Crowell

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June 13, 2025

Nick Elliot
Department of Energy
Grid Deployment Office
1000 Independence Avenue, S.W.
Washington, DC 20585

Submitted via email to electricity.exports@hq.doe.gov

Re: Application of MAG Energy Solutions, Inc. for Renewal of Authority to Transmit Electric Energy to Canada

Dear Mr. Elliot:

Pursuant to 10 C.F.R. § 205.300, *et seq.* of the regulations of the Department of Energy, enclosed for filing on behalf of MAG Energy Solutions, Inc. ("MAG") an Application for Renewal of Authority to Transmit Electric Energy to Canada.

Should you have any questions or concerns regarding this matter, please do not hesitate to contact the undersigned.

Respectfully submitted,

Ruta Kalvaitis Skučas, Esq.
Kathryn Douglass, Esq.
1001 Pennsylvania Avenue, NW
Washington, DC 20004
Telephone: (202) 508-8702
rskucas@crowell.com

Attorneys for MAG Energy Solutions, Inc.

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY

MAG Energy Services, Inc.	)	Docket No. EA-306-D
	)	

APPLICATION OF MAG ENERGY SOLUTIONS, INC. FOR RENEWAL OF AUTHORITY TO TRANSMIT ELECTRIC ENERGY TO CANADA

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., MAG Energy Solutions, Inc. ("MAG" or "Applicant") respectfully submits this application for a five-year extension of its blanket authorization to export electricity from the United States to Canada ("Application"). The Department of Energy ("DOE") previously granted MAG original authorization to export electric energy as a power marketer on April 6, 2006 in Order No. EA-306 ("2006 Order"), and granted renewal of such authority on March 30, 2011 in Order No. EA-306-A ("2011 Order") and on January 12, 2021 in Order No. EA-306-C ("2021 Order"). MAG respectfully requests authorization for renewal of authority to transmit electric energy from the United States to Canada for a period of five (5) years.

I. COMMUNICATIONS

Communications and correspondence concerning this filing should be addressed to:

Ruta Kalvaitis Skučas
Crowell & Moring LLP
1001 Pennsylvania Avenue, NW
Washington, DC 20004
Telephone: (202) 508-8702
rskucas@crowell.com

Simon Pelletier
CEO, MAG Energy Solutions Inc.
999 de Maisonneuve Boulevard West
Montreal, Quebec H3A 3L4 Canada
Tel. (514) 227-1654
spelletier@magenergysolutions.com

II. DESCRIPTION OF APPLICANT

MAG is an independent Canadian corporation with its principal place of business in Montreal, Quebec. MAG is engaged in the marketing of electric power at wholesale, as well as physical and financial transactions in other energy products. MAG is a Canadian close corporation privately owned by a group of 15 shareholders. MAG does not have any affiliates or upstream owners that possess any ownership interest or have involvement in any other company that is a traditional utility or that owns, operates, or controls any electric generation, transmission or distribution facilities, nor do they have any direct involvement with the energy industry other than through the ownership of MAG. MAG also does not have any affiliates that operate in the U.S. The U.S. Federal Energy Regulatory Commission ("FERC") authorized MAG to engage in wholesale sales of electric energy, capacity and ancillary services at market-based rates.[1] A copy of this order is attached as Exhibit H. MAG also holds authorizations to export electric energy to Mexico.[2]

III. JURISDICTION

MAG believes that the DOE is the only governmental agency that has jurisdiction over this application.

IV. DESCRIPTION OF TRANSMISSION FACILITIES

MAG intends to export electricity over existing international transmission facilities between Canada and the United States, as identified in Exhibit C. MAG requests authority to

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[1] *See MAG Energy Solutions, Inc.*, Docket No. ER04-839-000 (delegated letter order issued Aug. 5, 2004); *see also, MAG Energy Solutions, Inc.*, Docket No. ER17-1419-000 (market based rate tariff update filed Apr. 13. 2017); attached hereto as Exhibit H.

[2] *See MAG Energy Solutions, Inc.*, Order Authorizing Electricity Exports to Mexico, Order No. EA-436-A (Aug. 11, 2022).

export electricity to Canada over any international transmission facility authorized by Presidential Permit that is appropriate for open access by third parties in accordance with the assessment made by DOE of the transmission limits for operation in the export mode.

