

ALSTON & BIRD LLP

The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404

202-239-3300
Fax: 202-239-3333
www.alston.com

Stacey Tyrewala

Direct Dial: 202-239-3384

E-mail: stacey.tyrewala@alston.com

March 18, 2011

U.S. Department of Energy
Mr. Anthony Como
Office of Electricity Delivery and Energy Reliability
1000 Independence Avenue, SW
Room OE-20
Washington, DC 20585



**RE: Application of DC Energy Texas, LLC for Authorization to Export
Electricity from the United States to Mexico, Docket No. EA-377**

Dear Mr. Como:

Please find enclosed for filing an original and two copies of an Application for Authorization to Export Electricity from the United States to Mexico and as required by 10 C.F.R. § 205.309, a check in the amount of \$500.00. A copy of this Application is being served contemporaneously upon the Federal Energy Regulatory Commission.

Also enclosed are two additional copies of this filing labeled "stamp and return;" please date stamp these additional copies for return by our messenger.

Sincerely,

Stacey Tyrewala

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



DC Energy Texas, LLC

)

Docket No. EA-_____

**APPLICATION OF DC ENERGY TEXAS, LLC
FOR AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO MEXICO**

DC Energy Texas, LLC ("DCE Texas"), 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.* (2010), hereby requests blanket authorization to transmit electric energy from the United States to Mexico over any authorized international electric transmission facilities that are appropriate for "open access" transmission by third parties, including facilities that have been authorized but not yet constructed and placed into operation (once such facilities have been issued a Presidential Permit and placed into commercial operations), in accordance with the export limits authorized by the Department of Energy ("Department"), for a period of five (5) years (or for such other period as the Department deems appropriate) effective from the date of the order granting this application.

I. DESCRIPTION OF APPLICANT

DCE Texas is a Delaware limited liability company whose purpose is to engage in energy-related transactions in the United States. DCE Texas engages in wholesale electric power and related transactions as an electric power marketer. Pursuant to a re-authorization order issued on August 8, 2008 by the Federal Energy Regulatory Commission ("FERC") in Docket No. ER08-632-002, DCE Texas is authorized to enter into wholesale electric power transactions in interstate commerce at market-based rates. A copy of the FERC order re-authorizing DCE Texas to engage in wholesale sale of electric power in interstate commerce at market-based rate is attached as Exhibit H. DCE Texas has filed its revised market-based rate tariff and Order No. 714 compliance filing with FERC. The compliance filing is pending FERC approval. DCE Texas also is a registered power marketer with the Texas Public Utility Commission. DCE Texas intends to utilize these authorities to schedule physical power transfers between control areas.¹

DCE Texas is a wholly owned, direct subsidiary of DC Energy Holdings, LLC, which also is a Delaware limited liability company with its principal place of business in Vienna, Virginia. Neither DCE Texas nor any of its affiliates owns, controls or operates any electric generation, electric distribution or transmission facilities, or natural gas distribution or transmission facilities, construction/engineering firms that could engage in the construction of generation or transmission facilities, or generation sites. Furthermore,

¹ DC Energy Texas, LLC, Docket No. ER08-632-000.

neither DCE Texas nor any of its affiliates has any franchise or service territory for the sale, distribution or transmission of electricity or natural gas.

II. INFORMATION REQUIRED PURSUANT TO 10 C.F.R. SECTION 205.302

The following information is provided in accordance with 10 C.F.R. Section 205.302 (2010):

- A. The exact legal name of the applicant: DC Energy Texas, LLC
- B. The exact legal name of all partners: None
- C. The name, title, post office address and telephone number of the person to whom correspondence in regards to the application shall be directed:

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

Stephen C. Palmer
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404
Phone: 202-239-3300
stephen.palmer@alston.com

Joelle K. Ogg
General Counsel
DC Energy, LLC
8065 Leesburg Pike
Sixth Floor
Vienna, VA 22182
Phone: 703-760-8535
Email: ogg@dc-energy.com

- D. The state or territory under the laws of which the applicant is organized or incorporated, or authorized to operate. If the applicant is authorized to operate in more than one state, all pertinent facts shall be included:

DCE Texas is a Delaware limited liability company with its principal place of business in Vienna, Virginia.

DCE Texas may engage in transactions in which it purchases surplus electric energy from electric utilities and other suppliers within the United States, wheels such electric energy through facilities located in the United States, and exports such electric energy to third parties in Mexico. DCE Texas requests export authorization to complete

these transactions to the extent necessary under the Federal Power Act and the applicable regulations.

- E. The name and address of any known Federal, State or local government agency which may have jurisdiction over the action to be taken in this application and a brief description of that authority:

Pursuant to section 202(e) of the Federal Power Act, the Department has jurisdiction over the actions to be taken pursuant to this application. No other federal, state, or local government has jurisdiction over the actions to be taken in this application.

