

**PUBLIC VERSION:
PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED
18 C.F.R. § 388.112**

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

FPL Energy Marcus Hook, L.P.
FPL Energy MH50, L.P.
NatGas Holdings 2, L.L.C.

Docket No. EC16-____-000

**JOINT APPLICATION
FOR AUTHORIZATION UNDER SECTION 203 OF THE FEDERAL POWER ACT
AND REQUESTS FOR CONFIDENTIAL TREATMENT AND WAIVERS**

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Pursuant to sections 203(a)(1)(A) and 203(a)(2) of the Federal Power Act (“FPA”),¹ and Part 33 of the regulations of the Federal Energy Regulatory Commission (“FERC” or the “Commission”),² FPL Energy Marcus Hook, L.P. (“Marcus Hook”), FPL Energy MH50, L.P. (“MH50”), and NatGas Holdings 2, L.L.C. (“NatGas” or “Purchaser”) collectively, the “Applicants,” hereby submit this application (“Application”) requesting Commission authorization for a proposed transaction (“Transaction”) involving a change in the upstream ownership of Marcus Hook and MH50. Upon consummation of the Transaction, Marcus Hook and MH50 will be indirect wholly owned subsidiaries of Purchaser.

¹ 16 U.S.C. §§ 824b(a)(1)(A) and 824b(a)(2).

² 18 C.F.R. Part 33; *see also Inquiry Concerning the Commission’s Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, FERC Stats. & Regs. ¶ 31,044 (1996), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321 (1997) (the “*Merger Policy Statement*”); *Revised Filing Requirements Under Part 33 of the Commission’s Regulations*, Order No. 642, FERC Stats. & Regs. ¶ 31,111 (2000), *order on reh’g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001) (“*Order No. 642*”); *FPA Section 203 Supplemental Policy Statement*, 120 FERC ¶ 61,060 (2007), *order on clarification*, 122 FERC ¶ 61,157 (2008) (the “*Supplemental Policy Statement*”); *Transactions Subject to FPA Section 203*, Order No. 669, FERC Stats. & Regs. ¶ 31,200 (2005) (“*Order No. 669*”), *order on reh’g*, Order No. 669-A, FERC Stats. & Regs. ¶ 31,214 (2006), *order on reh’g*, Order No. 669-B, FERC Stats. & Regs. ¶ 31,225 (2006).

Applicants respectfully request, as described herein and consistent with Commission precedent, that the Commission grant limited waivers of its Part 33 filing requirements to the extent that the information required by Part 33 is not necessary to determine that the Transaction meets the statutory requirements of FPA Section 203.³

As described below in Section III, the proposed Transaction is consistent with the public interest as required by FPA Section 203. Applicants respectfully request that the Commission issue an order approving the proposed Transaction on or before October 1, 2016, so that the parties can close the Transaction pursuant to the terms of the Purchase and Sale Agreement (“PSA”) governing the Transaction. The proposed Transaction: (1) does not involve a merger; (2) is consistent with Commission precedent; and (3) does not require an Appendix A analysis.

I. REQUEST FOR CONFIDENTIAL TREATMENT

Pursuant to sections 33.8 and 388.112 of the Commission’s regulations, Applicants request confidential treatment of the PSA, which is included as Exhibit I hereto.⁴ The PSA contains commercially sensitive and financial information, is not publicly available, and is the product of confidential commercial negotiations among the parties thereto. Accordingly, public disclosure of the PSA would subject Applicants to competitive harm and could severely hinder each in its ability to engage in future negotiations for similar transactions.

Pursuant to section 388.112 of the Commission’s regulations, Applicants electronically submit one (1) copy of the privileged and confidential version of this Application that is marked “Non-Public Version: Contains Privileged and Confidential Information — Do Not Release

³ See, e.g., *Nat’l Energy & Gas Transmission, Inc.*, 108 FERC ¶ 62,148 (2004); *Northbrook N.Y., LLC*, 130 FERC ¶ 62,128 (2010); *EBG Holdings LLC*, 119 FERC ¶ 62,172 (2007); *MACH Gen, LLC*, 113 FERC ¶ 61,138 (2005); *Boston Generating, LLC*, 113 FERC ¶ 61,109 (2005); *La Paloma Holding Co., LLC*, 112 FERC ¶ 61,052 (2005); *Lake Road Holding Co., LLC*, 112 FERC ¶ 61,051 (2005); see also Order No. 642 at ¶ 62,035.

⁴ 18 C.F.R. §§ 33.8, 388.112.

Pursuant to 18 C.F.R. § 388.112” and request that the Commission place it in its non-public files. Applicants also submit a public version of this Application, with the privileged and confidential material removed.⁵ Applicants understand that Commission staff will notify them in advance of any public disclosure of any information contained in Exhibit I.

In accordance with section 388.112(b)(2)(ii) of the Commission’s regulations,⁶ a form of protective order adapted from the Commission’s Model Protective order is attached to this application at Attachment 2.

II. BACKGROUND

A. Description of Applicants and Relevant Affiliates

1. Marcus Hook, MH50, and Relevant Affiliated Entities

Marcus Hook, a Delaware limited partnership, owns a natural gas-fired facility with a summer capacity rating of 785.7 MW and a winter capacity rating of 845.5 MW.⁷ The facility is located in Marcus Hook, Pennsylvania and in New Castle County, Delaware and is interconnected with the PJM Interconnection, L.L.C. (“PJM”) transmission system, within the PJM East submarket (“Marcus Hook Project”). The Commission has previously granted Marcus Hook authorization to sell energy, capacity and ancillary services at market-based rates⁸ and has accepted a rate schedule for Reactive Supply and Voltage Control from Generation Sources Service from its facility.⁹ The Commission also has found Marcus Hook to be an exempt

⁵ 18 C.F.R. § 388.112(b).

⁶ 18 C.F.R. § 388.112(b)(2)(ii).

⁷ The capacity numbers in this Application are the seasonal (summer) capacities reported in the Energy Information Administration (“EIA”) database for 2015.

⁸ *See FPL Energy Marcus Hook, L.P.*, Docket No. ER02-1903-000 (Jul. 8, 2002) (unpublished letter order).

⁹ *See FPL Energy Marcus Hook, L.P.*, 113 FERC ¶ 61,039 (2005).

wholesale generator.¹⁰ Marcus Hook has entered into a long-term contract with Long Island Power Authority (“LIPA”) to sell 685 MW of capacity from the facility to LIPA; however Applicants have attributed this capacity to Marcus Hook in their market power analysis.

MH50, a Delaware limited partnership, owns a natural gas-fired cogeneration facility with a summer capacity rating of 48 MW and a winter capacity rating of 50 MW. The facility is located in Marcus Hook, Pennsylvania and interconnected with the PJM transmission system, within the PJM East submarket (“MH50 Project”). The Commission has granted MH50 authorization to sell energy, capacity and ancillary services at market-based rates¹¹ and has accepted a rate schedule for Reactive Supply and Voltage Control from Generation Sources Service from its facility.¹² The Commission also has found MH50 to be an exempt wholesale generator.¹³

Marcus Hook is 1%-owned by FPL Energy MH700, LLC (“MH700”), its general partner, and 99%-owned by FPL Energy Marcus Hook LLC (“MH LLC”), its limited partner. MH700 is wholly owned by MH LLC. MH50 is 1%-owned by FPL Energy MH50 GP, LLC (“MH50 GP”), its general partner, and 99%-owned by FPL Energy MH50 LP, LLC (“MH50 LP”), its limited partner. Marcus Hook and MH50 are wholly-owned, indirect subsidiaries of ESI Energy, LLC (“Seller”), which is wholly-owned by NextEra Energy Resources, LLC (“NextEra Resources”), a Delaware limited liability company, which in turn is a wholly-owned, indirect subsidiary of NextEra Energy, Inc. (“NextEra”). NextEra Resources is the merchant power subsidiary of NextEra. NextEra Resources’ subsidiaries currently own or operate merchant

¹⁰ See *FPL Energy Marcus Hook, L.P.*, 97 FERC ¶ 62,276 (2001).

¹¹ See *Green Power Partners I LLC, et al.*, 87 FERC ¶ 62,114 (1999).

¹² See *FPL Energy MH50, L.P.*, 96 FERC ¶ 61,035 (2001).

