

FEB 25 2014

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

Electricity Delivery and
Energy Reliability

Emera Energy U.S. Subsidiary No. 2, Inc.

Docket No. EA-312-A

**APPLICATION OF EMERA ENERGY U.S. SUBSIDIARY NO. 2, INC.
FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA**

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.*, Emera Energy U.S. Subsidiary No. 2, Inc. ("Emera Sub 2") hereby files with the Department of Energy ("DOE" or the "Department") an original and five (5) copies of the instant application ("Application") for blanket authority to transmit electric energy from the United States to Canada. On May 17, 2006, the Office of Electricity Delivery and Energy Reliability issued Order No. EA-312, authorizing EE US No. 2 to export electric energy to Canada as a power marketer for a term of five years. The authorization has since expired. EE US No. 2 respectfully requests renewal of its authorization to transmit electricity from the United States to Canada for a term of five years. In the alternative, EE US No. 2 requests that DOE issue it a new authorization to transmit electricity from the United States to Canada for a term of five years.

I. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Emera Energy U.S. Subsidiary No. 2, Inc. EE US No. 2 is a Delaware Corporation formed under Delaware law with its principal place of business at Suite 101, #37 Route 236, Kittery, Maine 03904. EE US No. 2 is a wholly-owned subsidiary of Emera Incorporated ("Emera"), a Nova Scotia corporation that is a diversified energy and services company. EE US No. 2 is involved in the trading and marketing of natural gas and

electricity in the United States. EE US No. 2 is a licensed competitive electricity provider in Maine, subject to restrictions. EE US No. 2 has received market-based rate authority from the Federal Energy Regulatory Commission ("FERC" or "Commission").¹

Emera owns other energy concerns. Emera Energy Services, Inc. ("EES") is a Delaware corporation, and has received market-based rate authority from FERC.² EES has DOE authorization to transmit electric energy from the United States to Canada.³ Emera Energy U.S. Subsidiary No. 1, Inc. ("EE US No. 2") is a Delaware corporation. EE US No. 1 has received market-based rate authority from FERC.⁴ EE US No. 1 has DOE authorization to transmit electric energy from the United States to Canada.⁵ Emera Energy Services Subsidiary Nos. 1 through 10 are each limited liability companies created under the laws of Delaware. Emera Energy Services Subsidiary Nos. 1 through 10 engage or anticipate engaging in energy transactions in the eastern United States and have each received market-based rate authority from the Commission.⁶ Emera Energy Services Subsidiary Nos. 1 through 5 are also authorized to export electric energy from the United States to Canada.⁷ Emera Energy Services Subsidiary

¹ *Emera Energy U.S. Subsidiary No. 2, Inc.*, Letter Order, Docket Nos. ER06-796-000, *et al.* (June 20, 2006).

² *Emera Energy Services, Inc.*, Letter Order, Docket No. ER02-723-000 (Mar. 1, 2002).

³ Order No. EA-257-C. EES is seeking on this date renewal of its authority to export under section 202(e) of the Federal Power Act in a separate application.

⁴ *Emera Energy U.S. Subsidiary No. 1, Inc.*, Letter Order, Docket No. ER04-359-000 (Feb. 24, 2004).

⁵ Order No. EA-287-A. EE US No. 1 is seeking on this date authority to export under section 202(e) of the Federal Power Act in a separate application.

⁶ *Emera Energy Servs. Subsidiary No. 1, LLC*, Letter Order, Docket Nos. ER07-553-000, *et al.* (Mar. 21, 2007) (accepting market based rate tariffs of EES Nos. 1 to 5); *Emera Energy Servs. Subsidiary No. 6, LLC*, Letter Order, Docket Nos. ER12- 2492-000, *et al.* (Dec. 19, 2012) (accepting market-based rate tariffs of EES Nos. 6 to 10).

⁷ Orders EA-321-A, EA-322-A, EA-323-A, EA-324-A, and- EA-325-A, effective on October 1, 2013.

