

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

DC Energy, LLC

)

Docket No. EA-327- A

**APPLICATION OF DC ENERGY, LLC
FOR RENEWAL OF AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO CANADA**

DC Energy, LLC (“DC Energy”), 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.* (2010), hereby submits an Application for Renewal of its currently-effective authorization to export electricity from the United States to Canada and for blanket authorization to transmit electric energy from the United States to Canada over any authorized international electric transmission facilities that are appropriate for “open access” transmission by third parties, including facilities that have been authorized but not yet constructed and placed into operation (once such facilities have been issued a Presidential Permit and placed into commercial operations), in accordance with the export limits authorized by the Department of Energy (“Department”), for an additional ten-year term (or for such other period as the Department deems appropriate) effective from the date of the order granting this Renewal Application.

I. BACKGROUND

By Order dated July 11, 2007, in OE Docket No. EA-327, the Department of Energy Office of Electricity Delivery and Energy Reliability issued an Order authorizing electricity exports to Canada by DC Energy to be effective for a period of five years beginning July 11, 2007.

II. APPLICATION FOR RENEWAL

DC Energy respectfully requests expedited review of this Application and further requests the renewal of its authorization to export electricity to Canada, effective no later than the expiration date of the current authorization in order to avoid any lapse in DC Energy's authority to export energy to Canada. Specifically, DC Energy requests to extend its current authorization for an additional period of ten (10) years.

DC Energy is a Delaware limited liability company whose purpose is to engage in energy-related transactions in the United States. DC Energy engages in wholesale electric power and related transactions as an electric power marketer. Pursuant to a re-authorization order issued on August 8, 2008 by the Federal Energy Regulatory Commission ("FERC") in Docket No. ER04-381-002, DC Energy is authorized to enter into wholesale electric power transactions in interstate commerce at market-based rates. DC Energy intends to utilize this authority to schedule physical power transfers between control areas.¹

DC Energy is a wholly owned, direct subsidiary of DC Energy Holdings, LLC, which also is a Delaware limited liability company with its principal place of business in Vienna, Virginia. Neither DC Energy nor any of its affiliates owns, controls or operates any electric generation, electric distribution or transmission facilities, or natural gas distribution or transmission facilities, construction/engineering firms that could engage in the construction of generation or transmission facilities, or generation sites. Furthermore, neither DC Energy nor any of its affiliates has any franchise or service territory for the sale, distribution or transmission of electricity or natural gas.

¹ *DC Energy, LLC*, FERC Docket No. ER04-381-002 (2008).

III. INFORMATION REQUIRED PURSUANT TO 10 C.F.R. SECTION 205.302

The following information is provided in accordance with 10 C.F.R. Section 205.302 (2010):

- A. The exact legal name of the applicant: DC Energy, LLC
- B. The exact legal name of all partners: None
- C. The name, title, post office address and telephone number of the person to whom correspondence in regard to the application shall be directed:

Please direct all communications regarding this application to the following individuals:

Andrea Wolfman
Alston & Bird LLP
950 F Street, N.W.
Washington, DC 20004-1404
Telephone: 202-239-3943
Fax: 202-654-4964
E-mail: andrea.wolfman@alston.com

Joelle K. Ogg
General Counsel
DC Energy, LLC
8065 Leesburg Pike
Sixth Floor
Vienna, VA 22182
Phone: 703-760-8535
Email: ogg@dc-energy.com

- D. The state or territory under the laws of which the applicant is organized or incorporated, or authorized to operate. If the applicant is authorized to operate in more than one state, all pertinent facts shall be included:

DC Energy is a Delaware limited liability company with its principal place of business in Vienna, Virginia.

DC Energy may engage in transactions in which it purchases surplus electric energy from electric utilities and other suppliers within the United States, wheels such electric energy through facilities located in the United States, and exports such electric energy to

third parties in Canada. DC Energy requests export authorization to complete these transactions to the extent necessary under the Federal Power Act and the applicable regulations.

- E. The name and address of any known Federal, State or local government agency which may have jurisdiction over the action to be taken in this application and a brief description of that authority:

Pursuant to section 202(e) of the Federal Power Act, the Department has jurisdiction over the actions to be taken pursuant to this application. No other Federal, State, or local government has jurisdiction over the actions to be taken in this application.

- F. A description of the transmission facilities through which the electric energy will be delivered to the foreign country, including the name of the owners and the location of any remote facilities:

DC Energy seeks to transmit electricity to Canada over any authorized international transmission facilities that are appropriate for open access transmission by third parties, including facilities that have been authorized but not yet constructed and placed into operation (once such facilities have been issued a Presidential Permit and placed into commercial operation), in accordance with the export limits authorized by the Department. DC Energy does not propose to construct any facilities of its own.

