

BONNIE A. SUCHMAN
202.274.2908 telephone
202.654.5628 facsimile
bonnie.suchman@troutmansanders.com

TROUTMAN SANDERS

TROUTMAN SANDERS LLP
Attorneys at Law
401 9th Street, N. W., Suite 1000
Washington, D.C. 20004-2134
202.274.2950 telephone
troutmansanders.com

US Department of Energy

December 30, 2013

DEC 30 2013

**Electricity Delivery and
Energy Reliability**

Mr. Christopher Lawrence
Office of Electricity Delivery and Energy Reliability
OE-20, Room 8G-024
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: Presidential Permit PP-12

Dear Mr. Lawrence:

Please find enclosed an original and two (2) copies of Joint Application of Maine Public Service Company and Bangor Hydro Electric Company to Rescind Presidential Permit PP-12 and for the Coincident Issuance of Presidential Permit. In accordance with the requirements of 10 C.F.R. § 205.326, I have enclosed a check for \$150, made payable to the Treasurer of the United States.

Please contact me if you require any additional information.

Sincerely,



Bonnie A. Suchman

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

Maine Public Service Company)
Bangor Hydro Electric Company) Docket No. PP-12

**JOINT APPLICATION OF
MAINE PUBLIC SERVICE COMPANY AND
BANGOR HYDRO ELECTRIC COMPANY
TO RESCIND PRESIDENTIAL PERMIT PP-12 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, 10 C.F.R. §§ 205.320, *et seq.*, Maine Public Service Company (“Maine Public”) and Bangor Hydro Electric Company (“Bangor Hydro”) (collectively, the “Applicants” or “Utilities”) hereby jointly tender for filing the instant Application and respectfully request that the Department:

- (1) rescind Presidential Permit 12 held by Maine Public covering certain transmission facilities (collectively, the “Interconnection Facilities”) described, *infra*, that currently interconnect Maine Public’s bulk power electrical transmission system with the transmission facilities owned by New Brunswick Power Corporation and located in the Province of New Brunswick, Canada, upon the merger of Maine Public into Bangor Hydro, with Bangor Hydro as the surviving entity; and
- (2) coincidentally issue a Presidential Permit for the Interconnection Facilities to Bangor Hydro under its new name, Emera Maine.¹

The Applicants seek to ensure that the provisions contained in Presidential Permit PP-12 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 transfer of these facilities.

I. BACKGROUND

On November 29, 2012, Maine Public and Bangor Hydro submitted a filing with the Maine Public Utilities Commission (“MPUC”) requesting approval of a merger between Maine Public and Bangor Hydro. The proposed transaction would bring the two companies together as a single entity, with Maine Public merged into Bangor Hydro and Emera Maine as the surviving company. The Articles of Incorporation and Bylaws of the surviving corporation Emera Maine will remain unchanged in the merger, and the merger will not affect the identity or terms of office of the Directors and Officers of the surviving corporation.

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 transaction.

On June 13, 2013, the MPUC conditionally approved the corporate merger of Bangor Hydro and Maine Public.² Specifically, the Commission granted its approval of the merger subject to three specific conditions:

- (1) Commission approval of the refinancing of Maine Public’s existing tax-free debt pursuant to 35-A M.R.S. § 902;
- (2) Amendment by the Legislature of 35-A M.R.S. § 3205(2) to specify that the

¹ Bangor Hydro will be renamed Emera Maine, effective January 1, 2014.

² *Bangor Hydro Elec. Co., Maine Pub. Serv. Co., MEPCO and Chester SVC P’shp, Request for Approval of Reorganization (35-A M.R.S.A. §§ 708, 1101, 1103 and 2102)*, No. 2012-00571, Order Approving Stipulation (Me. P.U.C. June 13, 2013).

Marketing limitations contained therein do not apply to competitive electricity service or standard offer service in what is now Maine Public's service territory unless and until a sufficiently liquid retail electricity market becomes available to customers in that territory; and

(3) Granting by FERC of Bangor Hydro's request for a waiver of the requirement of uniform transmission rates for Emera Maine.