Nos. 6 through 8 engage or anticipate engaging in energy transactions in the eastern United States and have each received market-based rate authority from the Commission.⁸

Emera Maine, a Maine corporation headquartered in Bangor, Maine, is an indirect wholly owned subsidiary of Emera. Emera Maine is the surviving corporation following the merger of Bangor Hydro Electric Company (“Bangor Hydro”) and Maine Public Service Company (“Maine Public”) on January 1, 2014. Emera Maine is primarily engaged in the transmission and distribution of electric energy and related services in eastern and coastal Maine and in northern Maine. The Northern Division of Emera Maine (originally Maine Public’s facilities) is comprised of approximately 390 miles of transmission lines and includes the United States portion of four transmission lines that run from Aroostook County to New Brunswick, Canada. The Southern Division of Emera Maine (originally Bangor Hydro’s facilities) is comprised of approximately 827 miles of transmission lines and includes the United States portion of the Northeastern Reliability Interconnect, a 345-kV transmission line, which runs from the Bangor area to New Brunswick, Canada.⁹

Emera Maine holds an interest in Maine Electric Power Company, Inc. (“MEPCO”). MEPCO owns and operates a 345 kV interconnection between New Brunswick, Canada and Wiscasset, Maine, along with related facilities. MEPCO transmits power under its Open Access Transmission Tariff approved by the Federal Energy Regulatory Commission. Central Maine Power Company (“CMP”), which is not affiliated with any Emera entity, holds the majority interest in MEPCO of 78.3%, with Emera Maine holding the remaining interest.

⁸ *Emera Energy Servs. Subsidiary No. 6, LLC*, Letter Order, Docket Nos. ER12- 2492-000, *et al.* (Dec. 19, 2012) (accepting market-based rate tariffs of EES Nos. 6 to 10). Emera Energy Services Subsidiary Nos. 6 through 8 are seeking on this date authority to export under section 202(e) of the Federal Power Act in a separate application.

⁹ On December 30, 2013, Maine Public and Bangor Hydro submitted joint applications for the reissuance of four Presidential Permits to Emera Maine: PP-12, PP-29-1, PP-81, and PP-89-1.

Chester SVC Partnership owns a static VAR compensator facility in Chester, Maine, which provides transmission system reinforcement allowing the Hydro-Quebec Phase II transmission line in New Hampshire and the MEPCO line to operate at full capability simultaneously. Bangor Var Company, Inc., a wholly-owned subsidiary of Emera Maine, is a general partner holding a 50% interest in Chester. CMP holds the other 50% interest.

Emera Energy Incorporated is a wholly-owned subsidiary of Emera and is incorporated under the laws of Nova Scotia. Emera Energy Incorporated provides energy management services to Canadian clients and customers, as well as conducting proprietary natural gas and electricity trading and marketing in the Canadian marketplace. Nova Scotia Power Inc. is a wholly owned subsidiary of Emera that provides service to customers located in Nova Scotia, Canada. Emera has a 12.92% ownership in the Maritimes and Northeast Pipeline, a natural gas pipeline that originates in Goldboro, Nova Scotia, and terminates at a point of interconnection with the United States pipeline grid at Dracut, Massachusetts. Emera owns a subsidiary, Emera Utility Services Incorporated, which provides transformer refurbishment, cable work, and electrical construction.

Emera has a direct subsidiary, Emera Brunswick Pipeline Company Ltd., which owns the Brunswick Pipeline, a 145 kilometer pipeline which connects the Canaport Liquefied Natural Gas terminal in Saint John, New Brunswick, Canada to the United States portion of the Maritimes and Northeast Pipeline near St. Stephen, New Brunswick, Canada.

Emera owns a 80.1% interest in Light & Power Holdings Ltd., which in turns owns 100% of The Barbados Light & Power Company Limited ("BLPC"), a 20 % interest in St. Lucia Electricity Services Limited ("Lucelec") and a 51.9% interest in Dominica Electricity Services Limited ("Domlec"). BLPC is the sole electricity provider on the island of Barbados and has

been granted a franchise to produce, transmit and distribute electricity on the island until 2028. Lucelec is an electric utility with exclusive license to generate, transmit and distribute electricity on the island of St. Lucia until 2045. Domlec is the sole electricity provider in the Commonwealth of Dominica and has been granted a non-exclusive generation license and an exclusive license to transmit, distribute and supply electricity within Dominica. Emera also owns a 50% direct and a 30.4% indirect interest in Grand Bahama Power Company Limited ("GBPC"). GBPC is the sole licensed and regulated utility operator on Grand Bahama Island with an exclusive franchise to produce, transmit and distribute electricity on Grand Bahama Island until 2054. Emera also owns an 8.2 % interest in OpenHydro Group Limited, an Irish technology business that designs and manufactures marine turbines to generate renewable energy from tidal streams.

