

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

US Department of Energy

JUL 9 2007

Electricity, Delivery and Energy Reliability

RBC Energy Services LP

) Docket No. EA-328

**APPLICATION OF RBC ENERGY SERVICES LP  
FOR AN AUTHORIZATION TO  
TRANSMIT ELECTRIC ENERGY TO CANADA**

RBC Energy Services LP ("RBC Energy") hereby files its application for blanket authority to transmit electric energy from the United States to Canada ("Application") for a term of five (5) years.<sup>1</sup>

**I.**

**Description of Applicant**

The exact legal name of the Applicant is RBC Energy Services LP. RBC Energy is an Ontario limited partnership with its executive offices and principal place of business in Toronto, Ontario, Canada. RBC Energy's general partner is 2001 RBCP Canadian GP Limited and its sole limited partner is Royal Bank of Canada. 2001 RBCP Canadian GP Limited is a wholly-owned direct subsidiary of RBC Capital Partners Limited. RBC Capital Partners Limited is a wholly-owned direct subsidiary of Royal Bank of Canada.

Royal Bank of Canada is Canada's largest bank as measured by assets and market capitalization and is one of North America's leading diversified financial services companies. Royal Bank of Canada has over 300 subsidiaries and provides personal and commercial banking wealth management services, insurance, corporate and investments banking and transaction

<sup>1</sup> Pursuant to Federal Power Act ("FPA") Section 202(e), 16 U.S.C. § 824a(e) (2003) and Part 205, Subpart W of the United States Department of Energy's Regulations, 10 C.F.R. §§ 205.300-205.309 (2004).

processing services on a global basis, serving clients through offices in North American and 34 countries around the world.<sup>2</sup>

On June 27, 2007, RBC Energy applied to the Federal Energy Regulatory Commission (“FERC”) for authority to market and sell wholesale power, capacity, ancillary services and related services in various markets in the United States. *See* RBC Energy Application to FERC, June 27, 2007, Docket No. ER07-1088-000. RBC Energy intends to operate as a wholesale power marketer, and will purchase and sell electricity and enter into financial derivative contracts for power, natural gas and other energy products for its own account, as well as on behalf of the accounts of U.S. suppliers and Canadian purchasers, in the wholesale markets throughout the United States and Canada.<sup>3</sup> All RBC Energy power transactions will be at rates negotiated between RBC Energy and its counterparties.

Neither RBC Energy nor any of its affiliates (collectively, the “RBC Companies”) owns, operates or controls any electric power transmission or distribution facilities in the United States. The RBC Companies also do not own, operate or control any electric generation assets. As part of their trading and investment activities in various industry sectors, the RBC Companies periodically take passive or other non-controlling positions in, or are passive lenders to, unaffiliated companies that directly or indirectly own electric generation or transmission, have franchised service territories or provide inputs to generation in the United States. Neither RBC Energy nor any of its affiliates hold any board position in the energy-related companies in which they invest or otherwise engage in the day-to-day operations of such unaffiliated energy-related companies. When the RBC Companies make investments with unaffiliated investment managers, the RBC Companies do not direct the investment decisions of such investment

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<sup>2</sup> Royal Bank of Canada is a publicly-traded financial services company.

managers. Neither RBC Energy nor any of its affiliates holds a franchise or service territory for the transmission, distribution or sale of electric power at this time.

## **II.**

### **Correspondence**

Correspondence concerning this Application should be directed to the following:

David J. Levine  
Robin J. Bowen  
Gregory K. Lawrence  
MCDERMOTT WILL & EMERY LLP  
600 13th Street, N.W.  
Washington, DC 20005-3096  
Phone: (202) 756-8000  
Facsimile: (202) 756-8087  
dlevine@mwe.com  
rbowen@mwe.com  
glawrence@mwe.com

## **III.**

### **Other Government Agencies Having Jurisdiction**

RBC Energy believes that the Department of Energy ("Department") is the only governmental agency that has authority over this application. FERC has jurisdiction over RBC Energy's wholesale electric power sales activities in the United States.

