

**UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
DEPARTMENT OF FOSSIL ENERGY**

**Constellation Energy Commodities  
Group, Inc.**

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**FE Docket EA-164 —C**

**APPLICATION FOR RENEWAL OF CONSTELLATION ENERGY  
COMMODITIES GROUP, INC.'S  
AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA**

Constellation Energy Commodities Group, Inc. ("Constellation"), pursuant to Section 202(e) of the Federal Power Act ("FPA") (16 U.S.C. § 824a(e)) and 10 C.F.R. § 205.300 *et seq.* (1966), hereby submits an application for renewal of authorization by the Department of Energy ("Department") to transmit electric energy from the United States to Canada. *Constellation Energy Commodities Group, Inc.*, Order No. EA-164. ("CCG Export Order"). Constellation requests an extension of authority to transmit electric energy from the United States to Canada for a period of five years (or for such other period as the Department deems appropriate).

**I. DESCRIPTION OF APPLICANT**

The exact legal name of the applicant is Constellation Energy Commodities Group, Inc. ("Constellation"). Constellation, formally Constellation Power Source, Inc. ("CPS") is a Delaware Corporation with its principle place of business in Baltimore, Maryland. Constellation focuses on serving the full requirements and power needs of distribution utilities, cooperatives and municipalities that competitively source their load requirements. Constellation also sells natural gas and other commodities at wholesale, both in the United States and abroad, and holds interest in exploration and production properties as well. Currently, Constellation Energy Commodities Group, Inc. does not own any electric generation or transmission facilities nor does it hold a franchise or service territory for the transmission, distribution or sale of electric power. Baltimore Gas and Electric Company (BGE), an affiliate of Constellation, does, however, own transmission facilities and sells and distributes electricity within its central Maryland service territory. Other CEG subsidiaries own electric generation facilities.

CCG has been authorized by the Federal Energy Regulatory Commission ("FERC") to make sales of electric power at wholesale in interstate commerce, at negotiated rates, under its FERC Rate Schedule No. 11. *Constellation Power Source, Inc.*, Docket No. ER97-2261-000 (Order issued May 15, 1997). In addition, on November 12, 1997, Constellation Power Source, Inc. ("CPS") applied to the Department for authorization to transmit electric energy to Canada. On January 23, 1998, the Department authorized CPS to transmit electric energy from the United States to Canada for a period of two years. *Constellation Power Source, Inc.*, Order No. EA-164. On January 6, 2000, CPS requested authorization be granted for a five year term which was granted on February 22, 2000. *Constellation Power Source, Inc.*, Order No. EA-164-A. ("CPS Renewal Order"). On November 22, 2004, Constellation Energy Commodities Group, Inc., requested authorization and be granted for a five year term extension which was granted on February 3, 2005. Within its February 22, 2004 request for authorization, Constellation Energy Commodities Group, Inc. also notified the Department of Energy of its legal name change from Constellation Power Source, Inc. to Constellation Energy Commodities Group, Inc.

## **II. PARTNERS**

Constellation is not seeking authorization to export power on behalf of, or in conjunction with, any partners or partnerships.

## **II. COMMUNICATIONS**

Communications regarding this application should be address to the following:

Lael Campbell  
Senior Counsel  
Constellation Energy Commodities Group, Inc.  
111 Market Place, Suite 500  
Baltimore, MD 21202  
phone: 410.470.3439  
fax: 410.470.2600  
email: [Lael.Campbell@constellationcom](mailto:Lael.Campbell@constellationcom)

### **III. ORGANIZATION OF APPLICANT, AUTHORITY TO DO BUSINESS**

Constellation is a Delaware Corporation having its principle place of business in Baltimore, Maryland. Constellation is authorized by the Federal Energy Regulatory Commission (“FERC”) to engage in wholesale sales of electric power in interstate commerce at negotiated market-based rates under Fourth Revised Rate Schedule FERC No. 11. See Constellation Power Source, Inc., 79 FERC ¶ 61,167 (1997) (order initially granting CCG market-based rate authority).

Constellation also has authorization to do business in Canada under its Ontario Energy Board (“OEB”) Electricity Wholesaler License (License EW-2002-0007) and its National Energy Board (“NEB”) Electricity Export Permit (Permit EPE-138 and EPE 139).

### **IV. JURISDICTION**

Constellation does not know of any other Federal, State or local government that has jurisdiction over the actions to be taken under the authority sought in this Application.

