

MAR 13 2012

Electricity Delivery and
Energy Reliability

UNITED STATES OF AMERICA BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF ELECTRICITY DELIVERY
AND ENERGY RELIABILITY

Rainbow Energy Marketing Corporation) Docket No. EA-296- B

RENEWAL APPLICATION OF
RAINBOW ENERGY MARKETING CORPORATION
FOR AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO CANADA

Rainbow Energy Marketing Corporation ("Rainbow"), pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. Section 824a(e), the Department of Energy ("DOE") regulations set forth in 10 C.F.R. §§ 205.300, *et seq.* (the "Regulations"), and paragraph "K" of Order No. EA-296-A hereby files this Renewal Application for blanket authority to transmit electric energy from the United States to Canada. Rainbow respectfully requests that authorization be granted for an additional five-year term from the date the DOE grants this application.

CONTENTS OF APPLICATION

In accordance with § 205.302 of the Regulations, Rainbow states as follows:

- a. **Legal Name of Applicant.** The legal name of the applicant is Rainbow Energy Marketing Corporation.
- b. **Legal Name of All Partners.** Rainbow is a privately owned corporation and is a subsidiary of United Energy Corporation. Rainbow has no partners and is not seeking authorization to export power on behalf of any other entity.

c. **Persons to Whom Correspondence Shall be Addressed:**

Contact: Joseph M. Wolfe
Name: Rainbow Energy Marketing Corporation
Address: Kirkwood Office Tower
919 South 7th Street
Suite 405
Bismarck, ND 58504
Telephone: (701) 222-2290
Facsimile: (701) 255-7952
E-mail: j.wolfe@rainbowenergy.com

d. **State or Territory of Incorporation.** Rainbow, a wholly owned subsidiary of United Energy Corporation, is incorporated in the State of North Dakota. Rainbow is authorized to do business in the State of North Dakota and such other states as required by the current nature of its business. Rainbow does not own or control any physical electric generation or transmission facilities in the U.S. and does not have any franchised service territory in the U.S. Rainbow is a power marketer authorized by the Federal Energy Regulatory Commission ("FERC") to sell energy, capacity and specified ancillary services at market-based rates.

e. **Governmental Agencies Having Jurisdiction.** Rainbow is not aware of any U.S. federal, state or local government agency other than DOE that has jurisdiction over the action to be taken under the authority sought in this application.

f. **Description of the Transmission Facilities.** Rainbow intends to export electricity over the international interconnection facilities as set forth in Exhibit C, which lists the identities, the owners, the locations and the Presidential Permit numbers of those facilities.

g. **Technical Discussion of the Proposed Export of Electricity.** Through this Renewal Application, Rainbow seeks to renew its authority to engage in open-ended

transactions to export electricity to Canada under terms and conditions to be negotiated in the future. DOE has granted such renewed authority to export electricity to Canada previously for other entities, such as Tenaska Power Services and TransAlta Energy marketing (U.S.) Inc. Rainbow is submitting this Renewal Application under Order No. EA296-A at this early time in order to ensure that the Department may act upon Rainbow's application in sufficient time to prevent a lapse in Rainbow's authorization.

With regard to reliability requirements for transmission of electric power to be exported to Canada both within the U.S. and crossing the border into Canada, DOE has adopted a flexible approach, taking into consideration the unique nature of power marketers in terms of DOE's assessment of any reliability analysis. DOE has concluded that existing technical analyses supporting the present export authorization via international border transmission facilities are sound and will be applied to power marketers seeking to use these facilities. Rainbow respectfully requests that DOE continue to apply this standard to this Renewal Application. In the meantime, Rainbow commits to abide by all applicable export limits on transmitting facilities, including those of the border facilities used. Rainbow also commits to comply fully with the terms and conditions of any export authorization granted to it by DOE.

With regard to sufficiency of electric power within the U.S., because Rainbow has no franchised service territory and owns no generation facilities, the electric power proposed to be exported to Canada pursuant to this Application is, by definition, surplus to the needs of those entities selling electric power to Rainbow. Therefore, the proposed export of electricity will not impair the sufficiency of electric supply within the U.S. or impede regional coordination of electric utility planning or operation.

h. Verification. The signed verification of Joseph M. Wolfe, Rainbow's Vice President, is attached to this Application as Exhibit G.