¹³ See *FPL Energy MH50, L.P.*, 87 FERC ¶ 62,114 (1999).

generating facilities in 25 States and Canada with a combined net generating capacity of over 20,000 MW.¹⁴ Within the PJM region, the following NextEra Resources entities own or otherwise control 729.2 MW of capacity in addition to the Marcus Hook Project and the MH50 Project, with each having been granted market based rate authorization in the indicated dockets:

Backbone Mountain Windpower LLC	66 MW	ER02-2559
Energy Storage Holdings, LLC	1.8 MW	ER13-752
FPL Energy Illinois Wind, LLC	217.5 MW	ER10-402
Green Mountain Storage, LLC	10.4 MW	ER15-2601
Mantua Creek Solar, LLC	5 MW	ER14-1630
Meyersdale Storage, LLC	18 MW	ER15-2602
Meyersdale Windpower LLC	30 MW	ER04-290
Mill Run Windpower LLC	15 MW	ER01-1710
Northeast Energy Associates, L.P.	292 MW	ER05-236
Somerset Windpower LLC	9 MW	ER01-2139
Waymart Wind Farm L.P.	64.5 MW	ER03-1375

None of the foregoing entities are affected by the Transaction and the capacity they own or control will remain under their ownership or control after consummation of the Transaction.

NextEra Resources’ subsidiaries own various interconnection facilities used solely for connecting generating facilities to the transmission grid. In some instances, the Commission has required NextEra Resources’ subsidiaries to file an Open Access Transmission Tariff (“OATT”) after receiving a request for service from a third party. First, certain NextEra Resources subsidiaries have an ownership interest in Sagebrush, which filed an OATT on December 7, 2009 in Docket No. EL10-23-000.¹⁵ Second, the Commission directed Sky River, LLC to submit an OATT for transmission service over the Wilderness Line for non-owners, which was submitted to the Commission on April 1, 2011 in Docket No. ER11-3277-000.¹⁶ In addition, a

¹⁴ Substantial interests in some of these facilities are held by NextEra Energy Partners, LP (“NEEP”), a publicly-traded “yieldco” whose shares are traded on the New York Stock Exchange.

¹⁵ *Sagebrush, a California Partnership*, 130 FERC ¶ 61,093, *order on reh’g.*, 132 FERC ¶ 61,234 (2010).

¹⁶ *Sky River LLC*, 136 FERC ¶ 61,162 (2011).

number of other subsidiaries have received waivers from the Commission’s open access policies in connection with joint use of interconnection facilities by affiliated companies.¹⁷ These have since been superseded by the blanket waiver granted by the Commission in Order No. 807.¹⁸

NextEra also owns Florida Power & Light Company (“FPL”), a franchised public utility that provides wholesale and retail electric service to customers in the State of Florida. To serve this load, FPL owns approximately 24,100 MW of generation in peninsular Florida. FPL’s transmission facilities are located within the State of Florida and are administered pursuant to the FPL OATT, which is on file with the Commission.¹⁹

Additionally, NextEra owns NextEra Energy Transmission, LLC (“NEET” and f/k/a U.S. Transmission Holdings, LLC), which in turn owns New Hampshire Transmission, LLC (“NHT”), a public utility that owns a single transmission asset, the Seabrook Substation, located in Seabrook, New Hampshire. NHT provides wholesale transmission service to its affiliate, NextEra Energy Seabrook, LLC, through a Local Network Service Tariff on file with the Commission.²⁰ ISO New England, Inc. has operational control of the regional transmission facilities associated with the Seabrook Substation.²¹ NEET also owns Lone Star Transmission,

¹⁷ See *Peetz Table Wind Energy, LLC*, 123 FERC ¶ 61,192 (2008); *FPL Energy Oliver Wind, LLC*, 123 FERC ¶ 61,246 (2008); *Ashtabula Wind, LLC*, 127 FERC ¶ 61,215 (2009); 134 FERC ¶ 61,056 (2011); *Langdon Wind, LLC*, 127 FERC ¶ 61,212 (2009); *Crystal Lake Wind, LLC*, 127 FERC ¶ 61,213 (2009); *Story Wind, LLC*, 128 FERC ¶ 61,080 (2009); *Minco Wind Interconnection Services, LLC*, 137 FERC ¶ 61,224 (2011); *High Majestic Wind Energy Center, LLC*, 139 FERC ¶ 61,220 (2012); *Limon Wind, LLC*, 141 FERC ¶ 61,064 (2012); *Sky River LLC*, 143 FERC ¶ 61,241 (2013); *Genesis Solar, LLC*, 145 FERC ¶ 61,142 (2013); *Desert Sunlight 250, LLC*, 145 FERC ¶ 61,065 (2013); *Palo Duro Interconnection, LLC*, 149 FERC ¶ 61,205 (2014); *Seiling Wind Interconnection Services, LLC*, 149 FERC ¶ 61,155 (2014); *FPL Energy Oklahoma Wind, LLC*, 149 FERC ¶ 61,131(2014); and, *Limon Wind II, LLC and Limon Wind III, LLC*, 150 FERC ¶ 61,136 (2015).

¹⁸ *Open Access and Priority rights on Interconnection Customer’s Interconnection Facilities*, 150 FERC ¶ 61,211 (2015), Order No. 807, at P 89.

¹⁹ FPL FERC Electric Tariff, 2nd Revised Volume No. 6.

²⁰ New Hampshire Transmission, LLC, FERC Electric Tariff No. 3.

²¹ See ISO New England, Inc. FERC Electric Tariff No. 3, Schedule 21 NHT, Original Sheet No. 4200.

LLC, a non-jurisdictional electric transmission service provider in Texas that is subject to regulation by the Public Utility Commission of Texas.

Finally, NextEra Energy Transmission West, LLC (“NEET West”), a wholly-owned subsidiary of NEET, filed in 2015 a request for Commission approval of (i) an initial Transmission Owner Tariff including a formula rate designed to calculate NEET West’s annual transmission revenue requirement; and (ii) approval of certain incentive rate treatments for NEET’s investment in two transmission projects to be developed as a part of the California Independent System Operator (“CAISO”) controlled grid.²² NEET does not own, control or have under development any transmission facilities in the PJM market other than potential projects pursuant to competitive solicitations.

2. NatGas and Relevant Affiliated Entities

NatGas, a newly-formed Delaware limited liability company, is currently a wholly-owned subsidiary of NatGas Fund Holdings LLC (“NatGas Fund”), also a Delaware limited liability company, which in turn is wholly-owned by SEIF II U.S. Partnership Holdings II, L.L.C. (“SEIF II”). At the time the Transaction closes, NatGas will be approximately 33.3%-owned by NatGas Fund and approximately 66.7%-owned by NatGas Co-Invest Holdings 3, L.P. (“NatGas Co-Invest”),²³ with the limited partners of NatGas Co-Invest holding a purely passive interest in NatGas with no voting or equivalent rights.²⁴ The general partner of NatGas Co-Invest is indirectly managed and controlled exclusively by Starwood Energy Group Global,

²² See *NextEra Energy Transmission West, LLC*, Tariff Application, Docket No. ER15-2239 (July 22, 2015); *NextEra Energy Transmission West, LLC*, 154 FERC ¶ 61,009 (2016) (accepting and suspending the initial Transmission Owner Tariff, subject to condition and refund) (settlement proceedings pending).

²³ The name of this limited partnership may change.

²⁴ The limited partnership agreement for NatGas Co-Invest is expected to contain the same rights and restrictions that the Commission determined were passive in *Starwood Energy Group Global, L.L.C.*, 153 FERC ¶ 61,332, P 18 (2015), and as such, the upstream owners of NatGas Co-Invest do not need to be identified herein. *Id.* at P 21.

L.L.C. (“SEG”). Cornerstone Gas, L.L.C (“Cornerstone”), a newly-formed Delaware limited liability company, is a wholly owned subsidiary of Cornerstone Gas Holdings L.L.C (“Cornerstone Holdings”), which in turn is wholly owned by NatGas. SEIF II is an indirect subsidiary of funds managed and controlled exclusively by SEG.

Through certain entities it controls, SEG is the sole manager²⁵ of certain private equity funds that invest in power generation and transmission projects (collectively "Starwood Funds"). Investors in the Starwood Funds hold limited partnership interests in the Starwood Funds, either directly or through LLC holding company structures. The Commission has determined that such limited partnership interests are in each case purely passive in nature and in no case involve an exercise of control (including voting or equivalent rights in connection with any “jurisdictional facility” under the FPA) by any such unaffiliated investor over SEG, any of the Starwood Funds, or any “public utility” in which the Starwood Funds hold an interest.²⁶ SEG is not itself a “public utility” as that term is defined under the FPA; similarly, none of the Starwood Funds is a “public utility.” Instead, the Starwood Funds are investors in various energy-related business entities, a number of which investments are themselves FPA “public utilities.”²⁷ SEG is a private equity fund, focusing on energy infrastructure investments, including acquiring and holding interests in power generation and transmission projects. SEG is privately owned and controlled by a group of natural persons (or trusts or similar vehicles for the benefit of one or

²⁵ The SEG principals also from time to time hold non-voting limited partnership interests, in each case in a minority amount, in certain of the Starwood Funds which SEG manages.

²⁶ See *Starwood Energy Group Global, L.L.C.*, 153 FERC ¶ 61,332, P 17 (2015).

