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DANIEL E. FRANK
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US Department of Energy

FEB 13 2009

February 13, 2009 Electricity, Delivery and Energy Reliability

Via Hand Delivery

U.S. Department of Energy, OE-20
Office of Electricity Delivery and Energy Reliability
1000 Independence Avenue, S.W.
Washington, DC 20585

Attn.: Ms. Ellen Russell

Re: *Saracen Power LLC*, Docket No. EA- 350
Application for Authorization to Export Electricity to Canada

Dear Ms. Russell:

Please find enclosed for filing on behalf of Saracen Power LLC (Saracen Power) (i) an original and fifteen copies of the "Application of Saracen Power LLC for Authorization to Transmit Electric Energy to Canada," and (ii) a check in the amount of \$500 payable to the Treasurer of the United States, as required by 10 C.F.R. § 205.309 (2008). A copy of the Application is being served contemporaneously upon the Federal Energy Regulatory Commission, as required by 10 C.F.R. § 205.309 (2008).

In order to have in place all necessary authorizations to commence trading activities at the earliest possible time, Saracen Power respectfully requests that the Department act expeditiously on this Application and issue an order granting the requested authorization ***by no later than April 14, 2009***, the date that is 60 days after the date of this filing. To the extent necessary, Saracen Power respectfully requests waiver of the requirement to file this Application six months in advance of the authorization requested herein.

Finally, enclosed are two additional copies of this filing labeled "stamp and return"; please stamp the date and time on those additional copies for return by our messenger.

Ms. Ellen Russell
February 13, 2009
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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daniel E. Frank". The signature is fluid and cursive, with the first name "Daniel" being more prominent than the last name "Frank".

Daniel E. Frank
Caileen N. Gamache
Attorneys for
Saracen Power LLC

Enclosures

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

Saracen Power LLC

) Docket No. EA-____

**APPLICATION OF
SARACEN POWER LLC
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 the Department's Rules and Regulations, 10 C.F.R. §§ 205.300, *et seq.* (2008), Saracen Power LLC ("Saracen Power") hereby requests authorization 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). In support thereof, Saracen Power states as follows:

I. DESCRIPTION OF APPLICANT

The exact legal name of the applicant is Saracen Power LLC. Saracen Power is a Texas limited liability company, with its principal place of business in Houston, Texas. Saracen Power is filing, on or about the same date as the filing of the instant Application, an application with the Federal Energy Regulatory Commission ("FERC") for authorization to engage in wholesale sales of electric power in interstate commerce at negotiated (market-based) rates, under Saracen Power's proposed Rate Schedule FERC No. 1. Saracen Power is affiliated (through common upstream ownership and control) with Saracen Merchant Energy LP ("SME"), and Saracen

Energy Partners, LP (“SEP”), which have both received authorization from the Department to export electricity to Canada.¹

Saracen Power is wholly owned by Saracen Energy Advisors LP (“SEA”), a Texas limited partnership. SEA is also the sole member-manager of Saracen Power. The general partner of SEA is Saracen LLC, a Texas limited liability company. In turn, Saracen LLC is owned by individuals Neil Kelley and Mike Kutsch. Saracen Power is affiliated with four other entities that are authorized by FERC to engage in the wholesale sale of electricity at market-based rates: SME, SEP, Saracen Energy LP, and Saracen Energy Power Advisors LP.² Only SME and SEP are authorized to export electricity from the United States; none of the other affiliates is seeking authorization to export electricity to Canada at this time.

Saracen Power 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. In addition, none of Saracen Power’s owners or affiliates owns any electric generation or transmission facilities, and none of them holds a franchise or service territory for the transmission, distribution or sale of electric power.

¹ See *Saracen Merchant Energy LP*, OE Docket No. EA-303, “Order Authorizing Electricity Exports to Canada,” Order No. EA-303 (Aug. 19, 2005); *Saracen Energy Partners, LP*, OE Docket No. EA-340, “Order Authorizing Electricity Exports to Canada,” Order No. EA-340 (June 18, 2008).

² See *Saracen Energy LP*, 110 FERC ¶ 61,332 (2005) (authorizing market-based rates for Saracen Energy LP, SME and Saracen Energy Power Advisors LP); *Saracen Energy Partners, LP*, FERC Docket Nos. ER08-901-000 and ER08-901-001, Letter Order (June 12, 2008) (unpublished) (authorizing market-based rates for SEP).

II. MEMBERS

The membership interest in Saracen Power is described above. Saracen Power is not seeking authorization to export power on behalf of, or in conjunction with, any member.

III. COMMUNICATIONS

Communications regarding this application should be addressed to the following:

Allison P. Duensing
Assistant General Counsel
The Saracen Group of Companies
Five Greenway Plaza, Suite 1310
Houston, TX 77046
Tel.: 713-366-7059
Fax: 713-583-9675
Email: aduensing@saracenenergy.com

Daniel E. Frank
Caileen N. Gamache
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, DC 20004-2415
Tel.: 202-383-0838
Fax: 202-637-3593
Email: daniel.frank@sutherland.com, caileen.gamache@sutherland.com

IV. ORGANIZATION OF APPLICANT, AUTHORITY TO DO BUSINESS

Saracen Power is a Texas limited partnership with its principal place of business in Houston, Texas. Currently Saracen Power is authorized to do business only in the State of Texas.

V. JURISDICTION

Saracen Power 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.

VI. FACILITIES

Saracen Power 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 each of the transmission facilities through which the electric energy may be delivered into Canada, and includes the name of the owner of each such facility as well as the corresponding Presidential Permit number.