Regarding the first condition, on August 16, 2013, the MPUC approved the refinancing of Maine Public's existing tax-free debt pursuant to 35-A M.R.S.A. § 902.³ Maine Public closed the refinancing of Maine Public's tax free debt on September 30, 2013.

Regarding the second condition, in June 2013, the Legislature amended 35-A M.R.S.A. § 3205(2) to specify that its marketing limitations do not apply to competitive electricity service or standard offer service in what is now Maine Public's service territory unless and until a sufficiently liquid retail electricity market becomes available to customers in that territory. This amendment becomes effective on October 9, 2013.

Regarding the third condition, on July 18, 2013, FERC granted a waiver permitting the Northern and Southern Divisions of Emera Maine to maintain separate transmission rates.⁴

On October 3, 2013, the Applicants filed a request with the MPUC that the MPUC find that the Applicants have satisfied all three conditions to the approval of the merger and authorize that the merger be completed. On December 17, 2013, the MPUC issued its final order whereby it found that all of the merger conditions were satisfied, and unconditionally approved the reorganization, so that the Applicants can complete the merger by January 1, 2014.

³ *Maine Pub. Serv. Co., Application for Approval of Debt Issue and Request for Accounting Order (Amortization of Interest Rate Swap Loss)*, No. 2013-00339, Order (Me. P.U.C. Aug. 16, 2013).

⁴ *Bangor Hydro Elec. Co.*, 144 FERC ¶ 61,031 (2013).

III. INFORMATION REGARDING APPLICANTS

A. Maine Public Service Company

Maine Public, a Maine corporation and indirect, wholly-owned subsidiary of Emera, Inc. (“Emera”)⁵, is an electric utility that provides transmission and distribution service to approximately 36,000 retail customers and transmission service to three wholesale customers located in a 3,600 square mile area covering Aroostook County and a small portion of Penobscot County in the State of Maine. The total load in Maine Public’s service territory is approximately 125 MW, with a peak load of approximately 141 MW. Maine Public provides transmission service pursuant to the Maine Public Open Access Transmission Tariff (“Maine Public OATT”).⁶

The Maine Public transmission system comprises approximately 380 miles of transmission lines and 1,806 miles of distribution lines. Maine Public’s facilities are not directly interconnected with Bangor Hydro or any other portion of the United States transmission grid. Rather, Maine Public’s only access to the U.S. transmission grid is over transmission facilities in Canada owned by New Brunswick Power Corporation and Algonquin Tinker Gen Co. (“Algonquin Tinker”). Maine Public also holds a 7.5 percent voting interest in Maine Electric Power Company (“MEPCO”).

Maine Public, along with Eastern Maine Electric Cooperative, Inc. (“EMEC”),⁷ is a

⁵ Emera is a diversified energy and services company headquartered in Nova Scotia, Canada.

⁶ Maine Public Service Company, FERC Electric Tariff, 1st Revised Volume No. 4.

⁷ EMEC is a rural electric cooperative. Maine Public and EMEC are the only owners of transmission facilities within the area served by the Northern Maine ISA. The majority of EMEC’s load is not directly interconnected with Maine Public or any other portion of the United States transmission grid. Only a small portion of EMEC’s load is directly interconnected with Maine Public. As described above, EMEC and Maine Public are indirectly connected to the balance of the U.S. transmission grid only through the New Brunswick Power Corporation transmission system.

transmission-owning member of the Northern Maine ISA (which is not considered a tight power pool). The Northern Maine ISA provides for the impartial administration of the reservation, scheduling, and dispatch of the Northern Maine transmission systems, as well as the administration of certain Northern Maine markets, including markets for energy, ancillary, and related services. By order issued on November 15, 1999, the Northern Maine ISA was accepted by FERC as an Independent System Administrator and a Regional Transmission Group for the Northern Maine region.⁸

In connection with the Maine Restructuring Act, Maine Public divested all of its generation assets.⁹ Accordingly, Maine Public does not own generation and does not engage in the wholesale marketing of generation.