- G. A technical description of the proposed electricity export's reliability, fuel use and system stability impact on the applicant's present and prospective electric power supply system:

DC Energy seeks to renew its authority to transmit electric power to Canada as a power marketer. As noted above, DC Energy has no "system" of its own on which exports of power could have a reliability, fuel use or stability impact. The electric power DC Energy has and will export, on either a firm or interruptible basis, will be sold by others voluntarily and will therefore be surplus to the needs of the selling entities. Thus, such

power sales will not impair or have an adverse consequence on the sufficiency or operation of the electric power system and regional transmission systems within the United States or the maintenance of adequate generation resources in the United States. Moreover, because DC Energy does not have an obligation to serve native load, the exports proposed by DC Energy will not impair its ability to meet current and prospective power supply obligations.

DC Energy has and will continue to make all necessary commercial arrangements, has and will continue to obtain sufficient transmission capacity to wheel the exported energy to the border system, and has and will continue to obtain all other regulatory approvals required in order to affect any power exports. These 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 and member regional entities in effect at the time of export; (2) coordinating exports with the authorized international electric transmission facilities, balancing authorities, regional entities, and/or other appropriate entities such that the total exports across the interconnection(s) are in conformance with the applicable operating limits and requirements; and (3) obtaining all necessary transmission access over the authorized international electric transmission facilities that are appropriate for open access transmission by third parties.

The existing procedures for obtaining transmission capacity on domestic transmission systems provide adequate assurance that the delivery of energy to the border systems will not impair the reliability of the United States electric power supply system. In addition, the services taken by DC Energy to effectuate delivery of the electric energy to the border systems usually will be arranged via the Open-Access Same-Time Information

System and provided pursuant to open-access transmission tariffs, which are approved by the FERC.

Moving the energy through the border systems and across the border to Canada will not impair the United States electric power system nor impede coordinated use of regional facilities. DC Energy has and will continue to make the necessary commercial arrangements and will obtain sufficient transmission capacity to deliver the energy over the border systems and into Canada. Traditional technical studies have been performed, submitted and reviewed by the Department in connection with the export authorizations issued to the facilities over which DC Energy will export electric energy. DC Energy respectfully requests that the Department utilize these operational reliability impact studies to make the necessary determinations and to conclude that the proposed export will have no adverse consequence on the operation of regional transmission systems. To the extent that DC Energy exports energy over the international transmission facilities, DC Energy will abide by the export limits set forth in the appropriate export authorizations for such facilities.

DC Energy's application is consistent with the 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.

H. Signature and verification under oath by the officer of the applicant having knowledge of the matters set forth herein:

This application has been verified under oath by an officer of DC Energy who has knowledge of the matters set forth herein. The verification is included in Exhibit G.

IV. PROCEDURAL MATTERS

DC Energy is seeking renewal of its authorization, as a power marketer, to transmit electricity to Canada through authorized border facilities, although specific transactions have not yet been finalized. The Department has granted such renewal authority to similarly-situated electric power marketers. If required by the Department, DC Energy is willing to accept general conditions consistent with the Department's previous power marketer export authorizations. In particular, exports made by DC Energy will not exceed the export limits for the transmission facilities utilized by DC Energy, or otherwise cause a violation of the terms and conditions set forth in the export authorizations application to each.

In addition, when scheduling the delivery of power, DC Energy has and will comply with applicable North American Electric Reliability Corporation ("NERC") reliability criteria, standards, and guidelines. Finally, DC Energy has and will make and preserve complete records regarding the electric energy exported and, if and to the extent required, will provide the Department with the reports by the last day of the month following each calendar month indicating the gross amount of electricity delivered to Canada, consideration received during each month, the maximum hourly rate of transmission, and any other information required by the Department.

V. EXHIBITS

The following exhibits are attached hereto as follows:

Exhibit A - Agreements (Not Applicable)

Exhibit B - Legal Opinion of Counsel

Exhibit C - Transmission Facilities

DC Energy owns no electric system. DC Energy requests renewal of its authorization to continue to export electricity to Canada over the existing and future Department-approved transmission facilities between the United States and Canada operating under Department authorization and guidelines and approved for transmission by third parties.

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

To the extent necessary, DC Energy requests a waiver of the requirement to provide the exhibits that are not applicable to its application, as noted.

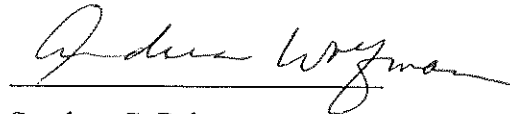
Pursuant to 10 C.F.R. Section 205.309, a copy of this Renewal Application is being provided to:

Federal Energy Regulatory Commission
Office of the Secretary
888 First Street, NE
Washington, DC 20426

VI. CONCLUSION

Wherefore, DC Energy, LLC respectfully requests that the Department review and grant this Application for Renewal in an expeditious manner.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephen C. Palmer", is written over a horizontal line.

