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

Versant Power Docket No. PP-29-3

APPLICATION OF VERSANT POWER TO RESCIND PRESIDENTIAL PERMIT PP-29-2 AND FOR THE COINCIDENT ISSUANCE OF PRESIDENTIAL PERMIT

Pursuant to Executive Order No. 10485, as amended by Executive Order No. 12038, Section 202(e) of the Federal Power Act, 16 U.S.C. § 824a(e), and Section 320, *et seq.*, of the Rules of Administrative Procedure of the Department of Energy (the "Department"), 10 C.F.R. §§ 205.320, *et seq.*, Versant Power (formally known as Emera Maine) hereby tenders for filing the instant Application and respectfully requests that the Department:

- (1) rescind Presidential Permit PP-29-2 covering certain transmission facilities (collectively, the "Interconnection Facilities") described, *infra*, that currently interconnect Versant Power's bulk power electrical transmission system with the transmission facilities owned by NB Power and located in the Province of New Brunswick, Canada; and
- (2) coincidentally issue a Presidential Permit for the Interconnection Facilities to Versant Power.

Applicant Versant Power seeks to ensure that the provisions contained in Presidential Permit PP-29-2 authorizing the interconnection, maintenance and operation of certain specified electric transmission facilities located at the international border of the United States and Canada remain in effect during the voluntary rescission and reissuance of the Presidential Permit.

I. BACKGROUND

Presidential Permit PP-29 had originally been held by Maine Public Service Company ("Maine Public"). On November 29, 2012, Maine Public and Bangor Hydro Electric Company ("Bangor Hydro") submitted a filing with the Maine Public Utilities Commission ("MPUC") requesting approval of a merger between Maine Public and Bangor Hydro, both of which were indirect subsidiaries of Emera Incorporated. On March 19, 2013, Bangor Hydro and Maine Public filed with the Federal Energy Regulatory Commission ("FERC") an application under Section 203 of the Federal Power Act seeking authorization for the merger of Bangor Hydro and Maine Public. On July 18, 2013, FERC issued an order authorizing the proposed merger. On December 17, 2013, the MPUC conditionally approved the corporate merger of Bangor Hydro and Maine Public. Emera Maine became the surviving corporation following the merger of Bangor Hydro and Maine Public on January 1, 2014. Following the merger, Emera Maine remained an indirect subsidiary of Emera Inc.

On December 30, 2013, prior to the merger of Maine Public and Bangor Hydro, the two companies jointly filed with the Department an application to rescind PP-29 and to reissue that permit in the name of Emera Maine. Maine Public and Bangor Hydro requested that the issuance of the permit be made effective upon the merger of the companies, which occurred on January 1, 2014. That application was noticed in the Federal Register on April 22, 2014. However, no action has been taken by the Department on the application. Presidential Permit PP-29 remains in the name of Maine Public.

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¹ On December 30, 2013, Maine Public and Bangor Hydro also submitted a joint application for the reissuance of three other Presidential Permits to Emera Maine: PP-12, PP-81, and PP-89-2. Concurrent with the present filing, Versant Power is also filing applications with the Department for the reissuance of these three Presidential Permits to Versant Power.

On March 24, 2020, ENMAX Corporation ("ENMAX") indirectly acquired from Emera Inc. all interests in BHE Holdings Inc. ("BHE Holdings"), a Delaware corporation and the parent company of Emera Maine. More specifically, under the terms of the sale, Emera Inc.'s equity interests in BHE Holdings were sold to 3456 Inc., a wholly-owned indirect subsidiary of ENMAX. As a result, ENMAX now indirectly controls 100 percent of BHE Holdings. BHE Holdings was the direct and sole parent company of Emera Maine. Under the terms of the sale, Emera Maine was required to change its name. Thus, Emera Maine announced in May 2020 that it had been renamed Versant Power. The contents of the Articles of Incorporation and Bylaws of Emera Maine, as well as the terms of office of the Directors and Officers of the corporation, did not change as a result of the sale and subsequent name change. Versant Power will operate as a stand-alone utility, as had Emera Maine.