B. Bangor Hydro

Bangor Hydro, a Maine corporation, is an electric utility primarily engaged in the transmission and distribution of electric energy and related services to over 117,000 retail customers in eastern and coastal Maine. Bangor Hydro also makes certain wholesale power sales in these areas. Emera owns all the issued and outstanding common stock of Bangor Hydro as well as the vast majority (greater than 99 percent) of its preferred stock.

Bangor Hydro directly owns approximately 869 miles of transmission lines and approximately 4,850 miles of distribution lines. Bangor Hydro also holds a 14.2 percent voting interest in MEPCO, a transmission-only public utility.

Open access to Bangor Hydro's transmission lines is provided pursuant to the ISO New England, Inc. Transmission, Markets and Services Tariff ("ISO-NE Tariff"). As regards Bangor

⁸ *N. Me. Indep. Sys. Admin., Inc.*, 89 FERC ¶ 61,179 (1999).

⁹ *See supra* n.6.

Hydro's local transmission lines in particular, the rates, terms and conditions for their use are set forth in Schedule 21-BHE of the ISO-NE Tariff ("Schedule 21-BHE").

Bangor Hydro no longer has a franchised service area for the sale of electricity. Pursuant to the Maine Restructuring Act of 1997, Bangor Hydro divested the vast majority of its generation assets, including capacity and energy from power purchase contracts, is generally prohibited from ownership or control of generation or generation-related assets,¹⁰ and is prohibited from selling electricity or capacity to any retail consumer of electricity.¹¹

Presently, Bangor Hydro owns only 14 MW (nameplate) of generating capacity, in the form of the Bar Harbor, Eastport and Medway diesel-fired, internal combustion generating units.¹² The entire output of these units is committed to New Brunswick Power Corporation pursuant to long-term contract, but the power is sold on Bangor Hydro's electric system and not in Canada nor at the U.S.-Canada border.¹³

In addition, Bangor Hydro has long-term energy purchase contracts for the following qualifying facilities ("QFs") located in the State of Maine: (i) all of the output of the 25.3 MW (nameplate) Penobscot Energy Recovery facility owned by Penobscot Energy Recovery Company, LP, (ii) all of the output of the 13 MW (nameplate) West Enfield facility owned by

¹⁰ See *Me. Rev. Stat. Ann.*, An Act to Restructure the State's Electric Industry, 35-A, 32 §§ 3201, *et seq.* (1997) ("Maine Restructuring Act"); *Me. Rev. Stat. Ann.* 35-A, 32 § 3204(1) (1997) (an investor-owned electric utility may maintain "[o]wnership interest in a generation asset that the commission determines is necessary for the utility to perform its obligations as a transmission and distribution utility in an efficient manner"); *Bangor Hydro-Elec. Co.*, 86 FERC ¶ 61,281, *clarified* 87 FERC ¶ 61,057 (1999).

¹¹ *Me. Rev. Stat. Ann.* 35-A § 3204(1), (4), (5); *id.* §3205(2).

¹² In 2012, four units totaling 6 MW at the Bar Harbor and Eastport facilities were retired from service.

¹³ Bangor Hydro, however, recently filed with the Maine Public Utilities Commission ("MPUC") a Petition to retire and remove from service all of the Bar Harbor and Medway units. *Petition, Request for Approval of Retirement of Diesel Generation Units*, MPUC Docket No. 2012-603 (Dec. 20, 2012).

Bangor-Pacific Hydro Associates, (iii) all of the output of four facilities totaling 2 MW (nameplate) collectively referred to as the Small Hydro Composite facilities, (iv) 20 percent of the output of the Rollins Wind Facility from Evergreen Wind Power III, LLC (a subsidiary of First Wind Holdings), and (v) all of the output of the 980 kW anaerobic digester generating facility owned by Exeter Agri-Energy, LLC. All energy produced from these facilities, however, is sold to New Brunswick Power Corporation under long-term agreements.