REQUIRED EXHIBITS

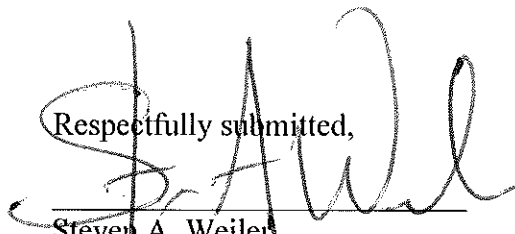
The following Exhibits and Attachments are attached hereto:

- Exhibit A:** Agreements – Not applicable
- Exhibit B:** Legal opinion of Rainbow's counsel
- Exhibit C:** Transfer Points (submitted in lieu of maps)
- Exhibit D:** Non-U.S. Applicant's power of attorney - Not applicable
- Exhibit E:** Statement of any corporate relationship or existing contract which in any way relates to the control or fixing of electric power rates - Not applicable
- Exhibit F:** Operating procedures regarding available capacity and energy - Not applicable
- Exhibit G:** Verification

SIGNATURE

THEREFORE, Rainbow respectfully requests that the Department of Energy grant this Renewal Application expeditiously on substantially the same terms and conditions as applied to similarly situated electric power marketers. We ask that this authorization last for five (5) years.

Respectfully submitted,



Steven A. Weiler
Marcin A. Stanford
Leonard, Street and Deinard, P.A.
1350 I Street, N.W., Suite 800
Washington, D.C. 20005

March 13, 2012

Attorneys for
Rainbow Energy Marketing Corporation

RAINBOW ENERGY MARKETING CORPORATION

**D.O.E. RENEWAL APPLICATION FOR AUTHORIZATION TO
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EXHIBIT A

AGREEMENTS

Rainbow is seeking a blanket approval for export-related agreements to be negotiated and entered into in the future. No particular export transactions are currently under consideration pursuant to this Renewal Application. Accordingly, no existing agreement or proposed agreement is attached herein to this Renewal Application.

RAINBOW ENERGY MARKETING CORPORATION

**D.O.E. RENEWAL APPLICATION FOR AUTHORIZATION TO
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EXHIBIT B

OPINION OF COUNSEL

LEONARD
STREET
AND
DEINARD

1350 I STREET NW SUITE 800
WASHINGTON, DC 20005
202-346-6900 MAIN
202-346-6901 FAX

STEVEN A. WEILER
202-346-6911
steve.weiler@leonard.com

March 13, 2012

The Department of Energy
Office of Electricity Delivery and Energy Reliability
OE-20, Room 6H-034
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Sir or Madam:

Leonard, Street and Deinard Professional Association (the "Firm") has acted as special legal counsel to Rainbow Energy Marketing Corporation, a North Dakota corporation ("Rainbow"), for the purpose of delivering this Opinion Letter in connection with the renewal application of Rainbow for authorization from the Department of Energy ("D.O.E.") to export energy to Canada ("D.O.E. Renewal Application"). This Opinion Letter is provided in connection with the D.O.E. Renewal Application as required by 10 C.F.R. §205.303(b) (2011).

The Opinion Letter is rendered only to you and is solely for your benefit in connection with the D.O.E. Renewal Application. This Opinion Letter may not be relied upon by you for any other purpose; nor may it be quoted, circulated, referred to or delivered to or relied upon by any other person, firm or entity for any purpose without our prior express written consent.

Rainbow is proposing to export electricity to Canada. The Firm has been engaged by Rainbow to provide an Opinion Letter regarding Rainbow's corporate authority to export electricity to Canada and its compliance with pertinent federal and state laws.

A. Limitations and Exclusions. This Opinion Letter is subject to the following limitations and exclusions:

- (1) It is limited in scope to (a) the material federal permits, registrations, notifications, certifications and other regulatory approvals that are necessary pursuant to any law, rule, regulation, judgment, order, consent decree, or other instrument known to the Firm and which are required of Rainbow to export electricity to Canada; and (b) Rainbow's corporate authority to engage in the sale of electricity to entities located in Canada. We did not examine, and this Opinion Letter specifically excludes from coverage, any other federal, state, and local permits, registrations, notifications, certifications, governmental approvals or regulatory authorizations that Rainbow may be required to obtain;

- (2) It specifically excludes from coverage all approvals required to be obtained by the owners of the transmission facilities and interconnecting utilities;
- (3) Any ongoing reporting requirements arising after Rainbow commences the export of electricity to Canada, such as those typically detailed in agency permits and rules (*e.g.*, self-reporting, record keeping, and permit renewals), are also excluded; and
- (4) Future changes in applicable laws, regulations and programs, or in their implementation, may require approvals different from or in addition to those discussed herein. Although the Firm has endeavored to identify the possibility of such changes where this information is known by the Firm, future legal requirements are beyond the scope of this Opinion Letter and excluded from coverage.

