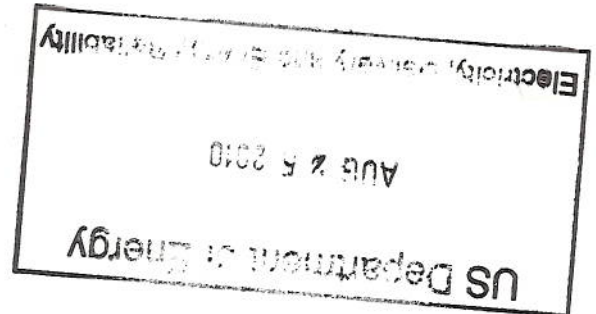


Steven A. Hudson  
shudson@preti.com

August <sup>23</sup>~~10~~, 2010

VIA FEDERAL EXPRESS

Mr. Christopher Lawrence  
Technical Consultant  
Office of Electricity Delivery and  
Energy Reliability  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585



**RE: Application of Twin Rivers Paper Company Inc. for Authorization to Transmit Electric Energy to Canada**

Dear Mr. Lawrence:

Enclosed for filing please find the original, executed *Application of Twin Rivers Paper Company Inc. for Authorization to Transmit Electric Energy to Canada*. Also enclosed are 2 copies of the Application as well as my firm's check in the amount of \$500.00.

If you have any questions regarding this submission, please contact me or my paralegal, Sonja Belanger.

Thank you.

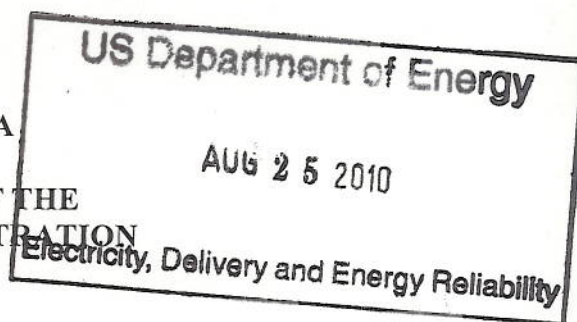
Sincerely,

A handwritten signature in cursive script that reads "Steven A. Hudson".

Steven A. Hudson

/ssb  
Enclosures

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF UTILITY SYSTEMS OF THE  
ECONOMIC REGULATORY ADMINISTRATION



Twin Rivers Paper Company Inc.

)  
) OE Docket No. EA-366  
)  
)

**APPLICATION OF TWIN RIVERS PAPER COMPANY INC. FOR  
AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA**

Twin Rivers Paper Company Inc., pursuant to Section 202(e) of the Federal Power Act, 16 U.S.C. §824a(e), and 10 C.F.R. §§205.300 through 205.309, hereby files this Application For Authority to Transmit Electric Energy to Canada, as further described below.

**I. DESCRIPTION OF APPLICANT**

The exact legal name of the Applicant is Twin Rivers Paper Company Inc. ("Twin Rivers"). Twin Rivers, an entity organized and existing under the laws of Ontario, Canada, is an affiliate of Brookfield Asset Management Inc. ("Brookfield"). Twin Rivers' registered office is located at Brookfield Place, 181 Bay Street, Suite 300, Toronto, ON M5J 2T3.

Twin Rivers and its affiliate, Twin Rivers Paper Company LLC, acquired certain assets under the terms and conditions of an Asset Purchase Agreement dated December 22, 2009, as amended ("Asset Purchase Agreement") as designees of Brookfield. Said assets included integrated pulp, energy and paper mill operations in Edmundston, New

Brunswick and Madawaska, Maine. The two paper mills are connected by (among other things) an electric transmission line which spans the St. John River. Twin Rivers is the owner of the electric transmission line, supporting structures, rights of way and other attendant facilities (collectively, "International Transmission Facilities").

On April 15, 2010 Twin Rivers, together with the previous owner<sup>1</sup>, Fraser Papers Inc., filed a *Joint Application to Rescind Presidential Permit PP-11, as amended, and Simultaneously Issue a Presidential Permit to Twin Rivers Paper Company Inc.* concerning the International Transmission Facilities which are the subject of this Application (OE Docket No.: PP-336). The *Joint Application* is attached as Exhibit G, to which specific reference is made for a description of Twin Rivers' acquisition of assets.

## II. JURISDICTION

To the best of our knowledge, no other federal, state or local governmental authority has jurisdiction over the actions contemplated in this application. To the extent that any future action(s) taken by Twin Rivers may be subject to regulation by any state commission, the Federal Energy Regulatory Commission, or the National Energy Board of Canada, Twin Rivers will seek regulatory approval of such action(s) in accordance with the applicable regulations and guidelines of such agencies.

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<sup>1</sup> At the time of the filing of the *Joint Application to Rescind Presidential Permit PP-11, as amended, and Simultaneously Issue a Presidential Permit to Twin Rivers Company Inc.*, the closing of the Asset Purchase Agreement had not yet occurred. Attached as Exhibit K is a copy of the Deed, which was recorded in the Aroostook County Registry of Deeds on April 29, 2010.