C. Communications

Communications concerning this Application should be addressed to the following:

Bangor Hydro Electric Company

Nathan Martell
Regulatory Counsel
Bangor Hydro Electric Company
P.O. Box 932
Bangor, Maine 04402
Fax: (207) 973-2980
Phone: (207) 973-2854
nmartell@bhe.com

Troutman Sanders LLP

Bonnie A. Suchman
Troutman Sanders LLP
401 9th Street, N.W. Suite 1000
Washington, D.C. 20004
(202) 274-2908
(202) 654-5628 (facsimile)
bonnie.suchman@troutmansanders.com

Maine Public Service Company

Nathan Martell
Regulatory Counsel
Bangor Hydro Electric Company
P.O. Box 932
Bangor, Maine 04402
Fax: (207) 973-2980
Phone: (207) 973-2854
nmartell@bhe.com

A signed opinion of counsel, stating that the construction, connection, operation, and maintenance of the proposed facilities will be within the corporate powers of Emera Maine and

that Emera Maine has complied with or will comply with all pertinent federal and state laws, are attached hereto as Attachment B.

D. Foreign Ownership and Affiliations

Maine Public is a wholly-owned subsidiary of Emera, a diversified energy and services company headquartered in Nova Scotia, Canada. Emera owns all the issued and outstanding common stock of Bangor Hydro as well as the vast majority (greater than 99 percent) of its preferred stock. Following the merger of the Applicants, Emera Maine will be a subsidiary of Emera. Emera is not owned in whole or in part by any Canadian federal or provincial governmental authority.

E. Existing Contracts with Foreign Governments or Foreign Private Concerns

As discussed above, Maine Public and Bangor Hydro are subsidiaries of Emera, and Emera Maine will be a subsidiary of Emera following the merger. Emera is a Nova Scotia corporation, organized under the laws of Canada. In addition, Bangor Hydro has several contracts with New Brunswick Power Corporation for the sale of generation, which are discussed above. New Brunswick Power Corporation is a New Brunswick Crown corporation.

IV. THE INTERCONNECTION FACILITIES

The Interconnection Facilities are identified as follows:

- (a) one 69-kV transmission line, running to a point on the international boundary 0.5 miles north of the Four Falls, New Brunswick, custom office where it connects with a similar line of the Maine and New Brunswick Electrical Power Company, Limited; and
- (b) one 69-kV transmission line running to a point on the international boundary 300 feet south of the point where the Aroostook River crosses the international boundary at Fort Fairfield, Maine, where it will connect with a similar line constructed, owned, and operated by the Maine and New Brunswick Electrical Power Company, Limited.

The original Presidential Permit was issued on March 5, 1948. The Federal Power Commission issued an order on October 17, 1957, approving operation of the facilities in the Permit.¹⁴ The Federal Power Commission approved an amendment to the Permit on December 5, 1963. Subsequent changes were made to the Permit on February 21, 1964, November 20, 1964 and January 1, 1965.¹⁵

The Interconnection Facilities identify lines owned by the Maine & New Brunswick Electrical Power Company, Limited. Maine & New Brunswick Electrical Power Company, Limited is an inactive Canadian subsidiary of Maine Public, which, prior to deregulation and generation divestiture, owned Maine Public's Canadian electric generation assets. In 2003, the MPUC authorized the dissolution of Maine & New Brunswick Power Co., Ltd.¹⁶ In a letter dated September 3, 2008, Maine Public notified the MPUC that it had substantially wound-up the business of Maine & New Brunswick Power Co., Ltd., but it had not yet dissolved the corporation. As part of the merger of the Applicants, Maine & New Brunswick will be dissolved and any assets of Maine & New Brunswick will be distributed to Maine Public, its sole shareholder, which will subsequently be merged into Bangor Hydro. Accordingly, in the new Presidential Permit to be issued to Emera Maine, the interconnection facilities will need to be identified as follows:

- (a) one 69-kV transmission line, running to a point on the international boundary 0.5 miles north of the Four Falls, New Brunswick, custom office where it connects with a similar line of Emera Maine; and
- (b) one 69-kV transmission line running to a point on the international boundary 300 feet south of the point where the Aroostook River crosses the international

¹⁴ 18 FPC 504.