The exact legal name of the applicant is Versant Power. Versant Power is a Maine Corporation formed under Maine law with its principal place of business at 970 Illinois Avenue, Bangor, Maine. Versant Power is primarily engaged in the transmission and distribution of electric energy and related services in eastern and coastal Maine and in northern Maine. Versant Power retains all of Emera Maine's system: approximately 1,265 miles of transmission lines that includes the United States portion of four transmission lines that run from Aroostook County to New Brunswick, Canada, as well as the United States portion of the Northeast Reliability Interconnect, a 345 kV transmission line, which runs from the Bangor area to New Brunswick, Canada.

II. INFORMATION REGARDING APPLICANT

A. Versant Power

Versant Power is a Maine corporation in the business of the purchase, sale, transmission

and distribution of electricity in the state of Maine. Versant Power is engaged in the transmission and distribution of electric energy and related services to approximately 159,000 retail customers in portions of northern, eastern, and coastal Maine. It installs, operates, and maintains transmission and distribution infrastructure including poles and wires, substations and meters and provides programs to help customers learn about efficient energy use. Versant Power maintains electricity transmission infrastructure and conducts inspections, but it does not generate electricity. It services areas in eastern, coastal, and northern Maine. Versant Power is the principal operating subsidiary of BHE Holdings, and in 2019 had approximately U.S. \$204 million in total operating revenue and employed approximately 400 people.

Versant Power provides transmission service and electric delivery service to two areas — the Bangor Hydro District and the Maine Public District — under two separate Open Access Transmission Tariffs ("OATTs") on file with FERC. The Bangor Hydro District includes Hancock, Piscataquis and Washington Counties and most of Penobscot County. The Maine Public District serves Aroostook County and a small piece of Penobscot County. Open access to the Bangor Hydro District is provided pursuant to the ISO New England Inc. Open Access Transmission Tariff. More specifically: (a) transmission service over Versant Power's facilities designated as Pool Transmission Facilities ("PTF") is provided pursuant to Section II of the ISO-NE Tariff and (b) transmission service over Versant Power's non-PTF assets is provided pursuant to Schedule 21-VP of the ISO-NE Tariff.² Open access to the Maine Public District ("MPD") is provided pursuant to the Open Access Transmission Tariff for Maine Public District. The transmission facilities in Versant Power's two districts are not directly interconnected.

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² In addition, transmission service over HVDC facilities known as the Hydro-Quebec Interconnection is provided pursuant to Schedule 20A-VP of the ISO-NE Tariff.

Indeed, the MPD transmission system is not directly interconnected with any portion of the United States transmission grid. Rather, entities interconnected with the MPD transmission system can only access the ISO-NE system or other parts of the U.S. transmission grid over transmission facilities in New Brunswick, Canada.

Versant Power owns no generating facilities, but has long-term energy purchase contracts for certain qualifying facilities. All energy produced from these facilities is sold into the markets operated by ISO-NE.³

Versant Power holds direct interests in the following companies: Bangor Line Company (100%); Bangor Fiber Company, Inc. (100%); The Pleasant River Gulf Improvement Company (100%); East Branch Improvement Company (60%); Bangor Var Co., Inc. (100%), Maine Electric Power Company, Inc. (21.7%), Maine Yankee Atomic Power Company (12%). In turn, Bangor Var Co., Inc. owns 50% of Chester SVC Partnership.

BHE Holdings does not have business activity independent of its subsidiary Versant Power.

BHE Holdings owns all the issued and outstanding common stock of Versant Power.

BHE Holdings is directly owned by 3456 Inc., a wholly-owned special purpose subsidiary of ENMAX. ENMAX is owned by the City of Calgary, but operates as an independent private corporate entity and is not controlled by the City. ENMAX provides electricity and energy services in Alberta, Canada. ENMAX Power Corporation ("ENMAX Power"), a wholly-owned subsidiary of ENMAX, owns the electric transmission and distribution system in the Calgary

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³ Versant Power has received market-based rate authority from FERC. Bangor Hydro Elec. Co., Docket No. ER14-264-000, Letter Order dated Dec. 19, 2013.

area. ENMAX Energy Corporation ("ENMAX Energy"), a wholly-owned subsidiary of ENMAX, is a licensed and registered energy retailer in the Province of Alberta, Canada, and provides energy and energy-related products and services to residential, commercial, and industrial customers throughout Alberta.