V. TECHNICAL DISCUSSION OF PROPOSAL

Section 202(e) of the Federal Power Act ("FPA") and 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.[3] MAG seeks blanket authority to transmit electric power to Canada as a power marketer. MAG has no electric power supply system on which the proposed exports could have a reliability, fuel use system or stability impact. MAG also has no obligation to serve native load usually associated with a franchised service area, and, thus, the exports proposed by MAG will not impair its ability to meet current and prospective power supply obligations.

MAG will purchase power to be exported from a variety of sources such as power marketers, independent power producers, or U.S. electric utilities and federal power marketing entities as those terms are defined in Sections 3(22) and 3(19) of the FPA. By definition, such power is surplus to the system of the generator and, therefore, the electric power that MAG will export on either a firm or interruptible basis will not impair the sufficiency of the electric power supply within the U.S.[4]

MAG will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to schedule and deliver power exports. All of the electricity exported by MAG will be transmitted pursuant to arrangements with utilities that own and operate

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[3] 16 U.S.C. § 824a(e).

[4] *See Enron Power Marketing, Inc.*, Order EA-102 (1996).

existing transmission facilities and will be consistent with the export limitations and other terms and conditions contained in the existing Presidential Permits and electricity export authorizations associated with these transmission facilities. MAG will schedule its transactions with the appropriate balancing authority areas in compliance with the reliability criteria standards and guidelines established by the North American Reliability Corporation ("NERC") and its member Regional Entities in effect at the time of the export.

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 facilities.[5] These same considerations demonstrate that the exports proposed by MAG 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.

VI. COMPLIANCE WITH CONDITIONS AND PROCEDURES

MAG proposes to abide by the general conditions consistent with DOE's previous grants of authorizations to power marketers as set forth in its previous orders, as described herein. From time to time, MAG will enter into agreements with third parties which involve the export of electric power from the United States into Canada. Exports made by MAG 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 for each. With regard to specific transactions, MAG will provide written

[5] *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).

evidence to DOE that it has secured sufficient transmission service for the delivery of power to the border. When scheduling the delivery of power, MAG will comply with the applicable NERC reliability standards. For each calendar year, MAG will provide DOE with reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission, as well as any additional annual reports.

VII. VERIFICATION, REQUIRED COPIES, AND FEE

Verification executed by authorized representatives of MAG in accordance with 10 C.F.R. § 205.302(h) is enclosed with the Application. In accordance with the requirements of 10 C.F.R. § 205.309, a copy of this application will be provided to the Secretary of the Federal Energy Regulatory Commission. Evidence of payment of the filing fee of $500.00 via pay.gov is attached hereto as Exhibit G.

VIII. REQUIRED 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	Transmission Agreements	Not Applicable
Exhibit B	Opinion of Counsel	Attached
Exhibit C	Transmission Facilities	List of international transmission facilities submitted in lieu of a map
Exhibit D	Designation of Agent	Attached
Exhibit E	Statement of Corporate Relationship	Not Applicable
Exhibit F	Operating Procedures	Not Applicable
Exhibit G	Filing Fee	Receipt from pay.gov

Exhibit H	FERC Market Based Rate Authority	Attached – FERC order granting MAG Market-Based Rate Authorization under Docket No. ER04-839.

X. CONCLUSION

WHEREFORE, MAG respectfully requests that DOE grant this application for blanket authorization to export power from the United States to Canada, for a period of five (5) years, with such authorization to be effective as of April 6, 2026.

Respectfully submitted,

Ruta Kalvaitis Skučas, Esq.
Kathryn Douglass, Esq.
Crowell & Moring LLP
1001 Pennsylvania Avenue, NW
Washington, DC 20004
Telephone: (202) 508-8702
ruta.skucas@crowell.com

Attorneys for MAG Energy Solutions, Inc.

June 13, 2025

VERIFICATION

I, Simon Pelletier , being authorized to execute this verification and having knowledge of the matters set forth in this Application of MAG Energy Solutions, Inc., hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.

_____
Simon Pelletier
CEO

MAG Energy Solutions, Inc.

Dominique Charbonneau
_____
Name of Notary Public (*printed name)*
Notary Public, __No 213897_____
My commission expires:_April 7, 2028_____

EXHIBIT A – TRANSMISSION AGREEMENTS

MAG has not entered into any transmission agreements at this time.