²⁷ The Starwood Funds also from time to time make non-voting, purely passive investments in energy projects and companies, customarily in the form of development or other loans or limited partnership investments which convey no voting rights. Such investments do not create “affiliate” relationships for any relevant purpose and involve no management, direction or control over such energy projects and companies. See *gen’ly Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. [Reg. Preambles] ¶ 31,252, PP 176-189 (2007) (“Order No. 697”); see also, *Starwood Energy Group Global, L.L.C.*, 153 FERC ¶ 61,332, P 21 (2015); *AES Creative Resources, L.P., et al.*, 129 FERC ¶ 61,239 (2009).

more individual persons), none of whom directly or indirectly controls or is affiliated with any electric generator or “public utility” other than through the Starwood Funds.

Except for two investors, which will own a minority interest, no unaffiliated limited partner investor will hold more than 10% equity interest in NatGas and all of the limited partner investors in NatGas will be passive and non-managing. The limited partner investors are expected to have no more than limited voting and consent rights that are customary and necessary to protect their investment interests, such as with respect to incurrence or forgiveness of debt, changes to the business, the disposal of substantially all of the assets, the filing of a petition for bankruptcy, and other actions of a similar business, financial or organizational nature, and in no event will those rights be greater than the rights that the Commission reviewed and approved in *Starwood Energy Group Global, L.L.C.*, 153 FERC ¶ 61,332, P 18 (2015). Accordingly, the indirect passive interests of the limited partner investors in NatGas will not give them any authority to manage, control or direct the day-to-day wholesale power sales or operations of the projects owned by Marcus Hook and MH50. Accordingly, the limited partner investors are not affiliated with NatGas.²⁸

SEG currently is a holding company for purposes of Section 203(a)(2) by virtue of its indirect ownership of Startrans IO, L.L.C. ("Startrans"), a limited liability company that holds minority interests in the Mead-Phoenix project ("MPP"), a 1,300 MW, 500-kilovolt ("kV") alternating current ("AC") transmission line extending from Arizona to southern Nevada, and in the Mead-Adelanto project ("MAP"), a 1,296 MW, 500-kV AC transmission line extending from southern Nevada to southern California. Startrans owns a 6.25% interest in the MAP. MPP

²⁸ See *Starwood Energy Group Global, L.L.C.*, 153 FERC ¶ 61,332, PP 17, 21 (2015); see also, *AES Creative Resources*, 129 FERC ¶ 61,239, at PP 25-26 (2009); Order No. 669 at P 144 (granting blanket authorization for the purchase of "any non-voting security that does not convey sufficient veto rights over management actions so as to convey control "); 18 C.F.R. § 33.1 (c)(2)(i) (same).

consists of three primary components, in which Startrans holds interests of 2.15%, 3.79% and 4.05%, respectively. SEG benefits from a waiver of certain accounting, record retention, and reporting requirements under the Public Utility Holding Company Act of 2005 as a single-state holding company and as an investor in an independent transmission-only company pursuant to Sections 366.3(c)(1) and 366.3(c)(3) of the Commission's regulations.²⁹

In the PJM market, Purchaser is affiliated with Hazleton Generation LLC, a Delaware limited liability company that owns and operates a natural gas and oil-fired electric generating facility with a summer rating of 145.6 MW and a winter rating of 150.9 MW located in Hazle Township, Luzerne County, Pennsylvania.³⁰ The Hazleton facility is located in the 5004/5005 submarket within PJM. Outside of the PJM market, Purchaser is affiliated with generation located in the New York Independent System Operator Inc., Electric Reliability Council of Texas, CAISO, and Gainesville balancing authority areas.

Except as noted above and for generation tie lines in Texas, neither Purchaser nor any of its affiliates operates or controls any transmission facilities.³¹

²⁹ See *FERC-65B Waiver Notification of Starwood Energy Group Global, L.L.C.*, Docket No. PH08-28-000 (May 23, 2008).

³⁰ Purchaser is also affiliated with Trishe Wind Ohio, LLC, a proposed 250 MW wind generation facility that currently is under development in Blue Creek and Latty townships in Paulding County, Ohio, located within PJM. However, because this project is in the early stages of construction, not yet operational, does not yet generate any power or have a jurisdictional tariff, it has not been included in Applicants' market power study.

³¹ Affiliates of SEG have indirect, passive, minority ownership interests in (1) Hudson Transmission Partners, LLC ("Hudson"), which owns a 660-MW, 345-kV merchant transmission line between Ridgefield, New Jersey and mid-town Manhattan, New York; and (2) New England Independent Transmission Company, L.L.C. ("NEITC"), which is developing a 660-MW high voltage DC underwater transmission line that will stretch approximately 140 miles to connect the coast of Maine with the city of Boston. Because affiliates of SEG hold only passive ownership interests in Hudson and NEITC and do not have control over Hudson or NEITC, neither SEG nor Purchaser is an energy affiliate of Hudson or NEITC. See *CalPeak Power - Border LLC, et al.*, Docket Nos. ER10-3071-001, *et al.*, (Aug. 29, 2013) (unpublished letter order); *Northampton Generating Co., L.P. et al.*, Docket Nos. ER12-281-004 (Aug 15, 2013) (unpublished letter order); see also *New England Transmission Co., L.L.C.*, 118 FERC ¶ 61,127 (2007). Moreover, the NEITC project is not yet operational, does not yet have any physical transmission facilities or any transmission tariffs, and does not render any transmission service. In addition, DCR Transmission, LLC, an affiliate of Starwood, is developing the Delaney-Colorado River Transmission Project, an approximately 114-mile, 500-kV line from the Delaney substation near Palo Verde Nuclear Generating Station in Arizona to the Colorado River substation in eastern Riverside County, California, near the border with Arizona. The Delaney-Colorado

A complete list of Purchaser's energy affiliates is provided in Exhibit B.

B. The Transaction

As described above and as shown in Exhibit C-1, Seller owns 100% of the equity interests in MH LLC, MH50 GP, and MH50 LP, which in turn own 100% of the partnership interests in Marcus Hook and MH50. As set out more fully in the confidential PSA provided in Exhibit I to the Application, upon receipt of Commission approval as requested herein, Seller will sell to Purchaser and Purchaser will purchase from Seller 100% of the equity interests in MH LLC, MH50 GP, and MH50 LP. As described in Exhibit C-2, upon consummation of the Transaction, Purchaser will indirectly own 100% of the partnership interests in Marcus Hook and MH50. Specifically, Purchaser will directly acquire MH50 LP and MH50 GP and Cornerstone (an indirect subsidiary of Purchaser) will directly acquire MH LLC. Upon consummation of the Transaction, Seller will no longer hold any interests in Marcus Hook and MH50.

III. THE TRANSACTION IS CONSISTENT WITH THE PUBLIC INTEREST

Section 203(a)(1)(A) of the FPA requires prior Commission authorization for a public utility to "sell, lease, or otherwise dispose of the whole of its facilities subject to the jurisdiction of the Commission, or any part thereof of a value in excess of \$10,000,000."³² Marcus Hook and

River Transmission Project is also not yet operational, does not yet have any physical transmission facilities or any transmission tariffs, and does not render any transmission service. SEG is also indirectly providing development capital as a lender to (1) the West Point Transmission Project, a proposed 80-mile, 1,000 MW underwater power cable running from Athens, New York to Buchanan, New York, and (2) the Hawaii Transmission Project, an undersea cable development project aiming to connect wind resource rich islands with Hawaii's main load center on Oahu. These projects are not affiliated with SEG or Purchaser. They are also not yet operational, do not yet have any physical transmission facilities or any transmission tariffs, and do not render any transmission service. SEG also indirectly provides development capital as a lender to, and affiliates of SEG own 90% of the equity interests in, JB MDL, a solar electric generation facility in New Jersey being developed pursuant to an Energy Enhanced Use Lease initiated by the United States Air Force to serve objectives of real estate asset optimization and long-term energy security. This project is also not yet operational, does not yet have any physical facilities, and is not yet producing or selling power.

³² 16 U.S.C. § 824b(a)(1)(A). See e.g., *JPMorgan Chase & Co.*, 123 FERC ¶ 61,088, P 13 (2008) (indirect transfers of control of jurisdictional facilities fall within the "or otherwise dispose" language of FPA § 203(a)(1)(A)).

MH50 are public utilities and the change in upstream ownership requires Commission authorization under FPA Section 203(a)(1)(A).