B. Communications

Versant Power

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

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Philip C. Smith	Bonnie A. Suchman
Corporate Counsel	Suchman Law LLC
Versant Power	8104 Paisley Place
P.O. Box 932	Potomac, Maryland 20854
Bangor, ME 04401-0932	(202) 236-8859
philip.smith@versantpower.com	bonnie@suchmanlawllc.com

Suchman Law LLC

A signed opinion of counsel, stating that the construction, connection, operation, and maintenance of the proposed facilities will be within the corporate powers of Versant Power and that Versant Power has complied with or will comply with all pertinent federal and state laws, is attached hereto as Attachment B.

C. Foreign Ownership and Affiliations

Versant Power is a wholly-owned subsidiary of BHE Holdings. ENMAX Corporation, acting through its wholly-owned indirect subsidiary 3456 Inc., acquired all interests in BHE Holdings. Following the transaction, ENMAX indirectly controls 100% of BHE Holdings, and BHE Holdings remains the sole, direct parent company of Versant Power. Versant Power operates as a stand-alone utility, as had Emera Maine.

ENMAX Corporation is headquartered in Calgary, Alberta, Canada, and is a wholly-owned corporate subsidiary of the City of Calgary. Through its subsidiaries, ENMAX generates, transmits, distributes and sells electricity to residential, small business and large commercial customers with approximately \$5.6 billion CAD in assets and revenues of \$2.4 billion CAD in 2018. ENMAX operates through two main business segments, ENMAX Energy and ENMAX Power. ENMAX Energy includes the competitive generation and sale of electricity. ENMAX Power owns and operates electric transmission and distribution infrastructure. Through its subsidiaries, ENMAX offers a range of innovative energy solutions to over 669,000 customers across Alberta including electricity, natural gas, renewable energy and other services. ENMAX operates as an independent private corporate entity and is not controlled in any manner by the City of Calgary.

On May 29, 2019, ENMAX Corporation informed the Committee on Foreign Investment in the United States ("CIFIUS") about the expected acquisition of BHE Holdings by ENMAX Corporation. CIFIUS determined that there were no unresolved national security concerns with such acquisition.⁴

D. Existing Contracts with Foreign Governments or Foreign Private Concerns

As discussed above, Versant Power is a wholly-owned subsidiary of BHE Holdings, which is indirectly controlled by 3456 Inc., which in turn is an indirect subsidiary of ENMAX Corporation. In addition, Versant Power provides transmission service from time to time to NB Power, a New Brunswick Crown corporation, pursuant to two agreements subject to FERC.

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⁴ See July 18, 2019 letter from Thomas P. Feddo, Deputy Assistant Secretary, Investment Security, Department of the Treasury.

III. THE INTERCONNECTION FACILITIES

The Interconnection Facilities are identified as follows:

- (a) one three-phase transmission line operating nominally at 138,000 volts, 60 hertz, located at the International Border between the United States and Canada at a point approximately 138 feet north of Boundary Monument No. 62 in Eastern Maine; and
- (b) Two three-phase transmission lines, operating nominally at 69,000 volts, 60 cycles, located at the international border between the United States and Canada at a point 1.2 miles east of the international bridge at Madawaska in northern Maine.

The original Presidential Permit was issued on September 18, 1957, wherein Maine Public was authorized to construct, operate, maintain and connect one 69,000 volt transmission line at the international border between the United States and Canada in eastern Maine. The Federal Power Commission issued an order on March 22, 1968, approving an amendment to the Permit to construct, operate, maintain and connect two 69,000 volt transmission lines at the international border between the United States and Canada in northern Maine (Presidential Power PP-29-1). The Federal Power Commission subsequently approved an amendment on December 11, 1978 to convert the existing 69,000 volt line to 138,000 volts in eastern Maine (Presidential Power PP-29-2).