## **IV.**

### **Description of Transmission Facilities**

Exhibit C to this Application provides the location and description of the existing transmission facilities through which the electric energy covered by this Application will be delivered into Canada and includes the name of facility owners, as well as the Presidential Permit numbers.

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<sup>3</sup> As used herein, the term "marketer" or "power marketer" means an entity that buys and sells electric power

## V.

### Technical Discussion of Proposal

In previous orders granting export authorization to electric power marketers, the Department has indicated its reluctance to follow a rigid application of the information filing requirements contained in its regulations.<sup>4</sup> Instead, the Department has employed a flexible approach, taking into consideration the unique nature of power marketers in terms of the Department's assessment of any reliability analysis. The Department has concluded that the existing technical analyses supporting the present export authorizations *via* international border transmission facilities are sound, and will be applied to power marketers seeking to use these facilities.<sup>5</sup> RBC Energy respectfully requests that the Department continue to apply this standard during its review of the instant application.

RBC Energy requests authority to transmit electric power to Canada as a power marketer. As noted above, RBC Energy does not own or control any power supply system in the United States. RBC Energy will purchase the power to be exported from electric utilities, federal power marketing agencies, qualifying cogeneration, small power production facilities and exempt wholesale generators, as those terms are defined in the FPA, and other public utilities. Any power purchased by RBC Energy for export would be surplus to the needs of those entities selling power to RBC Energy.<sup>6</sup> Thus, as required by FPA Section 202(e), RBC Energy's exports will not impair the sufficiency of power in the United States, nor will the transactions impede or

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for its own account.

<sup>4</sup> See, e.g., *NorAm Energy Services, Inc.*, No. EA-105-CN (DOE August 16, 1996); *MidCon Power Services Corp.*, No. EA-114 (DOE July 15, 1996); *USGen Power Services*, No. EA-112 (DOE June 27, 1996); *CNG Power Services Corp.*, No. EA-110 (DOE June 20, 1996); *Destec Power Services, Inc.*, No. EA-113 (DOE May 31, 1996); *North American Energy Conservation, Inc.*, EA-103 (DOE May 30, 1996); *NorAm Energy Services, Inc.*, No. EA-105-MX (DOE May 30, 1996); and *Enron Power Marketing, Inc.*, No. EA-102 (DOE February 6, 1996) ("Order No. EA-102").

<sup>5</sup> Order No. EA-102 at 4-6.

tend to impede the coordinated use of U.S. transmission facilities.<sup>7</sup> Furthermore, RBC Energy power exports will not adversely impact the reliability or stability of any power supply system utilized for such exports.

## VI.

### Compliance With Conditions and Procedures

Approval of this Application would foster a more efficient and competitive North American energy market. Thus, this Application is consistent with the North American Free Trade Agreement (1993) and United States energy policy.

RBC Energy proposes to abide by the general conditions consistent with the Department's previous grants of authorization to power marketers as set forth in its previous orders, as described herein. From time to time, RBC Energy will enter into agreements with third parties which involve the export of electric power from the United States to Canada. RBC Energy's exports over the subject transmission facilities will not exceed the export limits for the facilities, or otherwise cause a violation of the terms and conditions set forth in the export authorizations applicable to each. When scheduling delivery of power, RBC Energy will comply with the applicable North American Reliability Council reliability criteria, standards, and guidelines. Within thirty days following the end of each calendar quarter, RBC Energy will provide the Department with reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission.

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<sup>6</sup> See, e.g., *MidCon Power Services Corp.*, No. EA-114 at p. 4.

<sup>7</sup> See Order No. EA-102 at 4-6.