Section 203(a)(2) of the FPA requires prior Commission authorization for a "holding company that includes a transmitting utility, or an electric utility company" to "purchase, acquire or take any security with a value in excess of \$10,000,000 of, or, by any means whatsoever, directly or indirectly, merge or consolidate with, a transmitting utility, or an electric utility company, or a holding company in a holding company system that includes a transmitting utility or an electric utility company, with a value in excess of \$10,000,000."³³ Purchaser and Cornerstone are not holding companies; however, SEG and some of its subsidiaries are holding companies. Because neither SEG nor any of its subsidiary holding companies are directly acquiring facilities or indirectly merging facilities, they may not require authorization for the Transaction pursuant to Section 203(a)(2).³⁴ Nevertheless, out of an abundance of caution and in the interest of obtaining prompt approval of the Transaction, NatGas submits to the Commission's jurisdiction under Section 203(a)(2) for purposes of this Application and requests such authorization on behalf of itself and its upstream holding companies.³⁵

³³ 16 U.S.C. § 824b(a)(2).

³⁴ See *The Goldman Sachs Group, Inc.*, 114 FERC ¶ 61,118 (2006), *reh'g denied*, 115 FERC ¶ 61,303 (2006). See *Goldman Sachs Group, Inc.*, 114 FERC ¶ 61,118 at P 14 ("...the first part of section 203(a)(2), regarding acquisitions of securities, addresses direct acquisitions by holding companies, not indirect acquisitions of securities by holding companies"); see also *FPA Section 203 Supplemental Policy Statement*, 122 FERC ¶ 61,157 at P 58 n. 48 (restating the conclusion in *Goldman Sachs* that subsidiaries' securities acquisitions are not attributable to the upstream holding company and that "the upstream holding company also is not required to seek Section 203(a)(2) authorization for its subsidiaries' acquisitions"). Because NatGas is a subsidiary of certain holding companies that hold interests only in public utilities that are Exempt Wholesale Generators or Qualifying Facilities, to the extent applicable, such upstream holding companies require no authorization under FPA Section 203(a)(2) except for that granted automatically under 18 C.F.R. § 33.1(c)(8).

³⁵ See, e.g., *Southern Co.*, 92 FERC ¶ 62,260 (2000); *National Elec. Associates Ltd. P'ship*, 80 FERC ¶ 62,116, at 64,191 n. 2 (1997) (citing *Ocean State Power*, 47 FERC ¶ 61,321 (1989) (Commission makes no jurisdictional determination but assumes jurisdiction in light of the need for expedited action.)).

Section 203(a)(4) of the FPA, as amended by the Energy Policy Act of 2005, provides that the Commission shall approve a proposed transaction “if it finds that the proposed transaction will be consistent with the public interest, and will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company. . . .”³⁶ Furthermore, in accordance with the Merger Policy Statement and Order No. 642, the Commission examines three factors in analyzing whether a proposed transaction is consistent with the public interest: (1) the effect on competition, (2) the effect on rates, and (3) the effect on regulation.³⁷ As explained below, the Transaction should be approved because it is consistent with the public interest and will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company.

A. No Adverse Effect on Competition

1. The Transaction Raises No Horizontal Market Power Concerns

Section 33.3(a)(2)(i) of the Commission's regulations states that a horizontal competitive screen analysis is not required 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*. . . .”³⁸ The relevant geographic markets for purposes of evaluating the competitive effects of the proposed Transaction are the PJM market and the 5004/5005 submarket.³⁹

³⁶ 16 U.S.C. § 824b(a)(4).

³⁷ *See* Order No. 642.

³⁸ *See* 18 C.F.R. § 33.3(a)(2)(i).

³⁹ *See* Order No. 697 at P 231, n. 215.

The Transaction raises no horizontal market power concerns and no horizontal competitive screen analysis is required for the relevant market and submarkets because the extent of the overlap in these market/submarkets is *de minimis*.⁴⁰ The only generation capacity currently affiliated with NatGas in the PJM region is the 145.6 MW Hazleton facility located in the 5004/5005 submarket. Following the Transaction, NatGas and its affiliates will own a total of 979.3 MW (summer ratings) of generating capacity, which represents approximately 0.5% of the 178,492 MW of the total installed capacity in the PJM market, and 1.7% of the 58,479 MW of total installed capacity in the 5004/5005 submarket.⁴¹ This represents a *de minimis* share of generation capacity within the broader PJM market as well as the 5004/5005 submarket. Accordingly, the proposed Transaction does not raise any horizontal market power issues.

2. The Transaction Raises No Vertical Market Power Concerns

The Transaction presents no vertical market power concerns. Neither Purchaser nor any of its affiliates own essential inputs to electric power generation such as intrastate natural gas transportation, distribution or storage facilities, or sources of physical coal supplies or the transportation of coal supplies, such as barges and rail cars, in the United States. Except for the sites timely reported in site acquisition reports, or sites not subject to the Commission jurisdiction (*i.e.*, sites within ERCOT), neither Purchaser nor any of its affiliates currently owns

⁴⁰ While Commission regulations do not explicitly define the *de minimis* threshold, the Commission previously found that when the merging entities controlled 3.7% of the generating capacity in the relevant geographic market, the effect of the combination was *de minimis* and the transaction did not raise horizontal market power concerns. *Energy East Corporation, Iberdrola, S.A. and Their Public Utility Affiliates*, 121 FERC ¶ 61,236 at pp 13-14 (2007). See also *Granite Ridge Energy, LLC*, 134 FERC ¶ 62,272 at 2 (2011) (not requiring a horizontal competitive screen analysis under 18 C.F.R. § 33.3(a)(2) where Applicants had 1.1% and 2.2% of the installed capacity in the ISO-NE market and therefore satisfied the *de minimis* standard).

⁴¹ In calculating these numbers, Applicants used summer ratings as reported on Schedule 3 of the EIA Form 860 for 2015. The installed capacity numbers for PJM as a whole were taken from the PJM Market Summary statistics for January to March 2016. See Monitoring Analytics, LLC, State of the Market Report for PJM Q1 2016, at pg. 4, Table 1-1 (available at http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2016/2016q1-som-pjm.pdf) The market data for the 5004/5005 submarket is taken from the *Notice of Change in Status of the Exelon MBR Entities*, Docket No. ER10-2997, *et al.* (filed Apr. 22, 2016).

or controls any sites for generation capacity in any market. The proposed Transaction also does not involve any other essential inputs to electric generation. Further, the Transaction does not involve any transmission facilities, except for the limited and discrete facilities necessary to interconnect the Marcus Hook Project and MH50 Project to the PJM transmission system.

Therefore, the proposed Transaction raises no vertical market power concerns and no vertical competitive analysis is required.

B. No Adverse Effect on Rates

The proposed Transaction will not have an adverse effect on the rates charged to wholesale ratepayers. The Commission's primary concern in assessing the effect on rates is “the protection of wholesale ratepayers and transmission customers.”⁴² In making this assessment, the Commission will consider whether wholesale sales and transmission service customers will be protected from any adverse rate impacts as a result of the proposed Transaction.

Purchaser does not have any captive wholesale requirements customers. Nor does the Transaction involve any transmission rates or transmission customers. Wholesale sales from the Marcus Hook and MH50 Projects will continue to be made pursuant to those entities' market-based rate tariffs. Accordingly, the proposed Transaction has no adverse effect on rates.

C. No Adverse Effect on Regulation

The proposed Transaction will not affect the ability of the Commission to regulate the Applicants or related parties with respect to their Commission-jurisdictional activities. Following consummation of the proposed Transaction, the Commission will continue to have the same jurisdiction over the Applicants and related parties that it has now. No facilities will be removed

⁴² See *New England Power Co., et al.*, 82 FERC ¶ 61,179, 61,659 (1998), *order on reh'g*, 83 FERC ¶ 61,275 (1998).

from Commission jurisdiction as a result of the proposed Transaction. Moreover, the Transaction will have no adverse effect on state regulation.

D. The Transaction Will Not Result in Cross-Subsidization, a Pledge, or Encumbrance of Utility Assets

Under Section 203(a)(4) of the FPA and section 2.26(f) of the Commission's regulations, the Commission considers whether a proposed transaction will result in cross-subsidization of a non-utility associate company by a utility company, or in a pledge or encumbrance of utility assets for the benefit of an associate company.⁴³

The Transaction is within the scope of either of two "safe harbors" set forth by the Commission in its *Supplemental Policy Statement* for transactions that meet the cross-subsidization demonstration. The first applicable safe harbor is for transactions in which "no franchised public utility with captive customers is involved in the transaction," and thus raises no cross-subsidization issues.⁴⁴ Although Marcus Hook and MH50 are affiliated with a franchised public utility with captive customers, the franchised public utility is not a party to the Transaction and after the closing of the Transaction, the franchised public utility will no longer be affiliated with Marcus Hook and MH50. The second applicable safe harbor is for transactions between non-affiliates. As demonstrated above, Purchaser and Seller are not affiliates. Based on facts and circumstances that are known to Applicants or that are reasonably foreseeable, the proposed Transaction will not result, at closing or in the future, in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company. Applicants provide the required information regarding lack of cross-subsidization in Exhibit M hereto.