All maps used in support of the original Presidential Permit application, and any amendments thereto, continue to show accurately the physical location (longitude and latitude) and ownership of the facilities on the international border, except as otherwise provided in this Application. There will be no changes in bulk power system information regarding the interconnection facilities.

IV. REASONS FOR CHANGES IN CORPORATE STRUCTURE

The application filed by Bangor Hydro and Maine Public for issuance of a new Presidential Permit on December 30, 2013, explained that the requested transfer of the permit was due to the merger of Maine Public and Bangor Hydro. The utilities noted that, following the merger, Emera Maine would administer the appropriate Open Access Transmission Tariffs and that Emera Maine would maintain two OATTs following consummation of the merger – one for the "Northern Division" (former Maine Public transmission facilities) and one for the "Southern Division" (legacy Bangor Hydro transmission facilities). The utilities further noted that, following consummation of the merger, Emera Maine would operate two separate transmission systems that are not directly interconnected (and not interconnected at all but through transmission facilities owned by NB Power). Bangor Hydro's legacy facilities remain under the functional control of ISO-NE and service over them is provided pursuant to the ISO-NE Tariff. The former Maine Public transmission facilities were not to come under the functional control of ISO-NE as part of the merger. Rather they were to remain in the New Brunswick System Operator Balancing Authority Area and subject to the oversight of the Northern Maine Independent System Administrator, both of which are wholly separate from ISO-NE and its Balancing Authority Area. Consistent with these representations, since consummation of the merger, Emera Maine had operated two separate transmission systems that are not directly interconnected and not interconnected at all but through transmission facilities owned by NB Power, the transmission owning utility in the Province of New Brunswick, Canada.

The Maine Public Utilities Commission approved the indirect purchase by ENMAX Corp. of BHE Holdings' shares on March 17, 2020. As a condition of that transaction, it was agreed that Emera Maine's name would be changed. Accordingly, in May 2020, it was

announced that Emera Maine's name was changed to Versant Power. No other changes were made to the utility or the manner in which it conducts its business.

V. ENVIRONMENTAL IMPACT INFORMATION

This Application for rescission and the coincident issuance of a Presidential Permit will have no effect on any of the subject facilities. Accordingly, since there will be no physical change in the facilities and no change in the way the facilities will be operated, Versant Power anticipates no environmental impacts whatsoever as a result of the requested actions.

VI. SERVICE AND FEE

In accordance with the requirements of 10 C.F.R. § 205.326, 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

A check in the amount of \$150.00 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. EXHIBITS

The following exhibits are included:

Exhibit A Presidential Permits PP-29-1 and PP-29-2

Exhibit B Opinion of Counsel for the Applicant

VIII. CONCLUSION.

Versant Power respectfully requests that the Department rescind and coincidently issue the Presidential Permit pursuant to the terms and conditions set forth in this Application.

Respectfully Submitted,

Re 0.6

Bonnie A. Suchman, Esq. Suchman Law LLC

8104 Paisley Place

Potomac, Maryland 20854

(202) 236-8859

Attorney for Versant Power

Dated: October 7, 2020

ATTACHMENT A

PRESIDENTIAL PERMITS PP-29-1 and PP-29-2

AUTHORIZING MAINE PUBLIC SERVICE COMPANY TO CONSTRUCT, OPERATE, MAINTAIN, AND CONNECT FACILITIES FOR THE TRANSMISSION OF ELECTRIC ENERGY AT THE INTERNATIONAL BORDER BETWEEN THE UNITED STATES AND CANADA

(Economic Regulatory Administration - Docket No. PP-29-1) (FPC Docket No. E-6752)
INTRODUCTION

Pursuant to Section 310(b) of the Department of Energy Organization Act, and Executive Order No. 12038 of February 3, 1978, amending Executive Order No. 10485, the Secretary of Energy is authorized to issue presidential permits for the construction, operation, maintenance or connection, at the borders of the United States, of facilities for the transmission of electric energy between the United States and a foreign country. The Secretary delegated that authority to the Economic Regulatory Administration (ERA) in Delegation Order 0204-4.