- F. A description of the transmission facilities through which the electric energy will be delivered to the foreign country, including the name of the owners and the location of any remote facilities:

DCE Texas seeks to transmit electricity to Mexico over any authorized international transmission facilities that are appropriate for open access transmission by third parties, including facilities that have been authorized but not yet constructed and placed into operation (once such facilities have been issued a Presidential Permit and placed into commercial operation),² in accordance with the export limits authorized by the Department. Exhibit C to this application provides the location and description of the existing transmission facilities through which the electric energy may be delivered into Mexico, and includes the name of the facility owners as well as the Presidential Permit numbers. DCE Texas does not propose to construct any facilities of its own.

- G. A technical description of the proposed electricity export's reliability, fuel use and system stability impact on the applicant's present and prospective electric power supply system.

DCE Texas seeks authority to transmit electric power to Mexico as a power marketer. As noted above, DCE Texas has no "system" of its own on which exports of power could have a reliability, fuel use or stability impact. The electric power DCE Texas will export, on either a firm or interruptible basis, will be sold by others voluntarily and will therefore be surplus to the needs of the selling entities. Thus, such power sales will not impair or have an adverse consequence on the sufficiency or operation of the electric power system and regional transmission systems within the United States or the maintenance of adequate generation resources in the United States. Moreover, because DCE Texas does not have an obligation to serve native load, the exports proposed by DCE Texas will not impair its ability to meet current and prospective power supply obligations.

² In addition to the international transmission facilities located at the United States border with Mexico authorized by Presidential Permit and available for open-access transmission, it is DCE Texas's understanding that the international transmission facilities at Falcon Dam in Falcon Heights, Texas, which were authorized by treaty signed February 3, 1944 between the United States and Mexico and titled "Utilization of Waters of Colorado and Tijuana Rivers of the Rio Grande" also are available for open-access transmission. DCE Texas requests that the Department authorize DCE Texas to be able to export electric energy to Mexico on the Falcon Dam international transmission facilities.

DCE Texas will make all necessary commercial arrangements, will obtain sufficient transmission capacity to wheel the exported energy to the border system, and will obtain all other regulatory approvals required in order to effect any power exports. This will include: (1) scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation ("NERC") and member regional entities in effect at the time of export; (2) coordinating exports with the authorized international electric transmission facilities, balancing authorities, regional entities, and/or other appropriate entities such that the total exports across the interconnection(s) are in conformance with the applicable operating limits and requirements; and (3) obtaining all necessary transmission access over the authorized international electric transmission facilities that are appropriate for open access transmission by third parties.

The existing procedures for obtaining transmission capacity on domestic transmission systems provide adequate assurance that the delivery of energy to the border systems will not impair the reliability of the United States electric power supply system. In addition, the services taken by DCE Texas to effectuate delivery of the electric energy to the border systems usually will be arranged via the Open-Access Same-Time Information System and provided pursuant to an open-access transmission tariff, which are approved by the FERC.

Moving the energy through the border systems and across the border to Mexico will not impair the United States electric power system nor impede coordinated use of regional facilities. DCE Texas will make the necessary commercial arrangements and will obtain sufficient transmission capacity to deliver the energy over the border systems and into Mexico. Traditional technical studies have been performed, submitted and reviewed by the Department in connection with the export authorizations issued to the facilities over which DCE Texas will export electric energy. DCE Texas respectfully requests that the Department utilize these operational reliability impact studies to make the necessary determinations and to conclude that the proposed export will have no adverse consequence on the operation of regional transmission systems. To the extent that DCE Texas exports energy over the international transmission facilities, DCE Texas will abide by the export limits set forth in the appropriate export authorizations for such facilities.

DCE Texas's application is consistent with the United States' energy policy established in the Energy Policy Act of 1992, the North American Free Trade Agreement of 1993 and FERC Order No. 888, which fosters more efficient and competitive North American energy markets.

H. Signature and verification under oath by the officer of the applicant having knowledge of the matters set forth herein

This application has been verified under oath by an officer of DCE Texas who has knowledge of the matters set forth herein. The verification is included in Exhibit G.

III. PROCEDURAL MATTERS

DCE Texas is seeking authorization, as a power marketer, to transmit electricity to Mexico through authorized border facilities, although specific transactions have not yet been finalized. The Department has granted such authority to similarly-situated electric power marketers. If required by the Department, DCE Texas is willing to accept general conditions consistent with the Department's previous power marketer export authorizations. In particular, exports made by DCE Texas will not exceed the export limits for the transmission facilities utilized by DCE Texas, or otherwise cause a violation of the terms and conditions set forth in the export authorizations application to each.

In addition, when scheduling the delivery of power, DCE Texas will comply with applicable NERC reliability criteria, standards, and guidelines. Finally, DCE Texas will make and preserve complete records regarding the electric energy exported and will provide the Department with the reports by the last day of the month following each calendar month indicating the gross amount of electricity delivered to Mexico, consideration received during each month, the maximum hourly rate of transmission, and any other information required by the Department.

