

US Department of Energy

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

SEP 13 2013

Electricity Delivery and
Energy Reliability

TEC ENERGY INC.

DOCKET NO. EA-388

APPLICATION OF TEC ENERGY INC.
FOR AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO CANADA

TEC Energy Inc. ("TEC"), 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., hereby requests blanket authorization to transmit electric energy from the United States to Canada for a period of five (5) years effective from the date of the order granting this Application.

I. DESCRIPTION OF APPLICANT

TEC is an independent Canadian corporation with its principal place of business in the province of Quebec, Canada. TEC is a power marketer that expects to be active in the electricity and related financial markets administered by the US Regional Transmission Organizations ("RTO"), Independent System Operators ("ISO") (e.g., ISO-New England, Midwest ISO, New York ISO and PJM). TEC will engage in wholesale electric power and related transactions as an electric power marketer. TEC has also applied to the Federal Energy Regulatory Commission ("FERC") to receive market-based rate authority and intends to utilize this authority to schedule physical power transfers between control areas.

TEC does not own any electric generation or transmission facilities, nor is it affiliated with any entity that does. TEC does not hold a franchise or service territory for the transmission, distribution or sale of electric power.

II. COMMUNICATIONS

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

Etienne Lapointe, CPA, CA, MSc
Chief Financial Officer
TEC Energy Inc.
112 Place Terroux, St-Lambert, Quebec, Canada, J4R2W2
Phone : 1-514-502-8068
Fax : 1-514-221-4820
Email : elapointe@tecenergy.ca

Legalinc Corporate Services Inc.
35-15 84th Street 2H
Jackson Heights
New York, 11372

III. JURISDICTION

Pursuant to section 202(e) of the FPA, DOE has jurisdiction over the actions to be taken pursuant to this Application. There is no other Federal, State or local government agency in the United States that has jurisdiction over the actions to be taken under the specific export authorization sought in this Application.

IV. FACILITIES

TEC seeks to transmit electricity to Canada 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.

V. TECHNICAL DISCUSSION OF PROPOSAL

Section 202(e) of the Federal Power Act ("FPA") and the DOE's regulations provide that exports should be allowed unless the proposed export would impair the sufficiency of electric power supply within the United States or would tend to impede the coordinated use of the United States power supply network. 16 U.S.C. §824a(e). TEC seeks blanket authority to transmit electric power to Canada as a power marketer.

As noted above, TEC has no electric power supply system of its own on which the proposed exports could have a reliability or stability impact. TEC also has no obligation to serve native load usually associated with a franchised service area, and, thus, the exports proposed by TEC will not impair its ability to meet current and prospective power supply obligations.

The electric power TEC will export, on either a firm or interruptible basis, will be purchased from a variety of sources voluntarily. Such power is surplus to the system of the generator and, therefore, the electric power that TEC will export on either a firm or interruptible basis will not impair the sufficiency of the electric power supply within the U.S.

Before scheduling delivery of power, TEC will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required. All of the electricity exported by TEC will be transmitted pursuant to arrangements with utilities that own and operate existing transmission facilities. TEC exports over the subject transmission facilities will not exceed the export limits for the facilities, or otherwise cause a violation of the terms and conditions set forth in the export authorizations applicable to each as shown in Exhibit C. TEC will schedule its transactions with the appropriate balancing authority areas and will comply with the reliability criteria standards and guidelines of the North American Electric Reliability Corporation and Regional Councils, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

In previous orders granting export authorization to electric power marketers, DOE declined to rigidly apply the information filing requirements contained in its regulations and instead 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 limit of cross-border facilities¹. These same considerations demonstrate that the exports proposed by TEC will not impair or tend to impede the sufficiency of electric supplies in the U.S. or the regional coordination of electric utility planning or operations.

Finally, TEC's application 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.

VI. PROPOSED PROCEDURES

TEC is seeking authorization as a power marketer to transmit electricity to Canada through existing transmission facilities at the border between Canada and the U.S. (see Exhibit C). The Department has granted such authority to similarly situated electric power marketers.

Further, TEC intends to comply with the applicable requirements of FERC, the NERC, and the export limitations associated with each facility. TEC also commits to submit quarterly reports to DOE within 30 days following each calendar quarter showing the gross amount of electricity delivered to Canada, the consideration received in return for

¹ See e.g. NorAm Energy Services, Inc., Order No. EA-105-CN (Aug. 16, 1996); MidCon Power Services Corp., Order No. EA-114 (July 15, 1996); USGen Power Services, No. EA-112 (June 27, 1996); CNG Power Services Corp., Order No. EA-110 (June 20, 1996); North American Energy Conservation, Inc., Order No. EA-103 (May 30, 1996).

each month of the previous quarter, and the maximum hourly rate of transmission across the U.S. border to Canada.

VII. EXHIBITS


The following information is provided pursuant to the required exhibits as set forth in DOE regulations 10 C.F.R. § 205.303:

- Exhibit A: There are no specific agreements at this time under which electricity is to be transmitted for export – **Not Applicable**
- Exhibit B: Legal Opinion of Counsel
- Exhibit C: Transmission facilities to be used for any exports undertaken pursuant to the requested authorization.
- Exhibit D: Irrevocable power of attorney for Legalinc Corporate Services Inc.
- 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**

VIII. CONCLUSION

For the foregoing reasons, TEC respectfully requests that the Department grant this Application for blanket authority to transmit electric energy to Canada for a term of five (5) years on substantially the same terms and conditions as applied to similarly-situated electric power marketer.