Emera owns a 50% indirect interest in Bear Swamp Power Company LLC, a Delaware limited liability company which owns and operates the 600 MW Bear Swamp Pumped Storage Hydroelectric Facility located on the Deerfield River in northern Massachusetts and the nearby 10 MW Fife Brook run-of-river hydroelectric facility. Bear Swamp holds authorization to sell power at market-based rates from FERC. Bayside Power, L.P. is a wholly-owned indirect subsidiary of Emera and is the owner of the 290 MW gas-fired Bayside Power plant in Saint John, New Brunswick.

Emera holds an indirect 49-percent interest in Northeast Wind Partners II, LLC ("Northeast Wind "), which in turn indirectly owns ten wind generating facilities and related assets in New England and New York. The remaining 51 percent interest in Northeast Wind is held by First Wind Holdings, LLC ("First Wind Holdings"), an entity unaffiliated with Applicants.

Emera also has 100% indirect equity interests in three gas-fired generation facilities in New England. Bridgeport Energy LLC (“Bridgeport”) is an exempt wholesale generator¹⁰ that owns and operates an approximate 454 MW (summer rating), 534 MW (winter rating) gas-fired, combined cycle electric generating facility in Bridgeport, Connecticut. Bridgeport is authorized to sell energy, capacity, and certain ancillary services at market-based rates¹¹.

Tiverton Energy LLC (“Tiverton”) owns and operates a 244 MW (summer rating), 279 MW (winter rating) gas-fired combined cycle electric generating facility in Tiverton, Rhode Island.

Rumford Power Inc. owns and operates a 244 MW (summer rating), 269 MW (winter rating) gas-fired combined cycle electric generating facility in Rumford, Maine. Tiverton and Rumford are exempt wholesale generators with market-based rate authority from FERC¹².

Algonquin Power & Utilities Corp. (“APUC”) is a diversified electrical power generation and utility infrastructure company with its principal place of business in Oakville, Ontario, Canada. Through its distinct operating subsidiaries, APUC owns and operates a diversified portfolio of renewable electric generation and sustainable utility businesses throughout North America. Emera presently holds an approximately 24.5 percent interest in APUC. Other than Emera, no single investor or affiliated group of investors owns directly or indirectly more than ten percent of APUC (based on the most current, publicly-available information).

¹⁰ *Bridgeport Energy LLC*, 84 FERC ¶ 62,131 (1998).

¹¹ *Bridgeport Energy LLC*, 83 FERC ¶ 61,307 (1998).

¹² *Rumford Power LLC and Tiverton Power LLC*, Docket Nos. ER07-958-000 and ER07-936-000 (unpublished letter order accepting application for market-based rates, issued July 18, 2007); *Rumford Power Inc. and Tiverton Power Inc.*, Docket Nos. ER07-958-001 and ER07-936-001 (unpublished letter order accepting most recent Updated Market Power Analysis for market-based rates, issued Oct. 2, 2008); Notice of Self-Certification of Exempt Wholesale Generator Status of Tiverton Power LLC and Rumford Power LLC, Docket No. EG07-56-000 (filed May 24, 2007); *Tiverton Power LLC and Rumford Power LLC, et al.*, Docket Nos. EG07-56-000, et al., Notice of Effectiveness of Exempt Wholesale Generator Status (issued Sept. 24, 2007).

EE US No. 2 does not own any electric power generation or transmission facilities and does not have a franchised electric power service area. EE US No. 2 operates as a marketing company involved in, among other things, the purchase and sale of electricity in the United States as a power marketer.

II. COMMUNICATIONS.

Communications regarding this Application should be addressed to the following persons:

Emera Energy U.S. Subsidiary No. 2, Inc.