EXHIBIT B – OPINION OF COUNSEL

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

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Montréal, Quebec H3C 0B4
Canada

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+1 800 361 6266
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Véronique Harvey-Bertrand
Direct Line / Fax +1 514 397 7628
vharvey@fasken.com

June 6, 2025

WITHOUT PREJUDICE
By Post

Nick Elliot
Department of Energy
Grid Deployment Office
1000 Independence Avenue, S.W.
Washington, DC 20585

Dear Mr. Elliot:

Re: Application of MAG Energy Solutions, Inc. for Renewal of Authorization to Export Electricity to Canada

This opinion letter (the "Letter") regarding the corporate power of MAG Energy Solutions (the "Corporation") to export electricity from the United States to Canada (the "Proposed Activities") is being delivered to you pursuant to 10 C.F.R. § 205.303(b) and in connection with the Application.

1. Scope and Examinations

1.1 In connection with the opinions expressed in this Letter, we have examined such corporate records (including the Corporation's articles and by-laws), certificates and other documents and conducted such examinations as we considered necessary for the purpose of the opinions expressed in this Letter.

2. Jurisdiction

We are lawyers qualified to practice law in the Province of Québec and we express no opinion as to any laws or any matters governed by any laws other than the laws of the Province of Québec and the federal laws of Canada applicable therein.

3. Assumptions and Reliances

3.1 In connection with our opinions, we have, with your concurrence, made the following assumptions:

(a) with respect to all documents examined by us, all signatures are genuine, all individuals signing such documents have legal capacity, all documents submitted to us as originals are authentic and complete, all documents submitted to us as copies, whether facsimile, photostatic, electronic, certified or otherwise, are conform to their authentic original documents and the identity of all individuals acting or purporting to act as public officials is authentic; and

(b) all facts set forth in the certificates supplied, or otherwise conveyed to us, by the officers and directors of the Corporation and all documents, instruments and certificates contained in the corporate records and minute books of the Corporation as provided by the Corporation are complete, true, accurate and current.

4. Opinions

On the basis of the foregoing and subject to the qualifications herein expressed, we are of the opinion that:

4.1 The Corporation has the corporate power to perform the Proposed Activities contemplated by the Application. The Proposed Activities have been duly authorized by all necessary corporate action on the part of the Corporation.

4.2 The Corporation's performance of the Proposed Activities does not violate, result in a breach of, or constitute a default under the articles or by-laws of the Corporation.

5. Qualifications

5.1 The opinions in this Letter are given solely for the benefit of the Department of Energy in connection with the Application and as such may not, in whole or in part, be relied upon by, or shown or distributed to, any other person, nor quoted from or referred to in any other document, without our prior written consent.

5.2 Our opinions are given as of the date of this Letter; among other things, our opinions do not take into account any circumstance (including changes in law or facts or the conduct of any of the parties to the Proposed Activities or the Application) that may occur after that date and we can give no assurance that a transaction that occurs after the date of this Letter will not be affected by future changes to the law. We expressly disclaim any obligation or undertaking to advise any persons to whom this Letter is addressed, or any other persons entitled to rely on this Letter, of any matters or any change in matters (including, without limitation, any facts or circumstances or any subsequently enacted, published or reported laws, regulations or judicial decisions having retroactive effect) which may come to our attention after the date of this Letter and which may affect any of our opinions.

Respectfully submitted,

Fasken Martineau DuMoulin LLP

FASKEN MARTINEAU DUMOULIN LLP
Counsel for MAG Energy Solutions, Inc.

VH/ag

EXHIBIT C – INTERNATIONAL TRANSMISSION FACILITIES

At the U.S.-Canada Border
Authorized for Use by Third Party Transmitters

Present Owner	Location	Voltage	Presidential Permit No.
Versant Power (f/k/a Bangor Hydro-Electric Company)	Baileyville, ME	345-kV	PP 500 (PP-89)
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Bonneville Power Administration	Blaine, WA Blaine, WA Nelway, WA Nelway, WA	230-kV 500-kV 230-kV 230-kV	PP-10 PP-10 PP-36 PP-46
CHPE LLC	Champlain, NY	1,250 MW HVDC	PP-481
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission Company	Detroit, MI Marysville, MI St. Claire, MI St. Claire, MI	230-kV 230-kV 230-kV 345-kV	PP-230 PP-230 PP-230 PP-230
ITC Lake Erie Connector	Erie County, PA	320-kV	PP-412*
Vermont Transco LLC	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
Versant Power (f/k/a Maine Public Service Company)	Limestone, ME Fort Fairfield, ME Madawaska, ME Aroostook, ME	69-kV 69-kV 138-kV 2-69-kV	PP 497 (PP-12) PP 497 (PP-12) PP 498 (PP-29) PP 498 (PP-29)
Minnesota Power, Inc.	International Falls, MN	115-kV	PP-78
Minnesota Power, Inc.	Roseau County, MN	500-kV	PP-398