B. Reliance. As to the factual and technical matters arising in connection with our examination of the D.O.E. Renewal Application and relevant to the opinions expressed herein, the Firm has assumed the truth and veracity of the representations and documents provided by Rainbow without independent investigation, verification or analysis. We have examined and are familiar with such documents as we deemed necessary to render an informed opinion on the matters set forth herein including:

- (1) The authority of Rainbow under its Articles of Incorporation and By-Laws; and
- (2) The D.O.E. Renewal Application to which this Opinion Letter is attached as an exhibit.

C. Assumptions. In preparing this Opinion Letter, the Firm has assumed the following:

- (1) the authenticity of original documents and the genuineness of all signatures;
- (2) the conformity to the originals of all documents submitted to the Firm as copies;
- (3) the due authorization, execution, and delivery of documents on behalf of the parties to such documents and the legal, valid, and binding effect of such documents on the parties;
- (4) the absence of any extrinsic evidence that the parties to a document intended a meaning contrary to that expressed by the provisions of the document; and

- (5) the truth and accuracy of all statements and certifications made by Rainbow and by any person on behalf of Rainbow, and of all documents and other factual and technical matters furnished by Rainbow or on behalf of Rainbow, and that none of such entities or persons have made, and that none of such documents or other factual and technical matters contain, an untrue statement of any material fact or omit a material fact necessary to make such statements or certifications, in light of the circumstances in which they were made, not misleading.

D. Opinions. Based upon and subject to the foregoing, and the other limitations and qualifications set forth herein, the Firm is of the opinion that:

- (1) Rainbow has full corporate power and authority to export electric energy to Canada as requested in the D.O.E. Renewal Application;
- (2) Rainbow has complied with all pertinent federal and state laws regarding the matters contemplated in the D.O.E. Renewal Application; and
- (3) Rainbow has certified to us that it will comply with all pertinent federal and state laws regarding the matters contemplated in the D.O.E. Renewal Application.

Very truly yours,

LEONARD, STREET AND DEINARD
Professional Association



Steven A. Weiler

RAINBOW ENERGY MARKETING CORPORATION

**D.O.E. RENEWAL APPLICATION FOR AUTHORIZATION TO
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EXHIBIT C

TRANSMISSION SYSTEM INFORMATION

UNITED STATES INTERCONNECTIONS WITH CANADA

Owner	Location	Voltage	Presidential Permit
Bangor Hydro-Electric Co.	Baileyville, ME	345-kV	PP-89
Basin Electric Power Coop.	Tioga, ND	230-kV	PP-64
BPA	Blaine, WA	2-500-kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission Company	St. Clair, MI	345-kV	PP-230
	Marysville, MI	230-kV	PP-230
	Detroit, MI	230-kV	PP-230
	St. Clair, MI	345-kV	PP-230
Joint Owners 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
Maine Public Service Company	Madawaska, ME	138-kV	PP-29
	Aroostook, 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
Montana Alberta Tie Ltd.	Cut Bank, MT	230-kV	PP-305
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

Owner	Location	Voltage	Presidential Permit
	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
	Rugby, ND	230-kV	PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	\pm 450 kV	PP-299
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	\pm 450-kV DC	PP-76

RAINBOW ENERGY MARKETING CORPORATION

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EXHIBIT D

Non-U.S. Applicant's Power of Attorney

Not applicable.

RAINBOW ENERGY MARKETING CORPORATION

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EXHIBIT E

Existing Relationship or Existing Contract Relating to Control or Fixing of Rates

Not applicable.

RAINBOW ENERGY MARKETING CORPORATION

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EXHIBIT F

Operating Procedures Relating to Available Capacity and Energy

Because all of the electricity to be exported from the U.S. by Rainbow is surplus energy purchased from other electric utilities, Rainbow requests a waiver of the requirement set forth in § 205.303(f) of the Regulations that it explain the Operating Procedures for informing neighboring electric utilities in the U.S. that capacity or electricity in excess of the requirements of Rainbow is available prior to its delivery to the export purchaser.


RAINBOW ENERGY MARKETING CORPORATION

**D.O.E. RENEWAL APPLICATION FOR AUTHORIZATION TO
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EXHIBIT G

Verification


I, Joseph A. Wolfe, being first duly sworn, state that I am the Vice President of Rainbow Energy Marketing Corporation; that I am authorized to execute this verification; that I have read the above and foregoing document and its exhibits and attachments and am familiar with the contents thereof; and that, to the best of my knowledge and belief, all allegations of fact contained therein are true and correct.



Joseph A. Wolfe

STATE OF NORTH DAKOTA)
)ss
COUNTY OF BURLEIGH)

On this 9th day of March 2012, before me personally appeared Joseph A. Wolfe, to me known to be the Sr Vice President of Rainbow Energy Marketing Corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.



Notary Public in and for the State of
North Dakota, residing at _____
My commission expires: _____