⁴³ 16 U.S.C. § 824b(a)(4); 18 C.F.R. § 2.26(f).

⁴⁴ See Supplemental Policy Statement at PP 16-17 (footnote omitted).

IV. INFORMATION AND EXHIBITS REQUIRED BY SECTION 33.2 OF THE COMMISSION'S REGULATIONS

Applicants provide below all information required by Part 33 of the Commission's regulations, except to the extent that Applicants request waiver of the requirements to file certain information that is not relevant to the Commission's evaluation of the Transaction. For the reasons set forth below, Applicants respectfully request that the Commission grant waivers of the requirements to file Exhibits A, D, E, F, G, H, J, and K, and the information required to be submitted therein to the extent not otherwise provided in this Application. The Commission has granted such waivers in similar circumstances.⁴⁵

A. Exact Name of Applicants and Address of Their Principal Business Offices

The exact legal name and the address of the principal business office of Applicants are:

FPL Energy Marcus Hook, L.P.
FPL Energy MH50, L.P.
c/o NextEra Energy Resources, LLC
700 Universe Blvd.
Juno Beach, FL 33408

NatGas Holdings 2, L.L.C.
c/o Starwood Energy Group Global, L.L.C.
5 Greenwich Office Park-2nd floor
Greenwich, CT 06831

⁴⁵ See n.3, *supra*.

B. Names and Addresses of Persons Authorized to Receive Notices and Communications

The names of the following persons should be placed on the official service list compiled by the Secretary in this proceeding:⁴⁶

For NatGas

Jonathan W. Gottlieb
Marcia A. Stanford
STINSON LEONARD STREET LLP
1775 Pennsylvania Avenue NW
Suite 800
Washington, DC 20006
Tel: (202) 969-4208
Fax: (202) 785-9163
jwg@stinson.com
marcia.stanford@stinson.com

For Marcus Hook and MH50

Joseph T. Kelliher
W. Mason Emnett
NextEra Energy, Inc.
801 Pennsylvania Ave., NW, #220
Washington, D.C. 20004
(202) 349-3342
joe.kelliher@nexteraenergy.com
mason.emnett@nexteraenergy.com

C. Description of the Applicants

1. Description of Applicants' Business Activities

A description of Applicants' business activities is provided above in Sections II.A, *supra*. Applicants respectfully request waiver of section 33.2(c)(1) of the Commission's regulations to the extent it would require the submission of additional information as Exhibit A.

2. List of Energy Subsidiaries and Affiliates

A description of Applicants' relevant subsidiaries and affiliates is included in Section II.A, *supra*. An appendix listing the energy affiliates of NatGas is attached as Exhibit B hereto. Applicants request a waiver of section 33.2(c)(2) of the Commission's regulations to the extent it would require a further listing of Marcus Hook's and MH50's subsidiaries and affiliates other

⁴⁶ Applicants respectfully request that the Commission waive Rule 203(b) of its Rules of Practice and Procedure, 18 C.F.R. § 385.203(b), to the extent necessary to allow each of the persons listed above to be included on the official service list for this proceeding.

than those provided above as they are not relevant to the proposed Transaction and will not aid the Commission in its review of this Application.

3. Organizational Charts Depicting Applicants' Current and Post-Transaction Corporate Structures

To aid the Commission in its review of the Transaction, Applicants provide in Exhibit C simplified organizational charts reflecting the pre-Transaction (Exhibits C-1) and post-Transaction (Exhibit C-2) structure. Applicants request a waiver of section 33.2(c)(3) of the Commission's regulations to the extent it would require more detailed pre- and post-Transaction organizational charts.

4. Description of All Joint Ventures, Strategic Alliances, Tolling Arrangements or Other Business Arrangements

The transaction does not involve any joint ventures, strategic alliances, tolling arrangements or other business arrangements. Therefore, Applicants request waiver of the requirement of section 33.2(c)(4) of the Commission's regulations to file Exhibit D.

5. Identity of Common Officers or Directors of Parties to the Transaction

There are currently no common officers or directors shared between Marcus Hook and MH50 on the one hand, and NatGas on the other. After consummation of the Transaction, if there will be any common officers or directors shared between Applicants and their respective affiliates, the appropriate informational filings will be submitted. Accordingly, Applicants respectfully request waiver of the requirement of section 33.2(c)(5) of the Commission's regulations to the extent it would require the submission of additional information on Exhibit E.⁴⁷

⁴⁷ 18 C.F.R. § 33.2(c)(5).

6. Wholesale Power and Transmission Customers

Applicants respectfully request waiver of the requirement of section 33.2(c)(6) of the Commission's regulations to file Exhibit F. As discussed above, the proposed Transaction will not have any detrimental impact on competition, rates, or regulation and will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company. Marcus Hook and MH50 have market-based rate authority and will continue to sell power pursuant to negotiated rates under their market-based rate tariffs and under their individual current power sales agreements. The only other wholesale sales made by Marcus Hook and MH50 are the sales of reactive power under their respective reactive service rate schedules. These sales are pursuant to the PJM OATT and the Transaction will have no adverse effect on customers for reactive power services in PJM. Information regarding Marcus Hook's and MH50's wholesale sales is available in their electric quarterly reports, which are submitted in accordance with the Commission's regulations. As explained in Section III.B, Applicants have no transmission customers. Thus, the Transaction will have no adverse effect on wholesale power or transmission customers of any entity.

D. Description of Jurisdictional Facilities

The jurisdictional facilities implicated by the proposed Transaction consist of the generation projects owned by Marcus Hook and MH50, the limited and discrete interconnection facilities required to connect each to the transmission grid and the associated books, records, contracts, market-based rate tariffs, and reactive supply and voltage control cost-based rate schedules of each of Marcus Hook and MH50. Applicants respectfully request waiver of the requirement to file Exhibit G or to describe any jurisdictional facilities not implicated or affected by the proposed Transaction.

E. Description of the Transaction

A description of the proposed Transaction is provided above in Section II.B. Additional information regarding the nature and scope of the proposed Transaction is available in the PSA attached as confidential Exhibit I. Applicants respectfully request waiver of section 33.2(e)(2) of the Commission's regulations to the extent it would require submission of additional information in Exhibit H.⁴⁸

F. Contracts Related to the Transaction

A copy of the executed PSA is attached as confidential Exhibit I. As indicated in Section I of this Application, Applicants request confidential treatment of Exhibit I. Applicants also request waiver of the requirements of section 33.2(f) of the Commission's regulations to the extent that it would require the filing of the exhibits and schedules to the PSA.⁴⁹

G. Statement Explaining the Facts Relied upon to Demonstrate that the Transaction Is Consistent with the Public Interest

A full discussion of the facts relied upon to demonstrate that the proposed Transaction is consistent with the public interest is provided in Sections II and III of this Application. Therefore, Applicants respectfully request waiver of the requirement to file Exhibit J.

H. General or Key Map Showing the Properties of Each Party to the Transaction

Applicants respectfully request waiver of the requirement to file Exhibit K because the Transaction does not involve any combination of utilities with franchised service territories.

⁴⁸ 18 C.F.R. § 33.2(e)(2).

⁴⁹ See, e.g., *Montenay Montgomery L.P.*, 128 FERC ¶ 62,111 (2009) (granting FPA Section 203 application based on application containing a copy of the transaction document from which the schedules and exhibits were omitted).

I. Licenses, Orders, or Other Approvals Required from Other Regulatory Bodies in Connection with the Transaction, and the Status of Other Regulatory Actions

The Transaction is subject to other required regulatory approvals, which are identified in Exhibit L. Because of the limited scope of the Transaction, Applicants respectfully request waiver of the requirement of Section 33.2(i) of the Commission's regulations⁵⁰ to file any identified approvals.

J. Explanation that the Transaction Will Not Result in Cross-Subsidization of a Non-Utility Associate Company or Pledge or Encumbrance of Utility Assets for the Benefit of an Associate Company

As required by the Commission's regulations, included in Exhibit M to this Application is an explanation as to why the proposed Transaction will not, at the time that it is consummated or in the future, result in any cross-subsidization of a non-utility associate company or any pledge or encumbrance of utility assets for the benefit of an associate company.⁵¹

V. INFORMATION ON PROPOSED ACCOUNTING ENTRIES REQUIRED BY SECTION 33.5 OF THE COMMISSION'S REGULATIONS

Applicants are not traditional public utilities required to maintain accounts in accordance with the Commission's Uniform System of Accounts. Accordingly, Applicants are not required to provide proposed accounting entries under section 33.5 of the Commission's regulations.⁵²

VI. VERIFICATIONS

Pursuant to section 33.7 of the Commission's regulations, signed verifications by Applicants' authorized representatives are included as Attachment 1.⁵³

⁵⁰ 18 C.F.R. § 33.2(i).

⁵¹ *Id.* § 33.2(j).