Maine Public Service Company (Permittee), by application filed

July 3, 1978, has applied for an Amendment to the Presidential Permit signed

by the President of the United States on January 3, 1948, and accepted by

the Permittee on March 5, 1948, wherein Permittee was authorized to construct,

operate, maintain and connect electric transmission facilities at the inter
national border between the United States and Canada for the importation of

electric energy into the United States from Canada and for the transmission

of such imported electric energy between the United States and Canada.

BACKGROUND

By order of the Federal Power Commission issued October 17, 1957, in Docket Nos. E-6408, E-6409, and E-6751, (18 FPC 504) operation of the facilities in the above-mentioned Permit to transmit energy to Canada from the United States, regardless of source, was approved. Permittee now seeks authority pursuant to Executive Order No. 10485 of September 3, 1953, as

amended, to convert the existing 69,000 volt line to 138,000 volts and to transfer or replace certain existing facilities. The conversion of this existing transmission line to 138 kilovolts from 69 kilovolts is required to accommodate increases in the amount of electric energy being exported to the New Brunswick Electric Power Commission by the Permittee. Simultaneously, the capability for electric energy imports to the United States will be increased. Such electric energy exchange occurs to the benefit of both the United States and Canada. Economic as well as emergency exchanges (import and export) are possible.

The Permittee will: (1) replace 16 structures on the existing transmission line with new taller poles and new longer crossarms; (2) rebuild 13 structures with reused taller poles and new longer crossarms; and (3) replace a single pole in each of three structures with reused poles of the same height due to existing pole condition. The Permittee will also transfer and reuse existing equipment to the maximum extent. Each set of insulators will be lengthened to accommodate the higher operating voltage. The existing 266.8 kcmil ACSR conductor will be used at the higher voltage.

The Department of Energy has made a negative determination of environmental impacts resulting from the proposed conversion. DOE will, therefore, not issue an environmental impact statement on the proposed conversion. The Permittee will not clear new access roads but will use existing farm field roads to deliver and remove materials. The Permittee will do no work along river/stream banks or flood plains excepting the addition of the proposed insulators, which will be installed in the winter months by use of snow travelling equipment, taking advantage of deep snow cover.

By letter dated November 13, 1978, the Secretary of State and by letter dated November 28, 1978, the Secretary of Defense favorably recommended that the aforesaid Presidential Permit be amended as hereinafter provided.

FINDING

After consideration of the information submitted by the Permittee and other relevant information, the Department of Energy finds that this issuance of an Amendment to the aforesaid Presidential Permit, as hereinafter provided, for the purpose of permitting Permittee to (1) convert, operate, and maintain at the international boundary the aforesaid facilities for the transmission of electric energy at 138 kilovolts, uprated from 69 kilovolts, from the United States to Canada and from Canada to the United States, such replacement of supporting wood poles and transfer of equipment and conductor to accomplish the preceding is appropriate and consistent with the public interest; provided, that all activity associated with the conversion of the aforesaid facilities is undertaken substantially in accordance with the preceding description of Permittee's plans.

AMENDMENT

Pursuant to the provisions of Executive Order No. 10485 of

September 3, 1953, as amended by Executive Order No. 12038 of February 3, 1978,

and Title 18 Paragraph 32.50-32.52 Code of Federal Regulation, the aforesaid

Presidential Permit is amended by substituting the following for Article 2(a)

therein contained, provided that, all other terms and conditions of that

Presidential Permit shall remain in full force and effect:

"Article 2(a) One three-phase transmission line operating nominally at 138,000 volts, 60 hertz, located at the International Border

between the United States and Canada at a point approximately 138 feet north of Boundary Monument No. 62 in Eastern Maine; and ...".

With the exception of facilities described above, no substantial change shall be made hereafter in the above described facilities and operations thereof authorized by this Permit until such change shall have been approved by the Administrator of ERA. With respect to the facilities described in Paragraph (a) above, the initiation of operation at 138 volts shall be reported by telegram to the Chief, System Reliability and Emergency Response Branch, ERA.