Present Owner	Location	Voltage	Presidential Permit No.
Minnkota Power Cooperative	Roseau County, MN	230-kV	PP-61
Montana Alberta Tie Ltd.	Cut Bank, MT	230-kV	PP 399
New York Power Authority	Massena, 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 Company	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*
TDI New England	Alburgh, VT	±320-kV DC	PP-400*
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	±450-kV DC	PP-76
NECEC Transmission LLC	Beattie Twp, ME	±320-kV DC	PP 438*
Edison Sault	Sault St. Marie, MI	230 kV	PP-228
Northern Pass Transmission	Pittsburg, NH	±320-kV DC	PP 371*

* These transmission facilities have been authorized but not yet constructed or placed into operation.

EXHIBIT D – DESIGNATION OF AGENT AND POWER OF ATTORNEY

IRREVOCABLE LIMITED
POWER OF ATTORNEY

This IRREVOCABLE LIMITED POWER OF ATTORNEY is made on June __, 2025 by MAG Energy Solutions, Inc. (the "Principal"), a corporation organized and existing under the Canadian Business Corporations Act, with its headquarters at 999 de Maisonneuve Boulevard West, Montreal, Quebec H3A 3L4.

1. Appointment. The Principal hereby appoints Ruta Kalvaitis Skučas of Crowell & Moring LLP, as the Principal's true and lawful agent for the limited purpose set forth below.

2. Scope of Authority. Pursuant to 10 C.F.R. § 205.303(d), Attorney Skučas shall have the limited power and authority to serve as the agent for the Principal regarding all matters related to the Principal's authorization to export electricity to Canada as issued by the U.S. Department of Energy ("DOE"). This appointment will remain in effect for the duration of the authorization, a five-year period, and will terminate simultaneously with the expiration of the authorization granted by DOE.

3. Irrevocability. This Power of Attorney is irrevocable by the Principal.

IN WITNESS HEREOF, the Principal has caused this Power of Attorney to be duly executed on this _13th__ day of June, 2025.

By: __

_____
Simon Pelletier
CEO

SUBSCRIBED AND SWORN BEFORE ME, this _13__th day of June, 2025.

Name of Notary Public (*printed name)*
Notary Public, _213897_____
My commission expires: April 7, 2028___

Commissaire à l'assermentation pour le Québec
Commissioner for Oaths for Québec
Dominique Charbonneau
213897
and for outside of Québec
et pour l'extérieur du Québec

EXHIBIT E – STATEMENT OF ANY CORPORATE RELATIONSHIP OR EXISTING CONTRACT

Not Applicable

EXHIBIT F – OPERATING PROCEDURES

Not Applicable

EXHIBIT G – RECEIPT

Receipt from Pay.gov for $500 payment
On June 9, 2025

Dominique Charbonneau

From: notification@pay.gov
Sent: June 9, 2025 9:12 AM
To: dcharbonneau@magenergysolutions.com
Subject: Pay.gov Payment Confirmation: DOE General Collections Form

An official email of the United States government

Pay.gov

Your payment has been submitted to Pay.gov and the details are below. If you have any questions regarding this payment, please contact Carol Fuster at (301) 903-0534 or carol.fuster@hq.doe.gov.

Application Name: DOE General Collections Form
Pay.gov Tracking ID: 27OOUO7J
Agency Tracking ID: 77067171465
Transaction Type: Sale
Transaction Date: 06/09/2025 09:11:45 AM EDT
Account Holder Name: Simon Pelletier
Transaction Amount: $500.00
Card Type: MasterCard
Card Number: **********7304

Payment Type : Other
Bill Number:
PO Number :
WFO Number:
Other : Export Authorization EA-306-D
Comments:

THIS IS AN AUTOMATED MESSAGE. PLEASE DO NOT REPLY.

