrictions of this Agreement, and that they have read the Agreement and agree to be bound by it. Each Party shall provide a copy of the Non-Disclosure Certificate(s) executed by its Reviewing Representative(s) to the other Party prior to such Reviewing Representative(s) receiving access to any Protected Materials.

(c) The term “Reviewing Representative” shall mean a person who has signed a Non-Disclosure Certificate and who is:

- (1) an attorney retained by a Party for purposes of this proceeding;
- (2) attorneys, paralegals, and other employees associated for purposes of this proceeding with an attorney described in Paragraph (3)(c)(1);
- (3) an expert or an employee of an expert retained by a Party for the purpose of advising, preparing for or testifying in this proceeding;

(4) a person designated as a Reviewing Representative by order of the Commission; or

(5) employees or other representatives of a Party with significant responsibility for matters involving this proceeding.

4. Protected Materials shall be made available under the terms of this Agreement only to Parties and only through their Reviewing Representative(s) as provided in Paragraphs 7–9.

5. Protected Materials shall remain available to a Party until the later of the date that an order terminating this proceeding becomes no longer subject to judicial review, or the date that any other Commission proceeding relating to the Protected Material is concluded and no longer subject to judicial review. If requested to do so in writing after that date, the Party shall, within fifteen days of such request, return the Protected Materials (excluding Notes of Protected Materials) to the Party that produced them, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and Notes of Protected Materials may be retained, if they are maintained in accordance with Paragraph 6, below. Within such time period the Party, if requested to do so, shall also submit to the producing Party an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials have been returned or have been destroyed or will be maintained in accordance with Paragraph 6. To the extent Protected Materials are not returned or destroyed, they shall remain subject to this Agreement.

6. All Protected Materials shall be maintained by the Party in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8–9.

7. Protected Materials shall be treated as confidential by the Party and its Reviewing Representative(s) in accordance with the certificate executed pursuant to Paragraph 9. Protected Materials shall not be used except as necessary for the conduct of this proceeding, nor shall they be disclosed in any manner to any person except a Reviewing Representative who is engaged in the conduct of this proceeding and who needs to know the information in order to carry out that person's responsibilities in this proceeding. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials.

8. (a) If a Reviewing Representative's scope of employment includes the marketing of energy or the buying or selling of electric generation or transmission assets, the direct supervision of any employee or employees whose duties include the foregoing, the provision of consulting services to any person whose duties include the foregoing, or the direct supervision of any employee or employees whose duties include the foregoing, such Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give any Party or any competitor of any Party a commercial advantage.

(b) In the event that a Party wishes to designate as a Reviewing Representative a person not described in Paragraph 3(c) above, the Party shall seek agreement from the Party providing the Protected Materials. If an agreement is reached that person shall be a Reviewing Representative pursuant to Paragraphs 3(c) above with respect to those materials. If no agreement is reached, the Party shall submit the disputed designation to the Commission for resolution.

9. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Protected Materials pursuant to this Agreement unless that Reviewing Representative has first executed a Non-Disclosure Certificate; provided, that if an attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under the attorney's instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be provided to counsel for the Party asserting confidentiality prior to disclosure of any Protected Material to that Reviewing Representative.

(b) Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with this Agreement.

10. Any Reviewing Representative may disclose Protected Materials to any other Reviewing Representative as long as the disclosing Reviewing Representative and the receiving Reviewing Representative both have executed a Non-Disclosure Certificate. In the event that any Reviewing Representative to whom the Protected Materials are disclosed ceases to be engaged in these proceedings, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraph 3(c), access to Protected Materials by that person shall be terminated. Even if no longer engaged in this proceeding, every person who has executed a Non-Disclosure Certificate shall continue to be bound by the provisions of this Agreement and the certification.