¹⁵ See *Presidential Permit 12*.

¹⁶ *Maine Pub. Serv. Co., Request for Approval to of Reorganization into a Holding Company Structure*, No. 2002-676 Order Approving Stipulation at 2, 8-9 (Me. P.U.C. March 26, 2003).

boundary at Fort Fairfield, Maine, where it will connect with a similar line constructed, owned, and operated by Emera Maine.

All maps used in support of the original Presidential Permit application, and any amendments thereto, continue to accurately show 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.

V. REASONS FOR CHANGES IN CORPORATE STRUCTURE

The MPUC had approved Emera's acquisition of Maine Public in October 2010. As part of its approval, the MPUC directed Bangor Hydro and Maine Public to file with the MPUC a report on the costs and benefits of consolidating the operations of Bangor Hydro and Maine Public, or merging the Utilities into a single entity. The Utilities identified significant savings that could only be achieved through a merger into a single corporate entity. Furthermore, the Utilities anticipate that consolidating operations brings intangible benefits to the Utilities through increased corporate focus on areas such as: safety, environmental, consistency of practice and procedures, regulatory efficiency, concentration on customer engagement, alignment of Human Resource policies and programs for employees, and introduction of training and development programs. The Utilities therefore concluded that a merger was in the best interests of their ratepayers.

Following the merger, Emera Maine will administer the appropriate Open Access Transmission Tariffs. Currently, open access to Bangor Hydro's transmission lines is provided pursuant to the ISO-NE Tariff. Maine Public provides transmission service pursuant to the Maine Public OATT.

On March 19, 2013, Bangor Hydro and Maine Public filed with FERC a request for waiver of FERC's regulations so as to permit Bangor Hydro to 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).¹⁷ The Utilities noted that, following consummation of the merger, Bangor Hydro will operate two separate transmission systems that are not directly interconnected (and not interconnected at all but through transmission facilities owned by New Brunswick Power Corporation). Bangor Hydro's current facilities are under the functional control of ISO-NE and service over them is provided pursuant to the ISO-NE Tariff. The facilities to be acquired by Bangor Hydro pursuant to the merger are not to come under the functional control of ISO-NE as part of the merger. Rather they are to remain in the New Brunswick System Operator Balancing Authority Area and subject to the oversight of the Northern Maine ISA, both of which are wholly separate from ISO-NE and its Balancing Authority Area. Because, following consummation of the merger, Bangor Hydro will operate two separate transmission systems that are not directly interconnected and will not be interconnected at all but through transmission facilities owned by New Brunswick Power Corporation, FERC approved the waiver.¹⁸

VI. 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

¹⁷ Because Emera Maine will be the single entity holding the former assets of Maine Public as well as those of its predecessor in name, Bangor Hydro, appropriate nomenclature is needed to distinguish the distinct and non-interconnected parts of the Emera Maine electric system. Therefore, the Maine Public OATT was revised to reflect the former Maine Public assets and operating region as the Maine Public District. The Bangor Hydro Tariffs have been revised to reflect the legacy Bangor Hydro assets and operating region as the Bangor Hydro District.

change in the facilities and no change in the way the facilities will be operated, the Applicants anticipate no environmental impacts whatsoever as a result of the requested actions.

VII. 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.E.
Washington, D.C. 20426

Maine Public Utilities Commission
242 State Street
18 State House Station
Augusta, Maine 04333-0018

Maine Public Advocate Office
112 State House Station
Augusta, Maine 04333-0112

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.