### **V. FACILITIES**

Constellation intends to export power over existing transmission interconnections between the United States and Canada. In this Application for Renewal, Constellation is resubmitting the Exhibit C that was filed in the initial Application and the January 2000 and 2004 Renewal Application. Exhibit C provides the location and electrical description of the transmission facilities through which the electric energy may be delivered into Canada, and includes the name of the facility owners as well as the Presidential Permit numbers.

### **VI. TECHNICAL DISCUSSION OF PROPOSAL**

On November 22, 2004 Constellation submitted an Application for Renewal Authorization to Transmit Electric Energy to Canada. On February 3, 2005 the Department issued the Constellation Renewal Order granting Constellation the authority to transmit electric energy to Canada for a period of five (5) years. Under Section (L) of the Constellation Renewal Order, Constellation’s authority to export to Canada expires on January 31, 2010, but

Constellation may reapply for renewal of the five-year authorization. In this Application for Renewal, Constellation is requesting an extension of its authority to transmit electric energy to Canada for a period of five (5) years.

As noted above, Constellation has no "system" of its own on which exports of power could have a reliability or stability impact. The electric power Constellation will export, on either a firm or interruptible basis, will be purchased from others voluntarily and will therefore be surplus to the needs of the selling entities. Moreover, because Constellation does not have an obligation to serve native load, the exports proposed by Constellation will not impair its ability to meet current and prospective power supply obligations.

In previous orders granting export authorizations to electric power marketers, the Department has indicated its reluctance to follow a rigid application of the information filing requirements contained in its regulations. Instead, the Department has employed a flexible approach, taking into consideration the unique nature of power marketers in terms of the Department's assessment of any reliability analysis. The Department has concluded that the existing technical analysis supporting the present export authorization via international border transmission facilities are sound, and will be applied to power marketers seeking to use these facilities. Constellation respectfully requests that the Department continue to apply this standard during its review of the instant application.

## **VIII. PROCEDURES**

Constellation's application for renewal is consistent with United States energy policy established in the Energy Policy Act of 1992, the North American Free Trade Agreement of 1993 and FERC Order No. 888, which fosters more efficient and competitive North American energy markets. Constellation is seeking renewal of authorization previously issued to CCG to export electricity through existing border facilities although specific transactions have not yet been finalized.

If required by DOE, Constellation is willing to continue to accept the general conditions set forth in the initial CPS Export Order and CPS and CCG Renewal Orders. In particular, if required by the Department, exports made by Constellation will not exceed the export limits for the transmission facilities utilized by Constellation, or otherwise cause a violation of the terms and conditions set forth in the export authorizations applicable to each; transmission service for

the delivery of power to the border will be obtained pursuant to applicable terms and conditions of transmission providers' open access transmission tariffs as approved by FERC; when scheduling the delivery of power, Constellation will comply with the applicable NERC reliability criteria, standards, and guidelines; and, for each calendar quarter, Constellation will provide the Department with reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission.

## **IX. EXHIBITS**

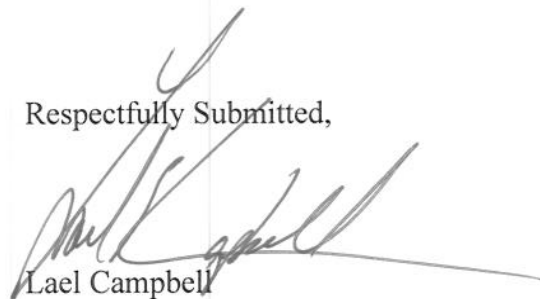
The following exhibits are attached hereto:

- Exhibit A - Agreements (Not applicable)
- Exhibit B - Legal Opinion of Constellation's Counsel
- Exhibit C - Transmission Facilities (Submitted in lieu of Maps)
- Exhibit D - (Not applicable)
- Exhibit E - (Not applicable)
- Exhibit F - (Not applicable)
- Attachment 1 - FERC Letter Order, Docket No. ER97-2261-000

## **X. CONCLUSION**

WHEREFORE, Constellation respectfully requests that the Department review and grant this Application for Renewal in an expeditious manner.

Respectfully Submitted,



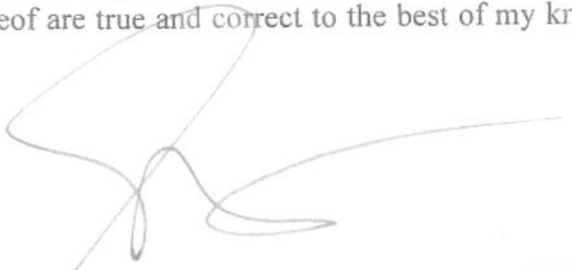
Lael Campbell  
Senior Counsel  
Constellation Energy Commodities Group, Inc.  
111 Market Place, Suite 500  
Baltimore, MD 21202  
410.470.3439

**VERIFICATION**

**STATE OF MARYLAND**                    )

**CITY OF BALTIMORE**                )

I, Stuart Rubenstein, Chief Operating Officer of Constellation Energy Commodities Group, Inc., having knowledge of the matters set forth in the above Application for Renewal of Constellation Energy Commodities Group, Inc.'s Authorization to Transmit Electric Energy to Canada, hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.