VII. TECHNICAL DISCUSSION OF PROPOSAL

As noted above, Saracen Power has no "system" of its own on which exports of power could have a reliability or stability impact. The electric power that Saracen Power 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 Saracen Power does not have an obligation to serve native load, the exports proposed by Saracen Power 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 declined to rigidly apply the information filing requirements contained in its regulations and instead has used a flexible approach which takes into consideration the unique nature of power marketers, the requirements of FERC Order No. 888 and previously authorized export limits of cross-border facilities.³ These same considerations demonstrate that Saracen

³ See, e.g., *NorAm Energy Services, Inc.*, No. EA-105-CN (Aug. 16, 1996); *MidCon Power Services Corp.*, No. EA-114 (July 15, 1996); *USGen Power Services*, No. EA-112 (June 27, 1996); *CNG Power Services Corp.*, No. EA-110 (June 20, 1996); *Destec Power Services, Inc.*, No. EA-113 (May 31, 1996); *North American Energy Conservation, Inc.*, No. EA-103 (May 30, 1996); *NorAm Energy Services, Inc.*, No. EA-105-MX (May 30, 1996); *Enron Power Marketing, Inc.*, No. EA-102 (Feb. 6, 1996); *Morgan Stanley Capital Group Inc.*, No. EA-185-A-CN (Aug. 14, 2000).

Power's proposed exports will not impair or tend to impede the sufficiency of electric supplies in the United States or the regional coordination of electric utility planning or operations.

Saracen Power's application also 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.

VIII. PROCEDURAL MATTERS

Saracen Power is seeking authorization, as a power marketer, to export electricity through existing border facilities although specific transactions have not yet been finalized. The Department has granted export authority to similarly-situated electric power marketers. If required by the Department, Saracen Power is willing to accept general conditions consistent with the Department's previous power marketer export authorizations. In particular, if required by the Department, exports made by Saracen Power will not exceed the export limits for the transmission facilities utilized by Saracen Power, or otherwise cause a violation of the terms and conditions set forth in the export authorizations applicable to each. Saracen Power also commits to providing the Department, if required, prior to commencing export, written evidence that Saracen Power has secured sufficient transmission service for the delivery of power to the border. In addition, if required, when scheduling the delivery of power, Saracen Power will comply with applicable North American Electric Reliability Corporation ("NERC") reliability criteria, standards, and guidelines. Finally, if required and consistent with the Department's rules, regulations and policies generally applicable to power marketers with electricity export authorization, for each calendar quarter Saracen Power 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.

In order to have in place all necessary authorizations to commence trading activities at the earliest possible time, Saracen Power respectfully requests that the Department act expeditiously on this Application and issue an order granting the requested authorization *by no later than April 14, 2009*, the date that is 60 days after the date of this filing. To the extent necessary, Saracen Power respectfully requests waiver of the requirement to file this Application six months in advance of the authorization requested herein.

IX. EXHIBITS

The following exhibits identified in the Department's Regulations are attached hereto as follows:

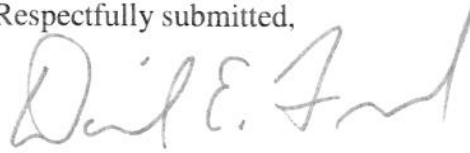
- Exhibit A – (Not applicable)
- Exhibit B – Legal Opinion of Saracen Power's Counsel
- Exhibit C – Transmission Facilities (submitted in lieu of maps)
- Exhibit D – (Not applicable)
- Exhibit E – (Not applicable)
- Exhibit F – (Not applicable)
- Exhibit G – Verification

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

X. CONCLUSION

Wherefore, Saracen Power LLC respectfully requests that the Department review and grant this application in an expeditious manner.

Respectfully submitted,



Daniel E. Frank
Caileen N. Gamache
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Email: daniel.frank@sutherland.com,
caileen.gamache@sutherland.com

*Counsel to
Saracen Power LLC*

February 13, 2009

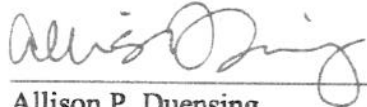
EXHIBIT B

Opinion of Legal Counsel

LEGAL OPINION

The following opinion is given in support of the Application of Saracen Power LLC for Authorization to Transmit Electric Energy to Canada, dated February 13, 2009.

1. I am an attorney at law, authorized to practice law in Texas;
2. I am employed as Assistant General Counsel to Saracen Power LLC;
3. Saracen Power LLC is duly established, validly existing and in good standing under the laws of the State of Texas and is authorized to do business in the State of Texas;
4. Saracen Power LLC has full corporate power and authority to buy, sell or act as a marketer/broker in the sale and exportation of electric energy as required in the Application; and
5. Saracen Power LLC will comply with all federal and state laws.



Allison P. Duensing
Assistant General Counsel

EXHIBIT C

Authorized Export Points

**TRANSMISSION LINES AT THE US-CANADA BORDER
AUTHORIZED FOR THIRD-PARTY USE**

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.¹</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	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	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
	Rugby, ND	230-kV	PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	±150-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	

Notes

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.

EXHIBIT G

Verification

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF HARRIS)

I, Neil E. Kelley, the Chief Executive Officer of Saracen Power LLC, am authorized to provide this verification on behalf of Saracen Power LLC, have knowledge of the matters set forth in the foregoing Application of Saracen Power LLC for Authorization to Transmit Electric Energy to Canada, and hereby verify that the contents thereof are true and correct to the best of my knowledge, information and belief.



Neil E. Kelley
Chief Executive Officer

SIGNED AND SWORN TO before me this 13th day of February, 2009.



Notary Public

My commission expires: _____