IV. EXHIBITS

The following exhibits are attached hereto as follows:

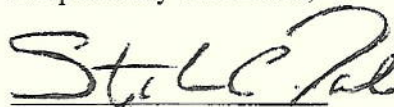
- Exhibit A - Agreements (Not Applicable)
- Exhibit B - Legal Opinion of Counsel
- Exhibit C - Transmission Facilities (submitted in lieu of maps)
- Exhibit D - Non U.S. Applicant's Power of Attorney (Not Applicable)
- Exhibit E - Statement of any corporate relationship or existing contract, which in any way relates to the control or fixing of electric power rates (Not Applicable)
- Exhibit F - Operating procedures regarding available capacity and energy (Not Applicable)
- Exhibit G - Verification
- Exhibit H - FERC Order Authorizing Market-Based Rate Wholesale Power Sales

To the extent necessary, DCE Texas requests a waiver of the requirement to provide the exhibits that are not applicable to its application, as noted.

V. CONCLUSION

Wherefore, DC Energy Texas, LLC respectfully requests that the Department review and grant this application in an expeditious manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen C. Palmer", written over a horizontal line.

Stephen C. Palmer
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404
Phone: 202-756-3300
stephen.palmer@alston.com

March 18, 2011

EXHIBIT B

OPINION OF COUNSEL

ALSTON & BIRD LLP

The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404

202-756-3300
Fax: 202-756-3333
www.alston.com

Stephen Palmer

Direct Dial: 202-239-3360

E-mail: stephen.palmer@alston.com

March 17, 2011

The Department of Energy
Office of Electricity Delivery and Energy Reliability
OE-20, Room 6H-034
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: DC Energy Texas, LLC

To Whom It May Concern:

This opinion is furnished to you at the request of DC Energy Texas, LLC (the "Company") in connection with the Company's application for Authorization to Transmit Electric Energy to Mexico, as prescribed by 10 C.F.R. § 205.303(b) (2011). This letter is solely for your benefit in connection with the Company's aforementioned application, and no other person or entity shall be entitled to rely upon this letter.

We have examined the Limited Liability Company Agreement of DC Energy Texas, LLC, the relevant provisions of the Delaware Limited Liability Company Act, and such other documents as we have deemed necessary or appropriate to render this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of documents submitted to us as copies, and the authenticity of such originals of documents.

Based on the foregoing, we are of the opinion that the Company has the corporate power and authority to export electricity from the United States to Mexico and that the Company will comply with all Federal and State laws pertinent to that business activity. Further, we are of the opinion that, once the Company receives approval of its export authorization from the Department of Energy, the Company will have received all necessary federal approvals to sell to Mexico.

Sincerely,

ALSTON & BIRD LLP

By: 
Stephen C. Palmer, a partner

EXHIBIT C

TRANSMISSION FACILITIES

**Authorized International Transmission Facilities Located
at the United States Border with Mexico**

Present Owner/ Facility	Location	Voltage	Presidential Permit No.
AEP Texas Central Co.	Laredo, TX	138 kV 230 kV	PP-317
	Brownsville, TX	138 kV 69 kV	PP-94
	Eagle Pass, TX	138 kV	PP-219
El Paso Electric Co.	Diablo, NM	115kV	PP-92
	Ascarate, TX	115 kV	PP-48
Falcon Dam ¹	Falcon Heights, TX		N/A
Generadora del Desierto – WAPA	San Luis, AZ	230 kV	PP-304
San Diego Gas & Electric	Miguel, CA	230 kV	PP-68
	Imperial Valley, CA	230kV	PP-79
Sharyland Utilities, Inc.	McAllen, TX	138 kV	PP-285

¹ In addition to the international transmission facilities located at the United States border with Mexico authorized by Presidential Permit and available for open-access transmission, it is DCE Texas' understanding that the international transmission facilities at Falcon Dam in Falcon Heights, Texas, which were authorized by treaty signed February 3, 1944, between the United States and Mexico and titled "Utilization of Waters of Colorado and Tijuana Rivers and of the Rio Grande" also are available for open-access transmission. Thus, DCE Texas also requests that the Department authorize DCE Texas to be able to export electric energy to Mexico on the Falcon Dam international transmission facilities.

EXHIBIT G
VERIFICATION

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

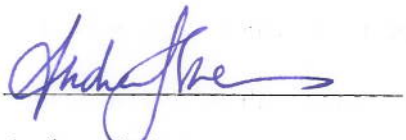
DC Energy Texas, LLC

)

Docket No. EA-_____

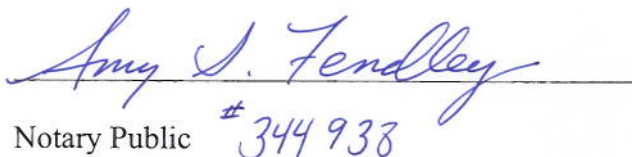
APPLICATION OF DC ENERGY TEXAS, LLC
FOR AUTHORIZATION TO
TRANSMIT ELECTRIC ENERGY TO MEXICO

I, Andrew J. Stevens, having knowledge of the matters set forth in the above
Application by DC Energy Texas, LLC for Authorization to Transmit Electric Energy to
Mexico, hereby verify that the contents thereof are true and correct to the best of my
knowledge and belief.



Andrew J. Stevens
DC Energy Texas, LLC
Managing Director

Sworn to or affirmed before me and subscribed in my presence this 16th day of
March, 2011.



Notary Public #344938