VIII. REQUEST FOR PRESIDENTIAL PERMIT ISSUANCE AND EXPEDITED CONSIDERATION

As discussed above, the Applicants initially sought regulatory approval from the MPUC for approval of the merger. In addition, the Applicants sought approval of FERC pursuant to Section 203 of the Federal Power Act. The Applicants also sought a “threshold determination” from staff of the Nuclear Regulatory Commission (“NRC”) that the transaction does not require

¹⁸ 144 FERC ¶ 61,031 (2013).

approval of the NRC under 10 C.F.R. § 50.80 arising out of the Utilities' ownership interest in Maine Yankee Atomic Power Company.¹⁹

As explained above, FERC approved the Utilities' Section 203 filing on July 18, 2013. In response to a letter request dated May 6, 2013 that the proposed merger of the Utilities does not constitute a transfer that requires NRC consent pursuant to 10 CFR 50.80, NRC determined, by letter dated October 8, 2013, that the proposed merger is not a direct or indirect transfer of License DPR-36, and accordingly, NRC approval or consent is not necessary to effectuate the merger. As noted above, the MPUC unconditionally approved the merger on December 17, 2013.

Financial closing of the proposed transaction, as well as the Applicants' intention to effect the proposed changes in corporate form will occur, effective as of January 1, 2014. Accordingly, the Applicants request that the Department issue an order rescinding Presidential Permit PP-12 and issue a new Presidential Permit to Emera Maine. The Applicants respectfully request that this new permit become effective on the effective date of the merger of Maine Public with and into Bangor Hydro, with Emera Maine as the surviving company.

With receipt of final regulatory approval by the MPUC on December 17, 2013, the Utilities now plan to close the proposed transaction on or about January 1, 2014. The instant request for rescission of PP-12 and the coincident issuance of a Presidential Permit is necessary to effect the proposed transaction in the most efficient and financially beneficial manner possible. Because the coincident issuance of the Presidential Permit should occur on or before the

¹⁹ Currently, Maine Public holds a 5% interest and Bangor Hydro holds a 7% interest in Maine Yankee Atomic Power Company. As a result of the merger, Maine Public's interest in Maine Yankee will be owned by Emera Maine. Emera Maine will have a 12% interest in Maine Yankee.

proposed transaction, the Applicants respectfully request that the Department act on this Application in an expedited manner.

The Applicants further request that notice of this filing be published in the Federal Register as soon as practicable; that the period for the submission of comments, protests, or requests to intervene be shortened; and that the Department issue an order in an expedited manner.

VII. EXHIBITS

The following exhibits are included:

Exhibit A Presidential Permit PP-12

Exhibit B Opinions of Counsel for the Applicants

VIII. CONCLUSION.

Maine Public and Bangor Hydro respectfully request that the Department expeditiously rescind and coincidentally issue the Presidential Permit pursuant to the terms and conditions set forth in this Application.

Respectfully Submitted,

Bangor Hydro Electric Company

Nathan Martell
Regulatory Counsel
Bangor Hydro Electric Company
P.O. Box 932
Bangor, Maine 04402
Fax: (207) 973-2980
Phone: (207) 973-2854
nmartell@bhe.com

Troutman Sanders LLP

Bonnie A. Suchman
Troutman Sanders LLP
401 9th Street, N.W. Suite 1000
Washington, D.C. 20004
(202) 274-2908
(202) 654-5628 (facsimile)
bonnie.suchman@troutmansanders.com

Maine Public Service Company

Nathan Martell
Regulatory Counsel
Bangor Hydro Electric Company
P.O. Box 932
Bangor, Maine 04402
Fax: (207) 973-2980
Phone: (207) 973-2854
nmartell@bhe.com

ATTACHMENT A

PRESIDENTIAL PERMIT PP-12

AMENDMENT TO PRESIDENTIAL PERMIT
 AUTHORIZING, PURSUANT TO EXECUTIVE ORDER NO. 10485,
 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

(Federal Power Commission - Docket No. IT-6027)

Maine Public Service Company, (Permittee), by application filed August 19, 1963, seeks 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 international 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. By order of the 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 dated September 3, 1953, to construct, operate, maintain, and connect certain additional facilities, convert one of its existing facilities, and remove certain of its existing facilities, some of which are presently

out of operation, and some which will be phased out of operation pending construction of new facilities by Permittee, by Permittee's Subsidiary in Canada, the Maine and New Brunswick Electrical Power Company, Limited, a corporation organized under the laws of the province of New Brunswick, Canada, (hereinafter called the Subsidiary) and by Permittee's customer in Canada, the New Brunswick Electric Power Commission, a statutory body created by an act of the legislature of the Province of New Brunswick, Canada, (hereinafter called the "New Brunswick Commission").