Respectfully submitted,


Etienne Lapointe, CPA, CA, MSc
Chief Financial Officer
TEC Energy Inc.

September 9th, 2013

EXHIBIT A – Not Applicable

EXHIBIT B – Legal Opinion of counsel



RACHIDI AVOCATS

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September 4th, 2013

**U.S. Department of Energy
Office of Utility Systems of the Economic
Regulatory Administration
Washington, D.C. 20461**

Re : Application of TEC Energy Inc., for Authority to Transmit Electric Energy to Canada

To Whom It May Concern:

Pursuant to Section 205.303(b) of the regulations of the Department of Energy, I hereby provide a legal opinion regarding the corporate powers of TEC Energy Inc. ("TEC Energy") to export electricity to Canada. I have examined the relevant corporate documents for TEC Energy, and based on my review of these documents, it is my opinion that the proposed exportation of electricity is within the corporate powers of TEC Energy, subject to Section 202(e) of the Federal Power Act. Additionally, TEC Energy confirms they have taken or are taking all necessary steps to comply with the applicable Federal and State laws in connection with the actions to be undertaken pursuant to this application.

This legal opinion set forth herein may be relied upon only by the U.S. Department of Energy and may not be relied upon by any other person, firm or corporation, nor to be used, circulated, quoted or otherwise referred to for any other purpose without my prior written approval in each instance. This legal opinion is also limited to the matters stated herein and does not extend to and is not to be read as extending by implication to any other matters not referred to herein.

Please contact the undersigned should you have any questions regarding this opinion.

Sincerely,


RACHIDI AVOCATS


Habib Rachidi, Esq.

EXHIBIT C – Authorized Export Points

OWNER	LOCATION	VOLTAGE	PRESIDENTIAL PERMIT NO.
Bangkor Hydro-Electric Co.	Baileyville, ME	345-kV	PP-89
Basin Electric	Tioga, ND	230 kV	PP-64
Boise Cascade	International Falls, MN International Falls, MN	115-kV 6.6-kV	PP-96 PP-39
Bonneville Power Administration	Blaine, WA Nelway, WA	2-500-kV 2-230-kV	PP-10 PP-36 & PP-46
Eastern Maine Electric Coop.	Calais, ME	69-kV	PP-32
International Transmission Co.	St. Claire, MI Marysville, MI Detroit, MI St. Claire, MI	345-kV 230-kV 230-kV 345-kV	PP-230 PP-230 PP-230 PP-230
Joint Owners of Highgate Project	Franklin, VT	120-kV	PP-82
Long Sault, Inc.	Massena, NY	2-115-kV	PP-24
Maine Electric Power Co.	Houlton, ME	345-kV	PP-43
Maine Public Service Co.	Limestone, ME Fort Fairfield, ME Aroostook County, ME Madawaska, ME	69-kV 69-kV 138-kV 2-69-kV	PP-12 PP-12 PP-29 PP-29
Minnesota Power, Inc.	International Falls, MN	115-kV	PP-78
Minnkota Power Coop, Inc.	Roseau County, MN	230-kV	PP-61
New York Power Authority	Ft. Covington, NY Massena, NY Niagara Falls, NY Devils Hole, NY	765-kV 2-230-kV 2-345-kV 230-kV	PP-56 PP-25 PP-74 PP-30
Niagara Mohawk Power Corp.	Devils Hole, NY	230-kV	PP-190
Northern States Power Co.	Red River, ND Roseau County, MN Rugby, ND	230-kV 500-kV 230-kV	PP-45 PP-63 PP-231
Sea Breeze Olympic Converter LP	Port Angeles, WA	±450-kV DC	PP-299
Sharyland Utilities, Inc.	McAllen, TX	138-kV	PP-285
Vermont Electric Coop. Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VA	±450-kV DC	PP-76

**EXHIBIT D – Irrevocable power of attorney for Legalinc Corporate Services Inc.,
who resides in the U.S.**

IRREVOCABLE LIMITED POWER OF ATTORNEY

This irrevocable limited power of attorney is made on Wednesday, September 3rd, 2013, by TEC Energy Inc. (the "Principal"), a Canadian corporation organized and existing under the Canadian Business Corporations Act with its principal place of business located at located at 112 Place Terroux, St-Lambert, Quebec, Canada, J4R 2W2.

Appointment. The Principal hereby appoints Legalinc Corporate Services Inc. whose principal place of business is located at 35-15 84th Street 2H, Jackson Heights, New York, 11372 as the Principal's true and lawful agent ("Agent") for the limited purpose described herein.

Scope of Authority. The Agent shall have the limited power and authority to serve as the Agent for the Principal regarding any and all matters relating to the Principal's application before the U.S. Department of Energy to export electricity to Canada, filed pursuant to 10 C.F.R. § 205.300 et seq.

Irrevocability. This power of attorney is irrevocable by the Principal, subject only to the Principal's right to re-designate, or substitute the Agent upon 30 days prior written notice to the U.S. Department of Energy and the Agent.

IN WITNESS WHEREOF, the Principal has caused this power of attorney to be duly executed on this September 3rd, 2013.


Etienne Lapointe, CPA, CA, MSc
Chief Financial Officer
TEC Energy Inc.

This instrument was subscribed and sworn before me on 5th September, 2013.



Me Habib Rachidi, lawyer
Licence # 301742-7
Rachidi Avocats

EXHIBIT E – Not Applicable

EXHIBIT F – Not Applicable