Stephen C. Palmer
Andrea Wolfman
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404
Phone: 202-756-3300
stephen.palmer@alston.com
andrea.wolfman@alston.com

Counsel for DC Energy, LLC

May 4, 2012

Exhibit A

Not Applicable

Exhibit B

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Direct Dial: 202-239-3360

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May 4, 2012

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

Re: DC Energy, LLC, Docket No. EA-327-____
Application for Renewal of Authorization to Transmit
Electric Energy to Canada

To Whom it May Concern:

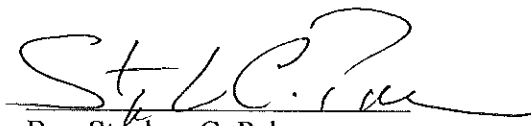
This opinion is furnished to you at the request of DC Energy, LLC (the "Company") in connection with the Company's application for Renewal of Authorization to Transmit Electric Energy to Canada, as prescribed by 10 C.F.R. § 205.303(b) (2012). This letter is solely for your benefit in connection with the Company's aforementioned application, and may not be relied upon by any other person or entity or for any other purpose.

We have examined the Amended and Restated Limited Liability Company Agreement of DC Energy, LLC, the relevant provisions of the Delaware Limited Liability Company Act, and such other documents as we have deemed necessary or appropriate to render this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of documents submitted to us as copies, and the authenticity of such originals of documents.

Based on the foregoing, we are of the opinion that the Company has the corporate power and authority to export electricity from the United States to Canada and that the Company will comply with all Federal and State laws pertinent to that business activity. Further, we are of the opinion that, once the Company receives renewal of its export authorization from the Department of Energy, the Company will have obtained all necessary federal approvals to sell to Canada.

Sincerely,

ALSTON & BIRD LLP



By: Stephen C. Palmer
A Partner

Exhibit C

Exhibit C

List of All Proposed Border Facilities With Presidential Permit Numbers

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Permit No.</u> ¹
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	230-kV	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 Montana Alberta Tie Ltd.	Roseau County, MN	230-kV	PP-61
	Cut Bank, MT	230-kV	PP-305 ²

¹ These Presidential permit numbers refer to the generic DOE permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

² These transmission facilities have been authorized but not yet constructed or placed in operation.

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
	Rugby, ND	230-kV	PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	± 450 -kV DC	PP-299 ³
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	± 450 -kV DC	PP-76

³ These transmission facilities have been authorized but not yet constructed or placed in operation.

Exhibit D

Not Applicable

Exhibit E

Not Applicable

Exhibit F

Not Applicable

Exhibit G

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

DC Energy, LLC

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Docket No. EA-327-___

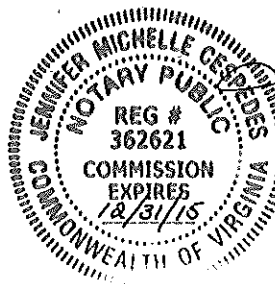
VERIFICATION

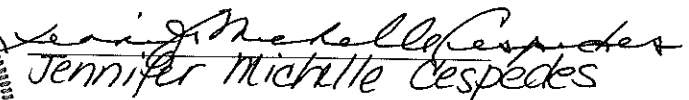
I, Dr. Andrew J. Stevens, having knowledge of the matters set forth in the above Application by DC Energy, LLC for Renewal of Authorization to Transmit Electric Energy to Canada, hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.



Andrew J. Stevens
DC Energy, LLC
Managing Director

Sworn to or affirmed before me and subscribed in my presence this 3 day of May, 2012.




Jennifer Michelle Cespedes
Notary Public
State of Virginia
County of Fairfax

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US Department of Energy

MAY 04 2012

Electricity Delivery and
Energy Reliability

Andrea Wolfman

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May 4, 2012

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

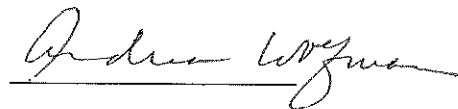
**RE: Application of DC Energy, LLC for Renewal of Authorization
to Transmit Electricity from the United States to Canada
Docket No. EA-327- A**

Dear Mr. Lawrence:

Please find enclosed for filing an original and two copies of an Application for Renewal of Authorization to Transmit Electricity from the United States to Canada and as required by 10 C.F.R. § 205.309, a check in the amount of \$500.00. A copy of this Application is being served contemporaneously upon the Federal Energy Regulatory Commission.

Also enclosed are two additional copies of this filing labeled "stamp and return;" please date stamp these additional copies for return by our messenger.

Sincerely,



Andrea Wolfman

Counsel for DC Energy, LLC