  
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Signed and sworn to before me by Stuart Rubenstein this 24<sup>th</sup> day of July, 2009.

  
\_\_\_\_\_  
Notary Public

My commission expires: November 17, 2012

EXHIBIT B

Legal Opinion of Constellation's Counsel



**Constellation Energy**

(Commodities Group)

111 Market Place  
Suite 500  
Baltimore, Maryland 21202

July 24th 2009

Mrs. Ellen Russell  
Senior Project Manager  
U.S. Department of Energy  
Office of Electricity Delivery and Energy Reliability  
1000 Independence Avenue, SW  
Room 6H-050  
Washington, DC 20585

Dear Mrs. Russell,

The following opinion is given in support of the Application for Renewal of Constellation Energy Commodities Group, Inc.'s authorization to transmit electric energy to Canada, dated July 24th, 2009.

I, David Dardis, am Chief Regulatory Counsel of Constellation Energy Commodities Group, Inc. ("Constellation"), a Delaware Corporation and am authorized to execute and deliver this opinion. This opinion is delivered to you pursuant to 10 C.F.R. § 205.303(b).

I have examined or caused to be examined, originals or copies, as applicable, of Constellation's Certificates of Incorporation and such other documents, records and papers, as I have deemed necessary and relevant for the purpose hereof. Based upon the foregoing and subject to the qualifications, limitations, and assumptions set forth herein and having due regard for such legal considerations as I deem relevant, I am of the opinion that:

- I. Constellation validly exists, in good standing and is authorized to do business in United States and Canada.
- II. Constellation has full corporate power and authority to buy, sell or act as a marketer/broker in the sale and exportation of electric energy as requested in the Application.
- III. Constellation has or will comply with all pertinent Federal and State laws in connection with the activities contemplated in the Application.



The foregoing opinion is being delivered solely to the addressee and its successors and permitted assigns and may not be provided to any other person or utilized by the addressee in any other context without my written consent. This opinion letter may not be quoted, circulated or published, in whole or in part, or otherwise referred to, filed with or furnished to any other person or entity, without my prior written authorization.

The opinion expressed herein is not a opinion with respect to matters of fact or guarantee and should not be construed or relied upon as such. The opinion expressed herein is as of the date hereof, and I expressly disclaim any responsibility to update my opinion after the date hereof.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'D. Dardis', written over a horizontal line.

David Dardis  
Chief Regulatory Counsel  
Constellation Energy Commodities Group, Inc.  
111 Market Place, Suite 500  
Baltimore, MD 21202  
410.470.3416

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## EXHIBIT C

### Transmission System Information

<u>Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
Basin Electric	Tioga, ND	230-kV	PP-64
BPA	Blaine, WA	2-500kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46
Citizens Utilities Company	Derby Line, VT	120-kV	PP-66
Detroit Edison Company	St.Clair, MI	345-kV	PP-38
	Marysville, MI	230-kV	PP-21
	Detroit, MI	230-kV	PP-21
	St. Clair, MI	345-kV	PP-58
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
Joint Owner of Highgate Project	Highgate, VT	120-kV	PP-82
Long Sault, Inc.	Massena, NY	2-115-kV	PP-24
Maine Electric Power Company	Houlton, ME	345-kV	PP-43
Maine Public Service Company	Limestone, ME	69-kV	PP-12
	Fort Fairfield, ME	69-kV	PP-12
	Aroostock, County, ME	138-kV	PP-29
	Madawaska, ME	2-69-kV	PP-29
Minnesota Power, Inc.	International Falls, MN	115-kV	PP-78
Minnkota Power Cooperative, Inc.	Roseau County, MN	230-kV	PP-61
New York Power Authority	Massena, NY	765-kV	PP-56
	Massena, NY	2-230-kV	PP-25
	Niagara Falls, NY	2-345-kV	PP-74
	Devils Hole, NY	230-kV	PP-30
Niagara Mohawk			

Power Corp.	Devils Hole, NY	230-kV	PP-190
Northern States Power Company	Red River, ND	230-kV	PP-45
	Roseau County, MN	500-kV	PP-63
Vermont Electric Transmission Co.	Norton, VT	$\pm$ 450-kV DC	PP-76