The additional facilities proposed by the Permittee consist of a 69,000 volt, 60 cycle, three-phase wood pole transmission line running to a point on the international boundary 300 feet south of the point where the Aroostook River crosses the international boundary at Fort Fairfield, Maine, where it will connect with a similar line to be constructed, owned, and operated by its Subsidiary. (To be listed in paragraph (j) of the Amended Permit.)

The existing facilities to be converted by the Permittee consist of a 69,000 volt, 60 cycle, three-phase wood pole transmission line, now operated at 34.5 kv but to be converted to 69 kv operation in 1964, running to a point on the international boundary 0.5 miles north of the Four Falls, New Brunswick, custom office where it connects with a similar line of the Subsidiary. (One of two lines listed in paragraph (e) of Article 2 of the Permit and to be described in paragraph (i) of the Amended Permit.)

Three lines operating respectively at 13,200 volts, 7,200 volts, and 33,000 volts, listed in paragraphs (c), (d), and (h) of Article 2 of the Permit are presently out of operation and the Permittee proposes to remove them in the near future.

One of two lines operating nominally at 33,000 kv described in paragraph (e) of Article 2 of the Permit, three lines operating at 33,000 volts listed in paragraph (f) of Article 2 of the Permit, and one of two lines operating at 11,000 volts listed in paragraph (g) of Article 2 of the Amended Permit will be removed after construction and conversion by Permittee of the facilities described above and similar facilities in Canada by its Subsidiary.

One 11,000 volt line described in paragraph (g) of Article 2 of the Permit will be removed by Permittee after construction of a line by its Subsidiary.

One 7,200 volt line listed in paragraph (b) of Article 2 of the Permit will be removed by Permittee after construction of a line by the New Brunswick Commission.

By letter dated Nov. 14, 1963, the Secretary of State and by letter dated Nov. 5, 1963, the Secretary of Defense favorably recommended that the aforesaid Presidential Permit be amended as hereinafter provided.

Upon consideration of this matter, the Commission finds that this issuance of an Amendment to the aforesaid Presidential Permit, as hereinafter provided, for the purpose of permitting Permittee

to (1) construct (convert), operate, maintain and connect at the international boundary the aforesaid facilities for the transmission of electric energy from the United States to Canada and from Canada to the United States and (2) remove the aforementioned electric transmission lines and supporting structures previously authorized by that Presidential Permit, 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 General Rules and Regulations, the aforesaid Presidential Permit is amended by substituting the following for Article 2 as therein contained; provided that all other terms and conditions of that Presidential Permit shall remain in full force and effect:

Article 2. The facilities covered by and subject to this permit shall include, in addition to the following, all lands and supporting structures within the rights-of-way occupied by such facilities:

(a) One 7,200 volt, 60 cycle, three-phase line running to the Saint John River at a point 1.0 miles north of the international bridge between Fort Kent, Maine, and Clair, New Brunswick, and connecting at the international boundary with a similar line of the New Brunswick Electric Power Commission;

Removed from
Service 9-15-64
See letter
7-3-64

(b) One 3-phase line operating nominally at 7,200 volts, 60 cycles, located on the shore of the Saint John River at the international boundary at Frenchville, Maine;

Retired
6-18-64
See letter
7-3-64

(c) One 3-phase line operating nominally at 13,200 volts, 60 cycles, located on the shore of the Saint John River at the international boundary at Madawaska, Maine;

12-20-64
9-2/22/64
See letter
9-2/21/64

(d) One 3-phase line operating nominally at 7,200 volts, 60 cycles, located on the shore of the Saint John River at the international boundary at Grand Isle, Maine;

(e) One 3-phase line operating nominally at 33,000 volts, 60 cycles, located at the international boundary at a point north of the place where the Aroostook River flows from Maine into New Brunswick and near Limestone, Maine;

Connected to 19 kv system in 7-15-64 and that date became line referred to under Article 2.12)
See letter of 11-20-64