### **III. DESCRIPTION OF THE INTERNATIONAL TRANSMISSION FACILITIES**

The facilities which constitute the International Transmission Facilities proposed to be used to export electric energy to Canada have been authorized by Presidential Permit No. PP-11, as amended, issued to Fraser Papers Inc. ("Fraser"). These same facilities are also the subject of a proceeding before DOE's Office of Electricity Delivery and Energy Reliability in OE Docket No.: PP-366. In that docket Fraser and Twin Rivers jointly applied to rescind Fraser's Presidential Permit No. PP-11<sup>2</sup> and to simultaneously issue a Presidential Permit to Twin Rivers for the same International Transmission Facilities. These existing International Transmission Facilities consist of a three-phase 6.6-kV line<sup>3</sup>, together with a 138-kV line, operated at 69-kV, crossing the St. John River and connecting the integrated pulp and paper operations acquired by Twin Rivers and its affiliate.

The Applicant does not currently plan to make any physical changes to the International Transmission Facilities currently covered by PP-11, as amended.

The actions contemplated under the authority sought by this application will not impede the regional coordination of electric utility planning or operation.

### **IV. DESCRIPTION OF AUTHORITY SOUGHT**

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<sup>2</sup> PP-11, as amended, is formerly Federal Power Commission Docket No. IT-5951. Copies of Order No. PP-11, as amended, are attached as Exhibit H.

<sup>3</sup> The 6.6-kV line was disconnected at both ends in 1969 and is no longer in use.



As stated in Section I, the Applicant has purchased a pulp and paper mill operation located in Edmundston, New Brunswick and Madawaska, Maine. The pulp mill in Edmundston supplies the paper mill in Madawaska with the pulp required for the manufacture of paper. As a result, the pulp facility in Edmundston and the paper facility in Madawaska are one integrated operation.

The Edmundston pulp mill has a co-generation steam plant which generates electrical energy for its own industrial purposes. Likewise, the Madawaska paper mill also has a steam plant which generates electrical energy. However, the Madawaska operation does not have sufficient capacity for the generation of electrical energy to supply all of its needs, therefore, it is necessary for it to purchase a sufficient quantity of power from Edmundston to maintain the integrated nature of the two operations.

Although no electrical energy is currently exported from the Madawaska operation to the Edmundston operation (that is, from the United States to Canada), the Madawaska paper mill needs to make available any energy that may be requested by Edmundston operation (subject to its own load requirements) from time to time to meet any temporary deficiency which may occur by reason of emergency outage or equipment failure at its sister facility. (See Power Supply Agreement at Exhibit E.) Therefore, the Applicant is seeking authority to export electricity to Canada in such instances.

## **V. TECHNICAL DISCUSSION OF THE PROPOSAL**

The International Transmission Facilities (which have a capacity of 71 MVA in the winter and 54 MVA in the summer) connect the Edmundston pulp mill and the Madawaska paper mill (the "Twin Rivers Power Grid").

The Edmundston pulp mill currently purchases electricity from New Brunswick Power Corporation – in addition to the power it generates using steam. Additionally, the Edmundston pulp mill generates (utilizing separate co-generation facilities) electricity which it in turn sells to New Brunswick Power Corporation (“NBP”).

In the event of a power transmission failure in the NBP grid, the Madawaska operation has the ability to fire an oil boiler and generate 10 MWH of electricity. It also has the ability to connect a small capacity line supplied by Maine Public Service which allows effluent treatment pumps to operate in the event of a mill outage. The Madawaska paper mill could then supply the Edmundston pulp mill with power that would enable it to restart and maintain operations until NBP’s grid once again becomes stable. This would, of course, be accomplished with full knowledge, cooperation and permission of the NBP and Maine Public Service. This scenario could also be utilized during the Edmundston pulp mill maintenance outages and NBP maintenance outages.

## **VI. SERVICE AND FEE**

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. §205.326.

## **VII. VERIFICATION**

Verification executed by an officer of Twin Rivers having knowledge of the matters set forth in accordance with 10 C.F.R. §302(h) is attached as Exhibit I.

### **VIII. OPINION OF COUNSEL**

A signed opinion of counsel is attached as Exhibit B stating that the proposed export of electricity to be undertaken pursuant to this authority is within the corporate power of Twin Rivers. Additionally, an Affidavit stating that Twin Rivers intends to comply in all material respects with pertinent Federal and State laws is attached as Exhibit J.

### **IX. COMMUNICATIONS**

All correspondence concerning this Application should be directed to the following persons:

<p><u>Twin Rivers Paper Company Inc.</u> Wayne Johnson Vice-President Finance 707 Sable Oaks Drive, Suite 010 South Portland, Maine 04106 207-523-2357</p>
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A copy of all such correspondence and other communications should be sent to:

Steven A. Hudson, Esq.  
Preti, Flaherty, Beliveau & Pachios, LLP  
45 Memorial Circle  
P.O. Box 1058  
Augusta, Maine 04330-1058  
207-623-5300  
[shudson@preti.com](mailto:shudson@preti.com)

## X. CONCLUSION

WHEREFORE, Twin Rivers respectfully requests that this *Application for Authorization to Transmit Electric Energy to Canada* be considered and approved.

Respectfully Submitted,

TWIN RIVERS PAPER COMPANY INC.



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By: Wayne Johnson  
Its: Vice President



EXHIBIT A – N/A  
EXHIBIT B – Opinion of Counsel  
EXHIBIT C – Map  
EXHIBIT D – Irrevocable Power of Attorney  
EXHIBIT E - Power Supply Agreement  
EXHIBIT F – N/A  
EXHIBIT G - Joint Application  
EXHIBIT H - PP-11, as amended  
EXHIBIT I - Verification  
EXHIBIT J - Affidavit  
EXHIBIT K - Deed