Pay.gov is a program of the U.S. Department of the Treasury, Bureau of the Fiscal Service

EXHIBIT H – FERC MARKET BASED RATE AUTHORITY

FERC order granting Market-Based Rate Authorization
Docket No. ER04-839-000 and -001, issued on August 5, 2004

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

In Reply Refer To:
MAG Energy Solutions, Inc.
Docket Nos. ER04-839-000 and
ER04-839-001
August 5, 2004

Martin Gauthier
MAG Energy Solutions, Inc.
7290 Pelletier
Brossard, Québec
Canada, J4W 2R1

Reference: Market-Based Rate Authorization

Ladies and Gentlemen:

Pursuant to the authority delegated to the Director, Division of Tariffs and Market Development - South, under 18 C.F.R. § 375.307, the market-based rate application in the referenced docket, along with the proposed designation, is accepted for filing, effective August 25, 2004, as requested.[1]

On May 13, 2004, as amended July 6, 2004, you filed on behalf of MAG Energy Solutions, Inc. (MAG E.S.), an application for market-based rate authority, with an accompanying tariff. The proposed market-based rate tariff provides for the sale of capacity and energy at market-based rates. MAG E.S. requests waivers commonly given to similar market-based rate applicants.

MAG E.S. is an independent Canadian corporation with its principal place of business in Montréal, Québec. MAG E.S. intends to market electricity to wholesale customers as a power marketer. MAG E.S. is neither a subsidiary of any other company nor is it organized with any other affiliates.

You state that MAG E.S. does not currently own, operate or control any generating or transmission facilities and therefore cannot have market power. You further state that they are unable to erect barriers to entry because they do not own or control building sites for energy-related assets, interstate natural gas pipelines, engineering and construction firms, or gas distribution facilities. You also assert that

[1] Rate Schedule FERC No. 1, Original Sheet Nos. 1-3.

MAG E.S. is not affiliated with a public utility with a franchised electric service territory, so no affiliate abuse concerns exist.

Market-Based Rate Authorization

Your submittal satisfies the Commission's requirements for market-based rates regarding generation and transmission market power, other barriers to entry and affiliate abuse.

You intend to act as a power marketer and are not requesting approval to reassign transmission capacity. You are hereby informed that you are authorized to reassign transmission capacity pursuant to the Commission's order in *Enron Power Marketing, Inc.*, 81 FERC ¶ 61,277 (1997).

Waivers

You request waiver of Part 41, Part 101, and Part 141 of the Commission's Regulations concerning accounting and reporting requirements. This waiver is granted with the exception of 18 CFR §§ 141.14 and 141.15.[2]

Your request for waiver of Part 45 of the Commission's Regulations regarding interlocking directorates is granted with respect to any person now holding or who may hold an otherwise proscribed interlocking directorate involving the applicant. Such personnel shall file a sworn application providing his or her full name and business address and all jurisdictional interlocks, identifying the affected companies and the positions held by that person.[3] The Commission reserves the right to require a further showing that neither public nor private interests will be adversely affected by continued Commission approval of issuances of securities or assumptions of liabilities or by the continued holding of any affected interlocks.

You request waiver of Part 34 of the Commission's Regulation regarding securities and assumption of liabilities. Since these requirements are statutory in nature they cannot be waived. However, a separate notice will be published in the Federal Register following this letter order establishing a period during which protests may be

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[2] Citizens Energy Corp., 35 FERC ¶ 61,198 (1986); Citizens Power and Light Corp., 48 FERC ¶ 61,210 (1989) (*Citizens Power*); Enron Power Marketing, Inc., 65 FERC ¶ 61,305 (1993), *order on reh'g*, 66 FERC ¶ 61,244 (1994) (*Enron*).

[3] *Enron*, 65 FERC ¶ 61,305.

filed. Absent a request to be heard in opposition within the set comment period, you are authorized to issue securities and assume obligations or liabilities.[4]

Reporting Requirements

You are required to file electronically with the Commission an Electric Quarterly Report[5] containing a summary of the contractual terms and conditions, which are described in attachments B and C of Order No. 2001, in every effective service agreement and detailed transaction information for effective short-term (less than one year) and long-term (one year or greater) power sales during the most recent calendar quarter. Each Electric Quarterly Report must be filed no later than the last day of the month following each calendar quarter.

If you fail to file an Electric Quarterly Report (without an appropriate request for extension), or fail to report an agreement in a report, you may forfeit your market-based rate authority requiring filing of a new application for market-based rate authority if you wish to resume making sales at market-based rates.

You are also required to file an updated market analysis within three years of the date of this order, and every three years thereafter. The Commission also reserves the right to require such an analysis at any intervening time.