## **VII.**

### **Exhibits and Attachments**

The following Exhibits and Attachment are included with this Application pursuant to 10 C.F.R. § 205.303:

<u>Exhibit A-</u>	Legal Opinion of RBC Energy Services LP
<u>Exhibit B-</u>	Irrevocable Limited Power of Attorney
<u>Exhibit C-</u>	Transmission System Information (Submitted in lieu of maps)
<u>Exhibit D-</u>	Statement of any Corporate Relationship or Existing Contract which in Any Way Relates to the Control or Fixing of Electric Power
<u>Exhibit E-</u>	Operating Procedures regarding Available Capacity and Energy

## **VIII.**

### **Other**

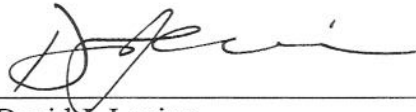
Pursuant to 10 C.F.R. § 205.309 (2004), a copy of this Application has been served on the Secretary of FERC.

## IX.

### Conclusion

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

Respectfully submitted,



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David J. Levine  
Robin J. Bowen  
Gregory K. Lawrence  
McDERMOTT WILL AND EMERY LLP  
600 Thirteenth Street, N.W.  
Washington, D.C. 20005-3096  
(202) 756-8000

Attorneys for  
RBC Energy Services LP

Dated: June 28, 2007

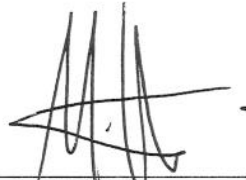
**UNITED STATES OF AMERICA  
BEFORE THE  
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OFFICE OF FOSSIL ENERGY**

**RBC Energy Services LP**

) Docket No. EA-\_\_\_\_\_

**DECLARATION**

I, Mark Griffith, Vice President of 2001 RBCP Canadian GP Limited, the general partner of RBC Energy Services LP, declare under penalty of perjury that I am duly authorized by RBC Energy Services LP to verify the forgoing Application on behalf of RBC Energy Services LP, and that to the best of my knowledge, information and belief, all of the statements contained in said Application are true and correct.

A handwritten signature in black ink, appearing to read 'Mark Griffith', is written over a horizontal line.

Mark Griffith  
Vice President  
2001 RBCP Canadian GP Limited

Executed on June 28, 2007

**Exhibit A**

**Legal Opinion of RBC Energy Services LP**

## LEGAL OPINION

The following opinion is given in support of RBC Energy Services LP for Authorization to Transmit Electric Energy to Canada, dated June 28, 2007.

- (1) I am qualified to practice law in the Province of Ontario.
- (2) As Assistant General Counsel to the Royal Bank of Canada, which is the sole limited partner in RBC Energy Services LP, an Ontario limited partnership, I provide legal counsel to RBC Energy Services LP, which is in good standing under the laws of the Province of Ontario.
- (3) This legal opinion is given in reliance on the officer's certificate executed June 28, 2007, by Mark Griffith, Vice President of 2001 RBCP Canadian GP Limited, the general partner of RBC Energy Services LP, regarding the Application, and certain corporate and factual matters.
- (4) To the best of my knowledge and belief, RBC Energy Services LP has applied to the Federal Energy Regulatory Commission for authorization to buy, sell or act as a marketer in the sale and exportation of electric energy as requested in the Application, Docket No. ER07-1088-000.
- (5) To the best of my knowledge and belief, RBC Energy Services LP has complied or will comply with Section 202(e) of the Federal Power Act and all pertinent Federal and state laws relevant to the Application.
- (6) The opinions set forth herein may be relied upon only by the U.S. Department of Energy and may not be relied upon by any other person, firm or corporation. This legal opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose without my prior written approval in each instance. This legal opinion is limited to the matters stated herein and does not extend to and is not to be read as extending by implication to any other matters not referred to herein, and I have no responsibility or obligation to update this legal opinion or take into account changes in law, facts or any other development of which I may later become aware. This legal opinion is being rendered in my capacity as an employee of Royal Bank of Canada and not in my personal capacity and is being given without personal liability on my part.