Will Szubielski
Commercial & Regulatory Lawyer
c/o Emera Energy Inc.
1223 Lower Water Street
Halifax, Nova Scotia B3J 3S8
Fax: (902) 428-6118
Phone: (902) 474-2557
william.szubielski@emeraenergy.com

Troutman Sanders LLP

Bonnie A. Suchman
Troutman Sanders LLP
401 9th Street, N.W. Suite 1000
Washington, D.C. 20004
(202) 274-2908
(202) 654-5628 (facsimile)
bonnie.suchman@troutmansanders.com

Stephen Aftanas
Corporate Secretary
c/o Emera Incorporated
1223 Lower Water Street
Halifax, Nova Scotia B3J 3S8
Fax: (902) 428-6171
Phone: (902) 428-6096
stephen.aftanas@emera.com

III. JURISDICTION.

Under Section 202(e) of the FPA, 16 U.S.C. § 824a(e), and DOE's regulations, 10 C.F.R. § 205.300 *et seq.*, any person seeking to transmit electric energy from the United States to a foreign country must first secure an order from DOE authorizing the export. No other known federal, state or local government has jurisdiction over the actions to be taken under the authority set out in this application.

IV. TECHNICAL DISCUSSION OF PROPOSAL.

EE US No. 2 seeks renewal of its authority to transmit electric energy to Canada. EE US No. 2 intends to export power over existing transmission interconnections between the United States and Canada. Exhibit C to this Application provides the location and 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.

EE US No. 2 will purchase surplus electric energy from electric utilities and other suppliers within the United States and will export this energy to Canada over the international electric transmission facilities. The present owners of the transmission facilities are listed in Exhibit C. Because this electric energy will be purchased from others voluntarily, it will be surplus to the needs of the selling entities. EE US No. 2's export of power will not impair the sufficiency of electric power supply in the U.S.

EE US No. 2 will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to effect any power exports. This will include: (1) scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation ("NERC") and applicable Regional Entities in effect at the time of export; (2) obtaining all necessary transmission access over the existing facilities listed in Exhibit C; and (3) providing evidence of the agreements with transmission owners to DOE.

Consistent with past DOE precedent, EE US No. 2 requests that DOE use the reliability analyses performed in the most recent export authorization proceedings that rely upon the border transmission facilities referenced in Exhibit C. EE US No. 2 agrees to abide by the export limits of these transmission facilities. The controls that are inherent in any transaction that complies with all NERC requirements and the export limits imposed by DOE on the referenced

transmission facilities are sufficient to ensure that exports by EE US No. 2 will not impede or tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

V. PROCEDURES

EE US No. 2 is willing to accept all conditions imposed by the Department of Energy on its authorization to export power. In particular, if required by DOE, exports made by EE US No. 2 will not exceed the export limits for the transmission facilities utilized by EE US No. 2, or otherwise cause a violation of the terms and conditions set forth in the export authorization. When scheduling the delivery of power, EE US No. 2 will comply with the applicable NERC reliability criteria, standards, and guidelines. EE US No. 2 will provide DOE with all required reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission, as well as any additional annual reports required.

VI. SERVICE AND FEE.

In accordance with the requirements of 10 C.F.R. § 205.309, copies of this application will be provided to the following:

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.W.
Washington, D.C. 20426

Maine Public Utilities Commission
242 State Street
18 State House Station
Augusta, Maine 04333-0018

Maine Public Advocate Office
112 State House Station
Augusta, Maine 04333-0112

A check in the amount of \$500.00 made payable to the Treasurer of the United States is enclosed in payment of the fee specified in 10 C.F.R. § 205.309.

VI. VERIFICATION.

Verification executed by Applicant's authorized representative, A. Michael Burnell, in accordance with 10 C.F.R. § 205.302(h) is enclosed with this Application.

VII. EXHIBITS.

In accordance with the requirements of 10 C.F.R. § 205.303, the following exhibits are attached hereto:

- Exhibit A Transmission Agreements
- Exhibit B Opinion of Counsel
- Exhibit C International Transmission Facilities (Submitted in lieu of Maps)
- Exhibit D Power of Attorney
- Exhibit E Statement of Any Corporate Relationship or Existing Contract
- Exhibit F Operating Procedures

VIII. CONCLUSION.

WHEREFORE, EE US No. 2 respectfully requests that this Application for Authorization to Transmit Electric Energy to Canada be considered and approved.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Bonnie A. Suchman', written over a horizontal line.