You are further required to inform the Commission promptly of any change in status that would reflect a departure from the characteristics the Commission has relied upon in approving market-based pricing in a separate report filed under the docket in which you first received market-based rate authority. These include, but are not limited to: (a) ownership of generation or transmission facilities or inputs to electric power production other than fuel supplies; or (b) affiliation with any entity not disclosed in the applicant's filing and that owns generation or transmission facilities or inputs to electric power production, or that has a franchised service area. You may elect to report such changes in conjunction with your updated market analysis.

Procedural Matters

Your filing was noticed on May 17, 2004, with comments, protests or interventions due on or before June 3, 2004, and on July 13, 2004, with comments, protests or interventions due on or before July 28, 2004. No protests or adverse

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[4] *Citizens Power*, 48 FERC ¶ 61,210; *Enron*, 65 FERC ¶ 61,305.

[5] The Electric Quarterly Report must be submitted to the Commission using the EQR Submission System Software, which may be downloaded from the Commission's website at http://www.ferc.gov/Electric/eqr/eqr.htm.

comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 CFR ¶ 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 CFR § 385.713.

Sincerely,

Steve P. Rodgers, Director
Division of Tariffs and Market
Development – South

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

In Reply Refer To:
MAG Energy Solutions, Inc.
Docket Nos.ER04-839-000 and
ER04-839-001
August 5, 2004

Martin Gauthier
MAG Energy Solutions, Inc.
7290 Pelletier
Brossard, Quebec
Canada, J4W 2R1

Reference:Market-Based Rate Authorization

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You state that MAG E.S. does not currently own, operate or control any generating or transmission facilities and therefore cannot have market power. You further state that they are unable to erect barriers to entry because they do not own or control building sites for energy-related assets, interstate natural gas pipelines, engineering and construction firms, or gas distribution facilities. You also assert that MAG E.S. is not affiliated with a public utility with a franchised electric service territory, so no affiliate abuse concerns exist.

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approval of issuances of securities or assumptions of liabilities or by the continued holding of any affected interlocks.

You request waiver of Part 34 of the Commission's Regulation regarding securities and assumption of liabilities. Since these requirements are statutory in nature they cannot be waived. However, a separate notice will be published in the Federal Register following this letter order establishing a period during which protests may be filed. Absent a request to be heard in opposition within the set comment period, you are authorized to issue securities and assume obligations or liabilities.[4]

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If you fail to file an Electric Quarterly Report (without an appropriate request for extension), or fail to report an agreement in a report, you may forfeit your market-based rate authority requiring filing of a new application for market-based rate authority if you wish to resume making sales at market-based rates.

You are also required to file an updated market analysis within three years of the date of this order, and every three years thereafter. The Commission also reserves the right to require such an analysis at any intervening time.

You are further required to inform the Commission promptly of any change in status that would reflect a departure from the characteristics the Commission has relied upon in approving market-based pricing in a separate report filed under the docket in which you first received market-based rate authority. These include, but are not limited to: (a) ownership of generation or transmission facilities or inputs to electric power production other than fuel supplies; or (b) affiliation with any entity not disclosed in the applicant's filing and that owns generation or transmission facilities or inputs to electric power production, or that has a franchised service area. You may elect to report such changes in conjunction with your updated market analysis.

Procedural Matters

Your filing was noticed on May 17, 2004, with comments, protests or interventions due on or before June 3, 2004, and on July 13, 2004, with comments, protests or interventions due on or before July 28, 2004. No protests or adverse comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 CFR * 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 CFR * 385.713.

Sincerely,

Steve P. Rodgers, Director
Division of Tariffs and Market
Development - South

Footnotes

[1] Rate Schedule FERC No. 1, Original Sheet Nos. 1-3.

[2] Citizens Energy Corp., 35 FERC * 61,198 (1986); Citizens Power and Light Corp., 48 FERC * 61,210 (1989) (Citizens Power); Enron Power Marketing, Inc., 65 FERC * 61,305 (1993), order on reh'g, 66 FERC * 61,244 (1994) (Enron).

[3] Enron, 65 FERC * 61,305.

[4] Citizens Power, 48 FERC * 61,210; Enron, 65 FERC * 61,305.

[5] The Electric Quarterly Report must be submitted to the Commission using the EQR Submission System Software, which may be downloaded from the Commission's website at http://www.ferc.gov/Electric/eqr/eqr.htm.

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