⁵² *Id.* § 33.5.

⁵³ *Id.* § 33.7.

VII. CONCLUSION

For the foregoing reasons, Applicants respectfully requests that the Commission issue an order by October 1, 2016 and grant all approvals required in connection with the Transaction under FPA Section 203.

Respectfully submitted,

/s/
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Marcia A. Stanford
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*Counsel for
NatGas Holdings 2, L.L.C.*

/s/
Joseph T. Kelliher
W. Mason Emnett
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Washington, D.C. 20004
(202) 349-3342
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mason.emnett@nexteraenergy.com

*Counsel for FPL Energy Marcus Hook, L.P.
and FPL Energy MH50, L.P.*

July 29, 2016

EXHIBIT B

**ENERGY SUBSIDIARIES AND AFFILIATES OF
NATGAS HOLDINGS 2, L.L.C.**

Asset Appendix: Generation Assets

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
						Location							
Filing Entity and its Energy Affiliates	Docket # where MBR authority was granted	Generation Name (Plant or Unit Name)	Owned By	Controlled By	Date Control Transferred	Market / Balancing Authority Area	Geographic Region	In-Service Date	Capacity Rating: Nameplate (MW)	Capacity Rating: Used in Filing (MW)	Capacity Rating: Methodology Used in [K]: (N)ameplate, (S)easonal, 5-yr (U)nit, 5-yr (E)IA, (A)lternative	End Note Number (Enter text in End Note Tab)	
Greenleaf Energy Unit 1 LLC	ER16-999	Greenleaf Unit 1 Project	Greenleaf Energy Unit 1 LLC	Greenleaf Energy Unit 1 LLC	06/2016	CAISO	Southwest	02/1989	66 MW	50 MW	S		
Greenleaf Energy Unit 2 LLC	n/a	Greenleaf Unit 2 Project	Greenleaf Energy Unit 2 LLC	Greenleaf Energy Unit 2 LLC	06/2016	CAISO	Southwest	10/1989	49.5 MW	49.5 MW	S	1	
Beaver Falls, L.L.C.	ER03-04	Beaver Falls	Beaver Falls, L.L.C.	Beaver Falls, L.L.C.	02/2015	NYISO	Northeast	04/1995	107.8 MW	83.9 MW	S		
CER-Quail Run Energy Partners LP	n/a	Quail Run Energy Center	CER-Quail Run Energy Partners LP	CER-Quail Run Energy Partners LP	01/2015	ERCOT	n/a	05/2002	573MW	482 MW	S	2, 3	
Electra Wind, LLC	n/a	Electra Project	Electra Wind, LLC	Electra Wind, LLC	n/a	ERCOT	n/a	under construction	230 MW	230 MW	S	2	
Gainesville Renewable Energy Center, LLC	ER13-1348	Gainesville Renewable Energy Center	Gainseville Renewable Energy Center, LLC	Gainesville Renewable Energy Center, LLC	n/a	GVL	Southeast	12/2013	116.1MW	102.5 MW	S	4	
Hazleton Generation LLC	ER97-4587	Hazleton Generation	Hazleton Generation LLC	Hazleton Generation LLC	02/2015	PJM	Northeast	01/1989	171.5 MW	145.6 MW	S	5	

Horse Creek Wind, LLC	n/a	Horse Creek Project	Horse Creek Wind, LLC	Horse Creek Wind, LLC	n/a	ERCOT	n/a	under construction	230 MW	230 MW	S	2
Shannon Wind, LLC	n/a	Shannon Wind Project	Shannon Wind, LLC	Shannon Wind, LLC	n/a	ERCOT	n/a	12/2015	204 MW	204 MW	S	2
Stephens Ranch Wind Energy, LLC	n/a	Stephens Ranch Facility	Stephens Ranch Wind Energy, LLC	Stephens Ranch Wind Energy, LLC	n/a	ERCOT	n/a	12/2014	211 MW	211 MW	S	2
Stephens Ranch Wind Energy II, LLC	n/a	Stephens Ranch II Facility	Stephens Ranch Wind Energy II, LLC	Stephens Ranch Wind Energy II, LLC	n/a	ERCOT	n/a	04/2015	165 MW	165 MW	S	2
Syracuse, L.L.C.	ER03-56	Syracuse	Syracuse, L.L.C.	Syracuse, L.L.C.	n/a	NYISO	Northeast	01/1994	102.7 MW	87 MW	S	
Trishe Wind Ohio, LLC	n/a	Northwest Ohio Wind Energy Project	Trishe Wind Ohio, LLC	Trishe Wind Ohio, LLC	n/a	PJM	Northeast	under construction	250 MW	250 MW	S	

Asset Appendix: Transmission Assets / Natural Gas Assets

Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or Gas Storage Facilities

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]
Filing Entity and its Energy Affiliates	Cite to order accepting OATT or order approving the transfer of transmission facilities to an RTO or ISO	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location		Size	End Note Number (Enter text in End Note Tab)
						Market / Balancing Authority Area	Geographic Region	Size: (length and kV)	
Electra Wind, LLC	n/a	generator tie-line	Electra Wind, LLC	Electra Wind, LLC	n/a	ERCOT	n/a	2.5-mile, 345 kV	1
Horse Creek Wind, LLC	n/a	generator tie-line	Horse Creek Wind, LLC	Horse Creek Wind, LLC	n/a	ERCOT	n/a	0.2-mile, 345 kV	1
Stephens Ranch Wind Energy, LLC	n/a	generator tie-line	Stephens Ranch Wind Energy, LLC	Stephens Ranch Wind Energy, LLC	n/a	ERCOT	n/a	13-mile, 345 kV	2
Startrans IO, L.L.C.	California Indep. Sys. Operator Corp., 124 FERC ¶ 61,004 (2008)	Mead-Phoenix Project ("MPP") and Mead Adelanto Project ("MAP") transmission lines	Startrans IO, L.L.C.	CAISO	n/a	CAISO	Southwest	MPP capacity, 1300 MW; MAP capacity, 1296 MW	3
DCR Transmission, LLC	n/a	DCR Project	DCR Transmission, LLC	CAISO	n/a	CAISO	Southwest	114-miles, 500-kV	4

		Asset Appendix: End Notes
		End Notes for Entries in the Generation, Long-term PPA and Transmission Lists
[A]	[B]	[C]
End Note Number	List (Generation, PPA or Transmission)	Explanatory Note
1	Generation	The Greenleaf Unit 2 Project has been found to be a “qualifying cogeneration facility” that is eligible for exemption from regulation under Section 205 of the FPA, because all of its net electric output is sold pursuant to a contract that was entered into prior to March 17, 2006. See <i>Greenleaf Unit Two Associates, Inc.</i> , 45 FERC ¶ 62,210 (1998). Greenleaf Energy Unit 2 LLC filed the most recent self-re-certification of the Greenleaf Unit 2 Project as a Qualifying Facility on June 28, 2016 in Docket No. QF89-8-004.
2	Generation	The facility sells or will sell energy exclusively within ERCOT; therefore, it is not subject to the Commission's jurisdiction under Section 205 of the Federal Power Act.
3	Generation	Units CT2A and CT2B entered commercial operation in May 2002; Units CT1A, CT1B and ST1 entered commercial operation in May 2007; and ST2 entered commercial operation in May 2008.
4	Generation	Starwood share is 40.324%.
5	Generation	Unit 1 entered commercial operation in January 1989; Units 2, 3, and 4 entered commercial operation in June 2002.
1	Transmission	The limited and discrete interconnection facilities are under development and will qualify for the blanket Open Access Transmission Tariff waiver pursuant to section 32.28(d)(2) of the Commission's regulations adopted in Order No. 807, <i>Open Access and Priority Rights on Interconnection Facilities</i> , Order No. 807, 150 FERC ¶ 61,211 (2015), <i>order on reh'g.</i> , 153 FERC ¶ 61,047 (2015).
2	Transmission	The limited and discrete interconnection facilities qualify for the blanket Open Access Transmission Tariff waiver pursuant to section 32.28(d)(2) of the Commission's regulations adopted in Order No. 807, <i>Open Access and Priority Rights on Interconnection Facilities</i> , Order No. 807, 150 FERC ¶ 61,211 (2015), <i>order on reh'g.</i> , 153 FERC ¶ 61,047 (2015).
3	Transmission	MPP consists of three primary components, in which Startrans IO, L.L.C. holds approximate undivided interests of 2.15%, 3.79% and 4.05%, respectively. Startrans IO, L.L.C. holds a 6.25% undivided interest in MAP.
4	Transmission	The DCR Transmission, LLC project is under development with an expected in service date 2020.