11. Subject to Paragraph 18, the Commission shall resolve any disputes arising under this Agreement. Prior to presenting any dispute under this Agreement to the Commission, the parties to the dispute shall use their best efforts to resolve it. If a Party contests the designation of materials as protected, it shall notify the Party that provided the Protected Materials by specifying in writing the materials whose designation is contested. This Agreement shall automatically cease to apply to such materials five (5) business days after the notification is made unless the Party, within said 5-day period, files a motion with the Commission, with supporting affidavits, demonstrating that the materials should continue to be protected. In any challenge to the designation of materials as protected, the burden of proof shall be on the Party seeking protection. If the Commission finds that the materials at issue are not entitled to protection, the procedures of Paragraph 18 shall apply. The procedures described above shall not apply to Protected Materials designated by a Party as Critical Energy Infrastructure Information. Materials so designated shall remain protected and subject to the provisions of this Agreement unless a Party requests and obtains a determination from the Commission's Critical Energy Infrastructure Information Coordinator that such materials need not remain protected.

12. All copies of all documents reflecting Protected Materials, including the portion of any hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed and served in sealed envelopes or by other appropriate means endorsed to the effect that they are protected pursuant to this Agreement. Such documents shall be marked "PROTECTED MATERIALS" and shall be filed under seal and served under seal upon the Commission and all Reviewing Representatives who are on the service list. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information Do Not Release." For anything filed under seal, redacted versions or, where an entire document is protected, a letter indicating such, will also be filed with the Commission and served on all parties on the service list. Counsel for the producing Party shall, upon the request of a Party, provide a list of Reviewing Representatives who are entitled to receive such material. Counsel shall take all reasonable precautions necessary to assure that Protected Materials are not distributed to unauthorized persons.

13. If any Party desires to include, utilize or refer to any Protected Materials or information derived therefrom in pleadings, testimony or exhibits to these proceedings in such a manner that might require disclosure of such material to persons other than Reviewing Representatives, such Party shall first notify both counsel for the disclosing Party and the Commission of such desire, identifying with particularity each of the

Protected Materials. Thereafter, use of such Protected Materials will be governed by procedures determined by the Commission.

14. Nothing in this Agreement shall be construed as precluding any Party from objecting to the use of Protected Materials on any legal grounds.

15. Nothing in this Agreement shall preclude any Party from requesting the Commission or any other body having appropriate authority to find that this Agreement should not apply to all or any materials previously designated as Protected Materials pursuant to this Agreement. The Commission may alter or amend this Agreement as circumstances warrant at any time during the course of this proceeding.

16. The Parties may amend this Agreement only by mutual consent and in writing; provided, however, that a Party has the right to seek changes to this Agreement as appropriate from the Commission.

17. All Protected Materials filed with the Commission or any other judicial or administrative body, in support of, or as a part of, a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate means bearing prominent markings indicating that the contents include Protected Materials subject to this Agreement. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information – Do Not Release."

18. If the Commission finds at any time in the course of this proceeding that all or part of the Protected Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Agreement for three (3) business days from the date of issuance of the Commission's decision, and if the Party seeking protection files an interlocutory appeal or requests that the issue be certified to the Commission, for an additional seven (7) business days. No Party waives its rights to seek additional administrative or judicial remedies after the Commission's decision respecting Protected Materials or Reviewing Representatives, or the Commission's denial of any appeal thereof. The provisions of 18 C.F.R. §§ 388.112 and 388.113 shall apply to any requests for Protected Materials in the files of the Commission under the Freedom of Information Act (5 U.S.C. § 552).

19. Nothing in this Agreement shall be deemed to preclude any Party from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this Agreement.

20. No Party waives the right to pursue any other legal or equitable remedies that may be available in the event of actual or anticipated disclosure of Protected Materials.

21. The contents of Protected Materials or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with this Agreement and shall be used only in connection with this proceeding. Any violation of this Agreement and of any Non-Disclosure Certificate executed hereunder shall constitute a violation of an order of the Commission.

IN WITNESS WHEREOF, the Parties each have caused this Protective Agreement to be signed by their respective duly authorized representatives as of the date first set forth above.

By: _____

By:

Name: _____

Name:

Title: _____

Title:

Representing Applicants

Representing Intervenor

NON-DISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Protective Agreement dated _____ by and between [Applicant] and [Intervenor] concerning materials in Federal Energy Regulatory Commission Docket No. _____, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by it. I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with that Protective Agreement. I acknowledge that a violation of this certificate constitutes a violation of an order of the Federal Energy Regulatory Commission.

By: _____
Name: _____
Title: _____

Representing:

Document Content(s)

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