(f) Three 3-phase lines operating nominally at 33,000 volts, 60 cycles, located at the international boundary at a point south of the place where the Aroostook River flows from Maine into New Brunswick and near Fort Fairfield, Maine;

Two circuits removed 7-20-64
1 - Circuit removed 8-25-64
See letter of 11-20-64

(g) Two 3-phase lines operating nominally at 11,000 volts, 60 cycles, located at the international boundary at a point south of the place where the Aroostook River flows from Maine into New Brunswick and near Fort Fairfield, Maine;

One circuit removed 8-3-64
One removed 11-5-64
See letter of 11-20-64

(h) One 3-phase line operating nominally at 33,000 volts, 60 cycles, located at the international boundary near Bridge-water Corner, Maine;

Removed 12-30-64
See letter of 1-5-65

(i) One 69,000 volt, 60 cycle, 3-phase wood pole transmission line, now operated at 34.5 kv but to be converted to 69 kv operation in 1964, running to a point on the international boundary 0.5 miles north of the Four Falls, New Brunswick, custom office where it connects with a similar line of the Maine and New Brunswick Electrical Power Company, Limited.

X

(j) One 69,000 volt, 60 cycle, 3-phase wood pole transmission line running to a point on the international boundary 300 feet south of the point where the Aroostook River crosses the international boundary at Fort Fairfield, Maine, where it will connect with a similar line to be constructed, owned, and operated by the Maine and New Brunswick Electrical Power Company, Limited.

which facilities are more specifically shown and described in the application filed with the Federal Power Commission (hereinafter called the "Commission") on August 19, 1963.

With the exception of facilities described in Paragraphs (b) through (i) 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 this Commission. With respect to the facilities described in Paragraphs (b) through (h) above, they shall be deemed covered by and subject to this Permit until they shall have been removed by the Permittee. The date of completion of such removal shall be reported to this Commission by the Permittee within 15 days thereafter. With respect to the facilities described in Paragraph (i), the conversion to 69 kv operation shall be reported by the Permittee within 15 days thereafter.

IN WITNESS WHEREOF, I, Joseph C. Swidler, have hereunto signed my name this 5th day of Dec, 1963, in the City of Washington, District of Columbia.

S/ Joseph C. Swidler
Chairman of the Federal Power Commission

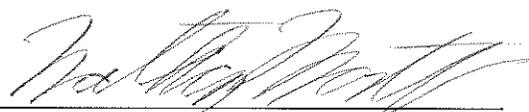
ATTACHMENT B

OPINIONS OF COUNSEL

Statement and Opinion of Counsel

The undersigned, being Counsel for Maine Public Service Company (Maine Public), 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 what will be the corporate powers of Emera Maine, pursuant to its expected Articles of Organization and Operating Agreement; (b) that he has examined and is familiar with the contents of this "Joint Application of Maine Public Service Company and Bangor Hydro Electric Company to Rescind Presidential Permit PP-12 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 the Emera Maine; and (d) that, with respect thereto, Emera Maine has complied or will comply with all pertinent federal and state laws.

DATED 12-23-13



Nathan Martell
Regulatory Counsel
Bangor Hydro Electric Company
P.O. Box 932
Bangor, Maine 04402
Fax: (207) 973-2980
Phone: (207) 973-2854
nmartell@bhe.com

Statement and Opinion of Counsel

The undersigned, being Counsel for Bangor Hydro, 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 what will be the corporate powers of Emera Maine, pursuant to its expected Articles of Organization and Operating Agreement; (b) that he has examined and is familiar with the contents of this "Joint Application of Maine Public Service Company and Bangor Hydro Electric Company to Rescind Presidential Permit PP-12 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 the Emera Maine; and (d) that, with respect thereto, Emera Maine has complied or will comply with all pertinent federal and state laws.

DATED 12-23-13



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Regulatory Counsel
Bangor Hydro Electric Company
P.O. Box 932
Bangor, Maine 04402
Fax: (207) 973-2980
Phone: (207) 973-2854
nmartell@bhe.com