Bonnie A. Suchman, Esq.
Troutman Sanders LLP
401 9th Street, N.W., Suite 1000
Washington, D.C. 20004
(202) 274-2908
(202) 654-5628 (facsimile)

*Attorney for
Emera Energy U.S. Subsidiary No. 1, Inc.*

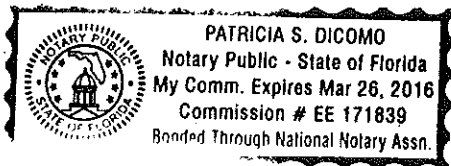
Dated: February 25, 2014

VERIFICATION

I, A. Michael Burnell, President of Emera Energy U.S. Subsidiary No. 2, Inc., having knowledge of the matters set forth in the above Application for Authorization to Transmit Energy to Canada, hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.

A. Michael Burnell

SUBSCRIBED AND SWORN before me, a notary public this 20 day of February, 2014.



Patricia S. Dicom
Notary Public

My Commission Expires:

03/26/2016

EXHIBIT A -- TRANSMISSION AGREEMENTS

Currently, EE US No. 2 has no transmission reservations or transmission agreements within the United States.

EXHIBIT B

Statement of Opinion of Counsel

This opinion is rendered in connection with the Application of Emera Energy U.S. Subsidiary No. 1, Inc. ("EE US No. 2") for Authorization to Transmit Electric Energy to Canada, dated February 25, 2014, and pursuant to 10 C.F.R. Section 205.303(b).

Based on my understanding and review of EE US No. 2, my knowledge of the corporate powers of EE US No. 2, and my examination of such documents, records and matters of laws as I have considered to be relevant, it is my opinion that:

1. The proposed exports of electrical power described in the Application are within the corporate powers of EE US No. 2; and
2. EE US No. 2 has complied and will comply with all pertinent Federal and State laws.

I am opining herein only as to federal laws of the United States and laws of relevant States within the United States, and I express no opinion as to the laws of any other jurisdiction. I am not assuming any obligation to review or update this opinion should the law or existing facts or circumstances change. This opinion is provided by me as counsel for of EE US No. 2 solely to you for your exclusive use and is not to be made available to or relied upon by any other person or entity without my prior written consent.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Bonnie A. Suchman', written over a horizontal line.

Bonnie A. Suchman

Dated: February 25, 2014

EXHIBIT C

International Transmission Facilities At the U.S.-Canada Authorized for Use by Third-Party Transmitters

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No</u>
Bangor Hydro Electric Company	Baileyville, ME	345-kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Bonneville Power Administration	Blaine, WA	2-500-kV	PP-10
	Nelway, WA	230kV	PP-36
	Nelway, WA	230-kV	PP-46
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission Company	Detroit, MI	230-kV	PP-230
	Marysville, MI	230-kV	PP-230
	St. Claire, MI	230-kV	PP-230
	St. Claire, MI	345-kV	PP-230
Joint Owners of the 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
	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	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
	Devil's Hole, NY	230-kV	PP-30
Niagara Mohawk Power Corp.	Devil's 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	±450-kV DC	PP-299
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66

Vermont Electric Transmission Co.	Norton, VT	±450-kV DC	PP-76
	Millbury, MA	345-kV	
	Medway, MA	345-kV	
	Imperial Valley, CA	230-kV	PP-79

EXHIBIT E

Statement of Any Corporate Relationship or Existing Contract

Not Applicable.

EXHIBIT F -- OPERATING PROCEDURES

Not Applicable

BONNIE A. SUCHMAN
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TROUTMAN SANDERS

US Department of Energy

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FEB 25 2014

Electricity Delivery and
Energy Reliability

February 25, 2014

Mr. Christopher Lawrence
Office of Electricity Delivery and Energy Reliability
OE-20, Room 8G-024
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: Emera Energy U.S. Subsidiary No. 2, Inc.

Dear Mr. Lawrence:

Please find enclosed an original and five (5) copies of Application of Emera Energy U.S. Subsidiary No. 2, Inc. for Authorization to Transmit Electric Energy to Canada. Pursuant to 10 C.F.R. §205.309, I have enclosed a check for \$500, made payable to the Treasurer of the United States.

Please contact me if you require any additional information.

Sincerely,



Bonnie A. Suchman

Enclosure