An annual report listing the electric energy imported and exported by months and the associated costs shall be submitted by February 15 of each year.

David J. Bardin

Administrator/

Economic Regulatory Administration

Date: 11 December 1978

Authorizing, Pursuant to Executive Order No. 10485,

Maine Public Service Company

To Construct, Operate, Maintain And Connect Electric Transmission Facilities At The

International Border Between The

United States and Canada

(Federal Power Commission - Docket No. E-6752)

Maine Public Service Company (Permittee) in an application filed December 4, 1967, seeks an amendment to the Permit signed by the Chairman of the Federal Power Commission on September 18, 1957, wherein Permittee was authorized to construct, operate, maintain and connect one 69,000 volt transmission line at the international border between the United States and Canada in eastern Maine for the transmission of electric energy between the United States and Canada, all in the above docket. Authority is currently sought for Permittee, pursuant to the provisions of Executive Order No. 10485, dated September 3, 1953, to construct, operate, maintain and connect certain additional facilities consisting of two 69,000 volt transmission lines at the international border between the United States and Canada in northern Maine for the transmission of electric energy between the United States and Canada. On December 4, 1967, Permittee also filed an application in Docket No. E-6751 for a supplemental order, pursuant to the provisions of Section 202 (e) of the Federal Power Act, authorizing Permittee to transmit electric energy from the United States to Canada over certain facilities of Permittee, including those facilities described in Article 2, as amended, below.

The Secretary of State by letter dated March 4, 1968 and the Secretary of Defense by letter dated February 14, 1968, stated that they have no objection to the issuance of the Amendment to the aforesaid Permit, as hereinafter provided.

Upon consideration of this matter, the Commission finds that the issuance of the Amendment to the aforesaid Permit, as hereinafter provided, for the purpose of authorizing Permittee to construct, operate, maintain and connect at the international border the above-described additional facilities for the transmission of electric energy between the United States and Canada, is appropriate and consistent with the public interest.

Pursuant to the provisions of Executive Order No. 10485, dated September 3, 1953, and the Commission's Rules and Regulations thereunder, the aforesaid Permit is amended by substituting the following Article 2 for Article 2 as therein contained; provided that all other terms and conditions of that Permit shall remain in full force and effect:

Article 2. The facilities covered by and subject to this Permit shall include:

- (a) One three-phase transmission line operating nominally at 69,000 volts, 60 cycles, located at the international border between the United States and Canada at a point approximately 128 feet north of boundary monument No. 62 in eastern Maine; and
- (b) Two three-phase transmission lines, operating nominally at 69,000 volts, 60 cycles, located at the international border between the United States and Canada at a point 1.2 miles east of the international bridge at Madawaska in northern Maine.

In addition to the afore-described facilities, this Permit shall include any lands and related structures within the rights-of-way occupied by such facilities, all as more specifically shown and described in the applications heretofore filed in this matter by Permittee. No substantial change shall hereafter be made in the facilities and operation thereof authorized by this Permit unless and until such change shall have been approved by the Commission.

IN WITNESS WHEREOF, I, Lee C. white , have hereunto signed my name this 22 day of March 25, 1968, in the City of Washington, District of Columbia.

Chairman of the

Federal Power Commission

ATTACHMENT B

OPINIONS OF COUNSEL

Statement and Opinion of Counsel

The undersigned, being Counsel for Versant Power, states and gives his opinion, pursuant

to 10 CFR Section 205.322(a)(6), as follows: (a) that he has examined and is familiar with the

corporate powers of Versant Power, pursuant to its Articles of Organization and Operating

Agreement; (b) that he has examined and is familiar with the contents of this "Application of

Versant Power to Rescind Presidential Permit PP-29-2 and for the Coincident Issuance of

Presidential Permit," to which this statement and opinion is attached as an exhibit; (c) that in his

opinion the construction, connection, operation and maintenance of the facilities as proposed in

the Application will be within the corporate power of Versant Power; and (d) that, with respect

thereto, Versant Power has complied or will comply with all pertinent federal and state laws.

DATED: October 7, 2020

Bonnie A. Suchman

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