EXHIBIT C-1

PRE-TRANSACTION ORGANIZATIONAL CHART

PRE-TRANSACTION STRUCTURE

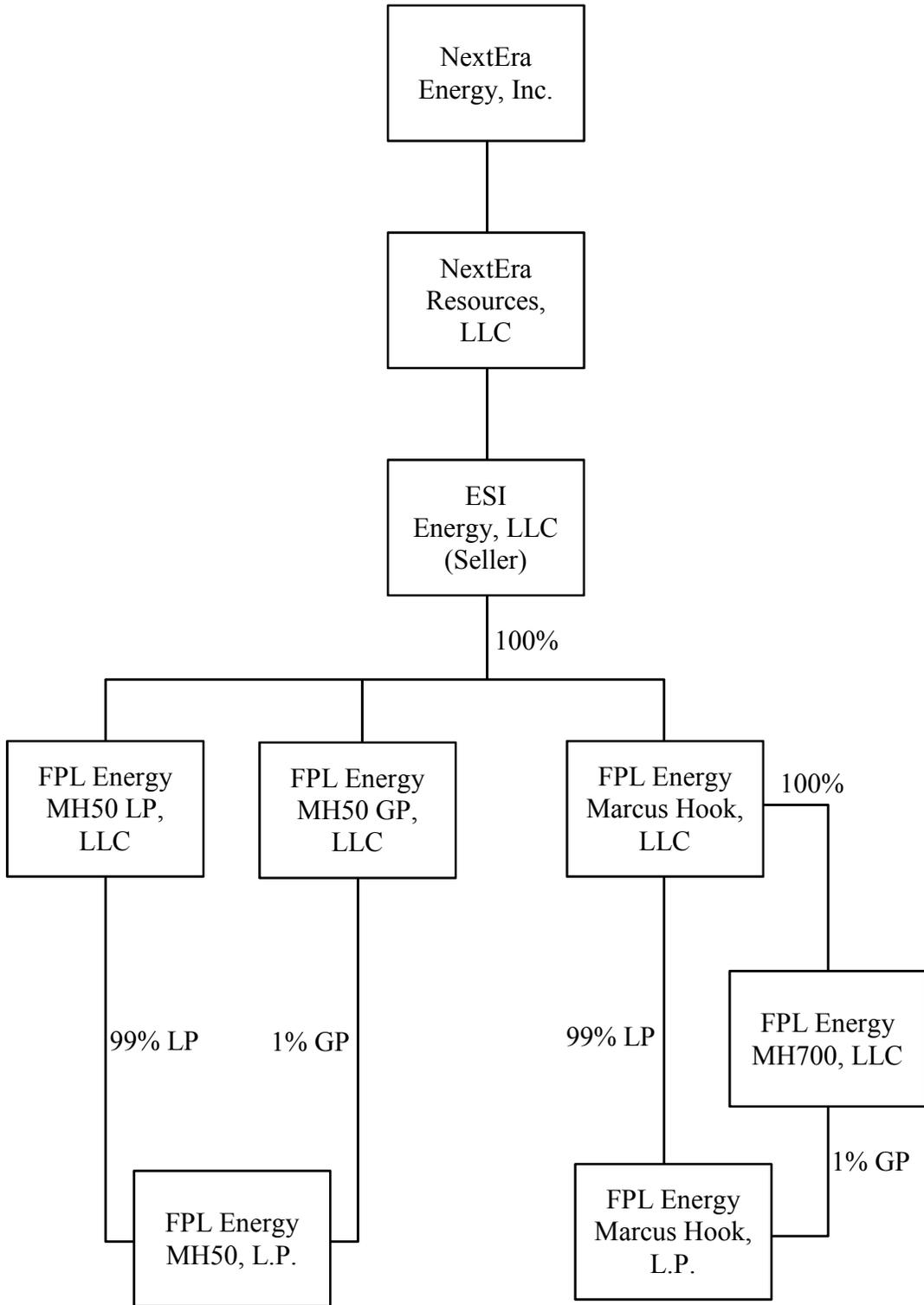


EXHIBIT C-2

POST-TRANSACTION ORGANIZATIONAL CHART

POST-TRANSACTION STRUCTURE

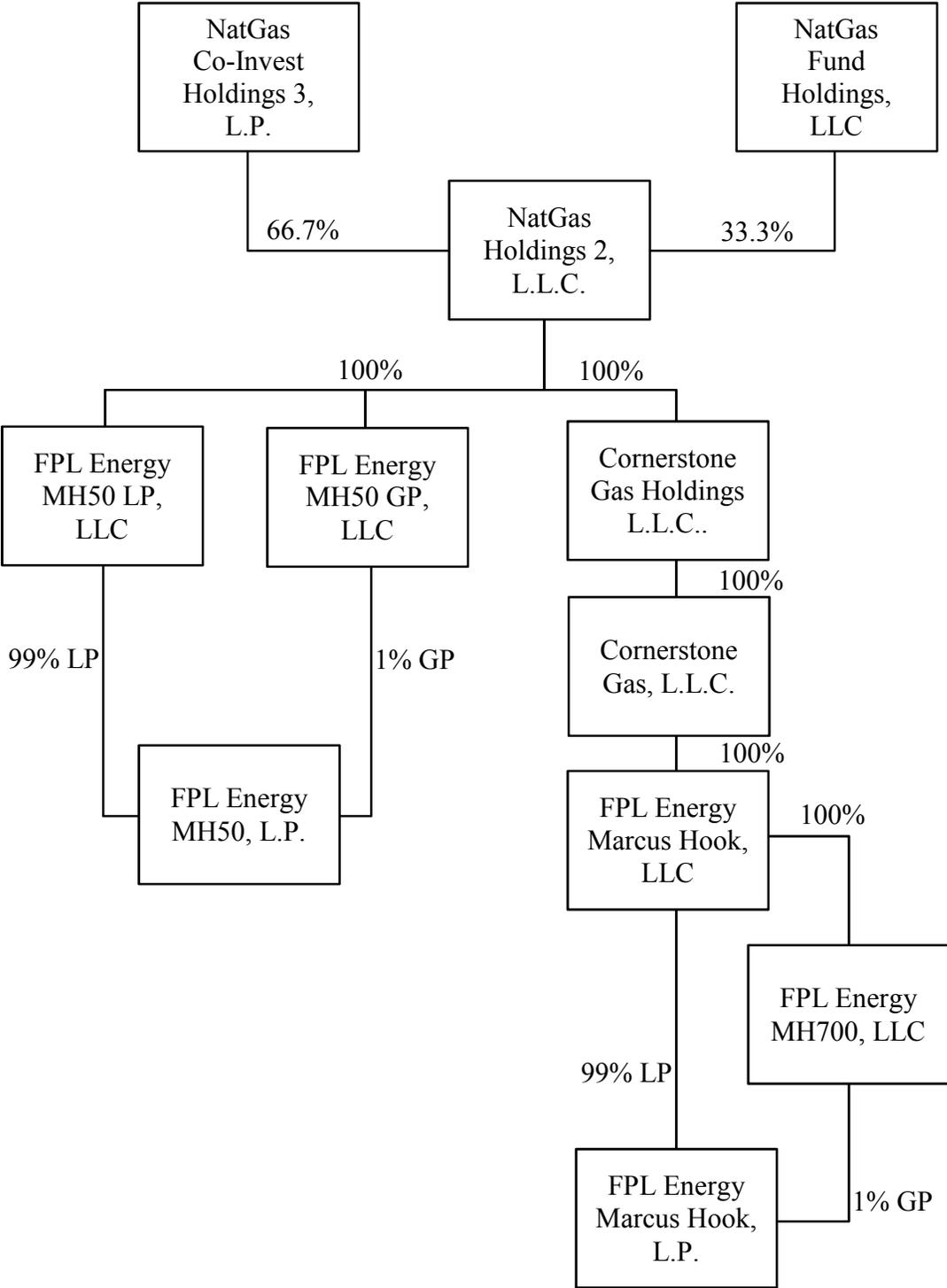


EXHIBIT I

PURCHASE AND SALE AGREEMENT

**PUBLIC VERSION:
PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED
18 C.F.R. § 388.112**

EXHIBIT L

**REQUIRED APPROVALS BY
OTHER REGULATORY BODIES**

Required Approvals by Other Regulatory Bodies

1. Notification filed with the Federal Trade Commission and the United States Department of Justice under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.
2. Approval of the Federal Communications Commission ("FCC") under the Communications Act of 1934 to transfer control of or assign FCC licenses.

EXHIBIT M

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

EXHIBIT M

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

As demonstrated in the text of the Application and incorporated by reference into this Exhibit M, the Transaction raises no issues concerning cross-subsidization.

In accordance with Section 33.2(j)(1) of the Commission's regulations, 18 C.F.R. § 33.2(j)(1), the Applicants verify with respect to themselves and their affiliates, based on facts and circumstances known or that are reasonably foreseeable as of the date of this Application, that the Transaction will not result in, at the time of the Transaction or in the future:

- (1) any transfers 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 issuances 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
- (4) any new affiliate contracts 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

VERIFICATIONS

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

FPL Energy Marcus Hook, L.P.
FPL Energy MH50, L.P.
NatGas Holdings 2, L.L.C.