Emily Jehich  
Assistant General Counsel  
Royal Bank of Canada

Executed on June 28, 2007

**Exhibit B**

**Irrevocable Limited Power of Attorney**

## IRREVOCABLE LIMITED POWER OF ATTORNEY

This irrevocable limited power of attorney is made June 28, 2007, by RBC Energy Services LP (the "Principal"), an Ontario limited partnership with its executive offices and principal place of business at 200 Bay Street, 2nd Floor, Toronto, Ontario, Canada M5J 2W7.

1. Appointment. The Principal hereby appoints McDermott Will & Emery LLP, whose principal place of business is at 600 13th Street N.W., Washington, D.C. 20005-3096, as the Principal's true and lawful agent and attorney-in-fact ("Attorney-in-Fact") for the limited purpose described herein.
2. Scope of Authority. The Attorney-in-Fact shall have the limited power and authority to receive service of process for any and all matters relating to the Principal's application before the U.S. Department of Energy to transmit electric energy to Canada, filed pursuant to 10 C.F.R. §§ 205.300 *et seq.*
3. Irrevocability. This power of attorney is irrevocable by the Principal, subject only to the Principal's right to re-designate, or substitute the Attorney-in-Fact upon thirty days prior written notice to the U.S. Department of Energy and the Attorney-in-Fact.

IN WITNESS WHEREOF, the Principal has caused this power of attorney to be duly executed on this 28<sup>th</sup> day of June, 2007.

By: \_\_\_\_\_

[Name] MARK GRIFFITH

[Title] VICE-PRESIDENT OF 2001 RBCP CANADIAN GP LIMITED (GENERAL PARTNER OF L.P.)  
RBC Energy Services LP

[Name] GINA ZAPRAS

[Title] CORPORATE SECRETARY OF 2001 RBCP CANADIAN GP LIMITED (General Partner of L.P.)  
RBC Energy Services LP

This instrument was acknowledged before me on the 28<sup>th</sup> day of June, 2007 by MARK GRIFFITH  
Toronto, Ontario.

[Name] COLLEEN MYERS

[Title] SENIOR COUNSEL

**Exhibit C**

**Transmission System Information**

**TRANSMISSION SYSTEM INFORMATION**  
**UNITED STATES INTERCONNECTIONS WITH CANADA**

<b>Owner</b>	<b>Location</b>	<b>Voltage</b>	<b>Presidential Permit</b>
Basin Electric Power Cooperative	Tioga, ND	230 kV	PP-64
Bonneville Power Administration	Blaine, WA Nelway, WA Nelway, WA	2-500 kV 230 kV 230 kV	PP-10 PP-36 PP-46
Eastern Maine Electric Cooperative	Calais, ME	69 kV	PP-32
International Transmission Company	Detroit, MI Marysville, MI St. Clair, MI St. Clair, MI	230-kV 230-kV 230-kV 345-kV	PP-230 PP-230 PP-230 PP-230
Joint Owners of Highgate Project	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
Maine Public Service Company	Limestone, ME Fort Fairfield, ME Arookstook Co., ME Madawaska, ME	69 kV 69 kV 138 kV 2-69 kV	PP-12 PP-12 PP-29 PP-29
Minnesota Power, Inc.	International Falls, MN	115 kV	PP-78
Minnkota Power Cooperative, Inc.	Roseau, MN	230 kV	PP-61
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

Owner	Location	Voltage	Presidential Permit
Northern States Power Company	Red River, ND Roseau County, MN	230 kV 500 kV	PP-45 PP-63
Vermont Electric Company	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	$\pm$ 450 kV	PP-76

**Exhibit D**

**Statement of any Corporate Relationship or Existing Contract which in Any Way  
Relates to the Control or Fixing of Electric Power**

Exhibit D is not applicable.

**Exhibit E**

**Operating Procedures regarding Available Capacity and Energy**

Exhibit E is not applicable.

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