Docket No. EC16-____-000

VERIFICATION

STATE OF FLORIDA)
) ss.:
COUNTY OF PALM BEACH)

I, Brian Tobin, do hereby verify as follows:

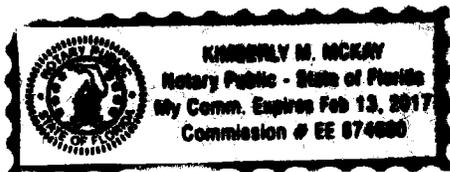
I am authorized to make this verification on behalf of FPL Energy Marcus Hook, L.P., through its general partner FPL Energy MH700, LLC, and FPL Energy MH50, L.P., through its general partner FPL Energy MH50 GP, LLC.

I have read the foregoing Application, have authority with respect thereto, and have knowledge of the matters set forth in the Application. The factual statements in said Application with respect to FPL Energy Marcus Hook, L.P. and FPL Energy MH50, L.P. are true and correct to the best of my knowledge, information and belief.



Brian Tobin
Vice President, FPL Energy MH700, LLC
Vice President, FPL Energy MH50 GP, LLC

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the State of Florida this 22nd day of July, 2016.





Notary Public

My Commission expires:

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

FPL Energy Marcus Hook, L.P.
FPL Energy MH50, L.P.
NatGas Holdings 2, L.L.C.

Docket No. EC16-____-000

VERIFICATION

STATE OF CONNECTICUT)
) ss.:
COUNTY OF FAIRFIELD)

I, Madison Grose, do hereby verify as follows:

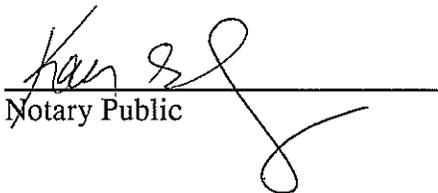
I am authorized to make this verification on behalf of NatGas Holdings 2, L.L.C.

I have read the foregoing Application, have authority with respect thereto, and have knowledge of the matters set forth in the Application. The factual statements in said Application with respect to NatGas Holdings 2, L.L.C. are true and correct to the best of my knowledge, information and belief.



Madison Grose
Senior Managing Director & General Counsel

SUBSCRIBED AND SWORN to before me, a Notary Public in and for the State of Connecticut this 24th day of July, 2016.



Notary Public

KAREN B. MURRAY
NOTARY PUBLIC
MY COMMISSION EXPIRES FEB. 28, 2017

My Commission expires:

ATTACHMENT 2
FORM OF PROTECTIVE ORDER

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

FPL Energy Marcus Hook, L.P. FPL Energy MH50, L.P. NatGas Holdings 2, L.L.C.
--

Docket No. EC16-____-000

**PROTECTIVE ORDER
(Issued _____)**

1. This Protective Order shall govern the use of all Protected Materials produced by, or on behalf of, any Participant. Notwithstanding any order terminating this proceeding, this Protective Order shall remain in effect until specifically modified or terminated by the Federal Energy Regulatory Commission (Commission).

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

3. Definitions -- For purposes of this Order:

(a) The term “Participant” shall mean a Participant as defined in 18 CFR § 385.102(b).

(b) (1) The term “Protected Materials” means (A) materials (including depositions) provided by a Participant in response to discovery requests and designated by such Participant as protected; (B) any information contained in or obtained from such designated materials; (C) any other materials which 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 Participant 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 Participant producing such information shall additionally mark on each page containing such information the words “Contains Critical Energy Infrastructure Information B 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(b)(1). Notes of Protected Materials are subject to the same restrictions provided in this order for Protected Materials except as specifically provided in this order.

(3) Protected Materials shall not include (A) any information or document that has been filed with and accepted into the public files of the Commission, or contained in the public files 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 Protective Order. Protected Materials do include any information or document contained in the files of the Commission that has been designated as Critical Energy Infrastructure Information.

(c) The term “Non-Disclosure Certificate” shall mean the certificate annexed hereto by which Participants who 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 Protective Order, and that such Participants have read the Protective Order and agree to be bound by it. All Non-Disclosure Certificates shall be served on all parties on the official service list maintained by the Secretary in this proceeding.

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

- (1) Commission Trial Staff designated as such in this proceeding;
- (2) an attorney who has made an appearance in this proceeding for a Participant;
- (3) attorneys, paralegals, and other employees associated for purposes of this case with an attorney described in Subparagraph (2);
- (4) an expert or an employee of an expert retained by a Participant for the purpose of advising, preparing for or testifying in this proceeding;
- (5) a person designated as a Reviewing Representative by order of the Commission; or
- (6) employees or other representatives of Participants appearing in this proceeding with significant responsibility for this docket.

4. Protected Materials shall be made available under the terms of this Protective Order only to Participants and only through their Reviewing Representatives as provided in Paragraphs 7-9.

5. Protected Materials shall remain available to Participants 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 Participants shall, within fifteen days of such request, return the Protected Materials (excluding Notes of Protected Materials) to the Participant 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 Material may be retained, if they are maintained in accordance with

Paragraph 6, below. Within such time period each Participant, if requested to do so, shall also submit to the producing Participant 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 the Protective Order.

6. All Protected Materials shall be maintained by the Participant in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8-9. The Secretary shall place any Protected Materials filed with the Commission in a non-public file. By placing such documents in a non-public file, the Commission is not making a determination of any claim of privilege. The Commission retains the right to make determinations regarding any claim of privilege and the discretion to release information necessary to carry out its jurisdictional responsibilities. For documents submitted to Commission Trial Staff (“Staff”), Staff shall follow the notification procedures of 18 CFR § 388.112 before making public any Protected Materials.

7. Protected Materials shall be treated as confidential by each Participant and by the Reviewing Representative 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, the direct supervision of any employee or employees whose duties include the marketing of energy, the provision of consulting services to any person whose duties include the marketing of energy, or the direct supervision of any employee or employees whose duties include the marketing of energy, such Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give any Participant or any competitor of any Participant a commercial advantage.

(b) In the event that a Participant wishes to designate as a Reviewing Representative a person not described in Paragraph 3 (d) above, the Participant shall seek agreement from the Participant providing the Protected Materials. If an agreement is reached that person shall be a Reviewing Representative pursuant to Paragraphs 3(d) above with respect to those materials. If no agreement is reached, the Participant 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 Protective Order 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 Participant 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 order.

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(d), 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 Protective Order and the certification.

11. Subject to Paragraph 18, the Commission shall resolve any disputes arising under this Protective Order. Prior to presenting any dispute under this Protective Order to the Commission the parties to the dispute shall use their best efforts to resolve it. Any participant that contests the designation of materials as protected shall notify the party that provided the protected materials by specifying in writing the materials the designation of which is contested. This Protective Order shall automatically cease to apply to such materials five (5) business days after the notification is made unless the designator, 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 participant 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 Participant as Critical Energy Infrastructure Information. Materials so designated shall remain protected and subject to the provisions of this Protective Order, unless a Participant 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 the hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Protective Order. 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 B 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 Participant shall provide to all Participants who request the same, 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 Participant desires to include, utilize or refer to any Protected Materials or information derived therefrom in testimony or exhibits during the hearing in these proceedings in such a manner that might require disclosure of such material to persons other than reviewing representatives, such participant shall first notify both counsel for the disclosing participant and the Commission of such desire, identifying with particularity each of the Protected Materials. Thereafter, use of such Protected Material will be governed by procedures determined by the Commission.

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

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

16. Each party governed by this Protective Order has the right to seek changes in it 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 containers bearing prominent markings indicating that the contents include Protected Materials subject to this Protective Order. 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 Protective Order for three (3) business days from the date of issuance of the Commission's determination, and if the Participant seeking protection files an interlocutory appeal or requests that the issue be certified to the Commission, for an additional seven (7) business days. None of the Participants 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 CFR §§ 388.112 and 388.113 shall apply to any requests under the Freedom of Information Act (5 U.S.C. § 552) for Protected Materials in the files of the Commission.

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

20. None of the Participants 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 Protective Order and shall be used only in connection with this (these) proceeding(s). Any violation of this Protective Order and of any Non-Disclosure Certificate executed hereunder shall constitute a violation of an order of the Commission.

By order of the Commission

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

FPL Energy Marcus Hook, L.P. FPL Energy MH50, L.P. NatGas Holdings 2, L.L.C.
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Docket No. EC16-____-000

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 Order in this proceeding, 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 Order. I acknowledge that a violation of this certificate constitutes a violation of an order of the Federal Energy Regulatory Commission.

By: _____

Printed Name:

Title:

Representing:

Date: