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United States  
Department of Energy

Office of Electricity Delivery and Energy Reliability

Tenaska Power Services Co.

OE Docket No. EA-243-A

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Order Authorizing Electricity Exports to Canada

Order No. EA-243-A

March 1, 2007

**Tenaska Power Services Co.**  
**Order No. EA-243-A**

**I. BACKGROUND**

Exports of electricity from the United States to a foreign country are regulated by the Department of Energy (DOE) pursuant to sections 301(b) and 402(f) of the Department of Energy Organization Act (42 U.S.C. 7151(b), 7172(f)) and require authorization under section 202(e) of the Federal Power Act (FPA) (16 U.S.C.824a(e))<sup>1</sup>.

On August 16, 2001, DOE issued Order No. EA-243 authorizing Tenaska Power Services Co. (Tenaska) to transmit electric energy from the United States to Canada as a power marketer. That authority expired on August 16, 2003.

On August 14, 2006, Tenaska applied to renew the electricity export authority contained in Order No. EA-243 and requested the renewed authorization be issued for a five-year term.

In its application, Tenaska indicated that, due to an administrative oversight, it did not apply for a renewal of Order No. EA-243 upon its expiration, despite its consistent adherence to the conditions enumerated in the Order. Tenaska also stated that it would not export electricity to Canada until such time as DOE grants renewed authorization for such exports.

On September 28, 2006, Tenaska submitted a notarized declaration of its Associate General Counsel, Ms. Norma Rosner Iacovo, indicating that Tenaska's failure to renew its export authorization was inadvertent and that there was no intent to export electricity unlawfully. That is evidenced by the fact that Tenaska continued to file the required quarterly reports summarizing the sales it was making at the U.S.-Canada border. The declaration states that Tenaska has developed internal safeguards to ensure that future applications for renewal of its export authorization are timely filed.

The declaration also stated that Tenaska understood its sales of electricity at the U.S.-Canada border to have occurred on the U.S. side of the border and that Tenaska is uncertain whether the purchasers of that electricity had in fact taken the power into Canada or simply resold it to third parties at the U.S. border delivery point or resold the power within markets operated by Regional Transmission Organizations (RTO's) in the U.S. that are accessible to the border. Out of an abundance of caution, Tenaska reported these transactions in its quarterly reports submitted to DOE in compliance with the terms of its export authorization. The declaration also indicated that Tenaska would not, engage in any transactions that could arguably be regarded as an export until such time as DOE renews its export authorization in this proceeding.

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<sup>1</sup> The authority to administer the International Electricity Program through the regulation of electricity exports and the issuance of Presidential permits has been delegated to the Director of the Office of Electricity Delivery and Energy Reliability in Redelegation Order No. 00-002.10A issued on January 30, 2007.

Tenaska proposes to purchase surplus electric energy from electric utilities and other suppliers within the United States and to export that energy to Canada. The energy to be exported would be delivered to Canada over the international electric transmission facilities presently owned by the following:

|                                      |                                       |
|--------------------------------------|---------------------------------------|
| Basin Electric Power Cooperative     | Minnesota Power, Inc.                 |
| Bonneville Power Administration      | Minnkota Power Cooperative            |
| Eastern Maine Electric Cooperative   | New York Power Authority              |
| International Transmission Company   | Niagara Mohawk Power Corp.            |
| Joint Owners of the Highgate Project | Northern States Power Company         |
| Long Sault, Inc.                     | Vermont Electric Power Company, Inc.  |
| Maine Electric Power Company         | Vermont Electric Transmission Company |
| Maine Public Service Company         |                                       |

Notice of the Tenaska export application in Docket No. EA-243-A was placed in the *Federal Register* on January 19, 2007, (72 FR 2503) requesting that comments, protests, and petitions to intervene be submitted to DOE by February 20, 2007. None were received.

## **II. DISCUSSION AND ANALYSIS**

The authority requested of DOE by Tenaska is a necessary condition for exporting under section 202(e) of the FPA. Before an electricity export authorization is granted, DOE evaluates the impact of the export on the reliability of the U.S. electric system.

Specifically, under the first criterion of section 202(e), DOE shall approve an electricity export application “unless, after opportunity for hearing, it finds that the proposed transmission would impair the sufficiency of electric supply within the United States....” DOE has interpreted this criterion to mean that sufficient generating capacity must exist such that the exporter could sustain the export while still maintaining adequate generating reserves to meet all native load obligations. Power marketers, like Tenaska, do not have franchised service areas and, consequently, have no native load obligations like the traditional local distribution utility. Marketers build a power purchase portfolio from electric power purchased from various entities inside and outside the United States. The power purchased by a power marketer is, by definition, surplus to the needs of the selling entities. With no native load obligations, the power marketer is free to sell its power portfolio on the open market domestically or as an export. Because a marketer has no native load obligations and because power purchased by a marketer would be surplus to the needs of the entities selling the power to the marketer, an export occurring under such circumstances would meet the first statutory criterion of section 202(e) of the FPA of not impairing the sufficiency of supply within the United States.

Under the second criterion of section 202(e), DOE shall approve an electricity export application “unless, after opportunity for hearing, it finds that the proposed transmission...would impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the Commission.” DOE has interpreted this second criterion primarily as an issue of the operational reliability of the domestic electric transmission system.

Prior to the restructuring of the electric power industry, the only entities able to export were those electric utilities that were contiguous with the U.S. international border that owned international transmission facilities. The exported energy generally originated from within the exporter’s system and standard transmission studies could be performed to determine the impact of the export on regional electric systems.

However, deregulation of wholesale power markets and the introduction of open-access transmission expanded the geographic scope of entities capable of exporting electric energy. Today, at the time it submits its application to DOE, the typical exporter cannot identify the source of the exported energy or the electric systems that might be called upon to provide transmission service to the border. Consequently, traditional transmission studies cannot be used to determine the impact of such exports on the operational reliability of the regional electric transmission systems.

In evaluating the operational reliability impacts of export proposals, DOE has always used a variety of methodologies and information, including established industry guidelines, operating procedures and/or infrastructure, as well as traditional technical studies where available and appropriate. When determining these impacts for exports by power marketers or other entities operating in a similar manner, it is convenient to separate the export transaction into two parts: (1) moving the export from the source to a border system that owns the international transmission connection; and, (2) moving the export through that border system and across the border.

In order to deliver the export from the source to a border system, Tenaska must make the necessary commercial arrangements and obtain sufficient transmission capacity to wheel the exported energy to the border system. In doing so, Tenaska generally would be expected to use domestic transmission facilities for which open-access tariffs have been approved by the Federal Energy Regulatory Commission (FERC). Tenaska also must make reservations for transmission service in accordance with the FERC Open-Access Same-Time Information System (OASIS), and must schedule delivery of the export with the appropriate RTO’s, Independent System Operator(s) (ISO), and/or control area operator(s). The posting of transmission capacity on OASIS indicates that transmission capacity is available. Furthermore, it is the responsibility of the RTO, ISO, and/or control area operator to schedule the delivery of the export consistent with established operational reliability criteria. During each step of the process of obtaining transmission service, the owners and/or operators of the transmission facilities will evaluate the impact on the system and schedule the movement of the export only if it would not violate established operating reliability standards. DOE has determined that the existing industry procedures for obtaining

transmission capacity on the domestic transmission system provide adequate assurances that a particular export will not cause an operational reliability problem. Therefore, this export authorization has been conditioned to ensure that the export would not cause operating parameters on regional transmission systems to fall outside of established industry criteria or cause or exacerbate a transmission operating problem on the U.S. electric power supply system (paragraphs D, E, and J of this Order).

In determining the operational reliability impacts of moving the export through a border system and across the border, DOE relies on the traditional technical studies that were performed in support of electricity export authorizations issued to that border system. Allowing these technical studies to suffice in this docket is sound and, thus, DOE need not perform additional impact assessments here, provided the maximum rate of transmission for all exports through a border system does not exceed the authorized limit of the system (paragraph B of this Order).

However, this approach is applicable only for exports over international transmission facilities for which export authorizations have been issued and for which operational reliability studies have been performed. Several of the international transmission lines over which Tenaska seeks export authority are owned by the New York Power Authority (NYPA) and the Bonneville Power Administration (BPA).

As an instrumentality of the State of New York, NYPA is non-jurisdictional to section 202(e) of the FPA. Consequently, DOE never issued NYPA an export authorization or prepared an impact assessment which could have been used to determine the allowable instantaneous rate of transmission (power) for exports over NYPA's international transmission lines. Thus, in lieu of that, DOE is utilizing the information contained in the report entitled, "Load & Capacity Data, 2001 Report of the Member Electric Systems of the New York Power Pool."<sup>2</sup> This report is prepared and filed with the New York Public Service Commission pursuant to section 6-106 of the Energy Law of New York State. It will be made part of the record in this proceeding and included in the public docket. Section IX of this report lists the transmission transfer capabilities between New York State and surrounding electric systems, including Hydro-Quebec and Ontario Hydro. Since all of the major transmission interconnections between New York State and Ontario, Canada, are operated in parallel, it is appropriate to consider a single export power limit for this "electrically logical" grouping of lines. Accordingly, the transfer capability between New York State and Ontario (as identified in Section IX of the above report) has been used to limit the instantaneous transmission rate for exports by Tenaska over all international transmission lines connecting New York State with Ontario (subparagraph B(11)(a) of this Order). A separate limit (subparagraph B(10) of this Order) has been assigned for exports over NYPA's 765-kV tie with Hydro-Quebec because of the asynchronous nature of that interconnection.

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<sup>2</sup> This report increases the New York-Ontario transfer limit to 1650 MW from the 550-MW limit contained in the 1995 version of the report. On September 26, 2002, DOE authorized the New York ISO to export at this higher transfer limit in Order EA-227-A. New York Power Pool no longer exists and all of the operational responsibilities of the pool are now being performed by the New York ISO.

As a Federal agency, BPA also is non-jurisdictional to section 202(e) of the FPA. Consequently, BPA was never issued an export authorization which DOE could have used to set power limits for exports by Tenaska over BPA's international transmission ties with Canada. However, DOE has obtained information from BPA on the transmission limits assigned to the two 500-kV and the two 230-kV lines connecting the BPA system with British Columbia Hydro and West Kootenay Power for operation in the export mode. This information has been made a part of this Docket. It has been used by DOE in setting limits on the power to be exported by Tenaska over the BPA international transmission facilities (subparagraph B(12) of this Order).

Tenaska requested, and is being authorized, to export electricity over the transmission facilities of some border utilities whose export authorizations still contain limits on the total amount of energy that can be exported by these utilities. These energy limits no longer have any direct relevance to the way DOE addresses reliability. DOE expects to initiate a future proceeding regarding the removal of these limits.

However, DOE recognizes the potential inequity of retaining energy limits on certain exporters while currently authorizing marketers, or other entities operating in a similar manner, to export unlimited amounts of energy. Until the above referenced proceeding is completed, exports by power marketers, or other entities operating in a similar manner, will be constrained by the same energy limits, except exports by such entities will not reduce or be "charged against" those energy limits contained in the original export authorization.

## **Open Access**

An export authorization issued under section 202(e) does not impose on transmitting utilities a requirement to provide service. However, DOE expects transmitting utilities owning border facilities to provide access across the border in accordance with the principles of comparable open access and non-discrimination contained in the FPA and articulated in FERC Order No. 888 (Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities, FERC Statutes and Regulations ¶31,036 (1996)), as amended. The actual rates, terms and conditions of transmission service should be consistent with the non-discrimination principles of the FPA and the transmitting utility's Open-Access Transmission Tariff on file with FERC.

All recipients of export authorizations, including owners of border facilities for which Presidential permits have been issued, are required by their export authorization to conduct operations in accordance with the principles of the FPA and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder, which include the comparable open access provisions of FERC Order No. 888, as amended. Cross-border electric trade ought to be subject to the same principles of comparable open access and non-discrimination that apply to transmission in interstate commerce. (See Enron Power Marketing, Inc., 77 FERC ¶61,013 (1996)). Thus, DOE

expects owners of border facilities to comply with the same principles of comparable open access and non-discrimination that apply to the domestic, interstate transmission of electricity.

### **III. FINDING AND DECISION**

DOE has assessed the impact that the proposed export would have on the reliability of the U.S. electric power supply system. Based on the above, DOE has determined that the export of electric energy to Canada by Tenaska, as ordered below, would not impair the sufficiency of electric power supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities within the meaning of section 202(e) of the FPA.

The circumstances described in the Tenaska application in this Docket are virtually identical to those for which export authority had previously been granted to Tenaska in Order No. EA-243. Consequently, DOE believes that it has satisfied its responsibilities under the National Environmental Policy Act of 1969 through the documentation of a categorical exclusion in the Docket No. EA-243 proceeding.

Information contained in the application and in the declaration of Ms. Norma Rosner Iacovo indicated that exports by Tenaska after the expiration of Order No. EA-243 were inadvertent and that failure to renew its export authorization was an administrative oversight. DOE notes that, even after the expiration of its previous export authorization, Tenaska continued to notify DOE of its export transactions through submission of quarterly reports. Moreover, upon discovering that its export authority had expired, Tenaska voluntarily agreed to suspend its power deliveries at the border and agreed not to engage in any further transactions that could be considered an export pending approval of this renewal request. DOE is satisfied that any exports made by Tenaska without the appropriate authority were inadvertent and that Tenaska did not willfully and knowingly intend to export electricity without authority. Accordingly, DOE has decided not to take any further action or pursue any sanctions or penalties under the FPA against Tenaska for its export transactions that were made without the appropriate authority from DOE.

Based on these findings, DOE has granted Tenaska's request for renewal of its authorization for an additional five-year term.

### **IV. COMPLIANCE**

DOE expects Tenaska to abide by the terms and conditions established for its authority to export electric energy to Canada, as set forth below. DOE intends to closely monitor Tenaska's compliance with these terms and conditions, especially the requirement in paragraph H of this Order that Tenaska create and preserve full and complete records and file quarterly reports with DOE. A violation of any of those terms

and conditions, including the failure to submit timely and accurate quarterly reports, may result in the loss of authority to export electricity and subject Tenaska to sanctions and penalties under the FPA.

DOE notes that paragraph K of this Order allows Tenaska to file an application for renewal of this authorization up to six months prior to its expiration. This Order also puts Tenaska on notice that DOE requires at least sixty days to adequately process any renewal application. Accordingly, DOE expects Tenaska to implement appropriate internal procedures to monitor the status of its authorization so as to ensure timely application to DOE for renewal of this authorization. Failure to provide DOE with sufficient time to process a renewal application may result in a gap in Tenaska's authority to export electricity and, therefore, may effect its ability to satisfy its contractual obligations.

As noted above, obtaining a valid Order from DOE authorizing the export of electricity under section 202(e) of the FPA is a necessary condition before engaging in the export. Failure to obtain such an Order, or continuing to export after the expiration of such an Order, may result in a denial of authorization to export in the future and subject the exporter to sanctions and penalties under the FPA. DOE expects transmitting utilities owning border facilities and entities charged with the operational control of those border facilities, such as ISO's or RTO's, to verify that companies seeking to schedule an electricity export have the requisite authority from DOE to export such power.

## **V. ORDER**

Based on the above and pursuant to section 202(e) of the FPA and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, sections 205.300-309), it is hereby ordered that Tenaska is authorized to export electric energy to Canada under the following terms and conditions:

(A) The electric energy exported by Tenaska pursuant to this Order may be delivered to Canada only over the following existing international transmission facilities for which assessments of the transmission limits for operation in the export mode have been made:

| <b><u>Present<br/>Owner</u></b>  | <b><u>Location</u></b> | <b><u>Voltage</u></b> | <b><u>Presidential<br/>Permit No.<sup>3</sup></u></b> |
|----------------------------------|------------------------|-----------------------|---|
| Basin Electric Power Cooperative | Tioga, ND              | 230-kV                | PP-64   |
| Bonneville Power Administration  | Blaine, WA             | 2-500-kV              | PP-10   |
|                                  | Nelway, WA             | 230-kV                | PP-36   |
|                                  | Nelway, WA             | 230-kV                | PP-46   |

<sup>3</sup> These Presidential permit numbers refer to the generic DOE permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

|                                      |                         |            |        |
|--------------------------------------|-------------------------|------------|--------|
| Eastern Maine Electric Cooperative   | Calais, ME              | 69-kV      | PP-32  |
| International Transmission Company   | Detroit, MI             | 230-kV     | PP-230 |
|                                      | Marysville, MI          | 230-kV     | PP-230 |
|                                      | St. Claire, MI          | 230-kV     | PP-230 |
|                                      | St. Claire, MI          | 345-kV     | PP-230 |
| Joint Owners of the 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           | 69-kV      | PP-12  |
|                                      | Fort Fairfield, ME      | 69-kV      | PP-12  |
|                                      | Madawaska, ME           | 138-kV     | PP-29  |
|                                      | Aroostook, ME           | 2-69-kV    | PP-29  |
| Minnesota Power, Inc.                | International Falls, MN | 115-kV     | PP-78  |
| Minnkota Power Cooperative           | Roseau County, MN       | 230-kV     | PP-61  |
| New York Power Authority             | Massena, NY             | 765-kV     | PP-56  |
|                                      | Massena, NY             | 2-230-kV   | PP-25  |
|                                      | Niagara Falls, NY       | 2-345-kV   | PP-74  |
|                                      | Devils Hole, NY         | 230-kV     | PP-30  |
| Niagara Mohawk Power Corp.           | Devils Hole, NY         | 230-kV     | PP-190 |
| Northern States Power Company        | Red River, ND           | 230-kV     | PP-45  |
|                                      | Roseau County, MN       | 500-kV     | PP-63  |
|                                      | Rugby, ND               | 230-kV     | PP-231 |
| Vermont Electric Power Co.           | Derby Line, VT          | 120-kV     | PP-66  |
| Vermont Electric Transmission Co.    | Norton, VT              | ±450-kV DC | PP-76  |
|                                      | Millbury, MA            | 345-kV     |        |
|                                      | Medway, MA              | 345-kV     |        |

(B) Exports authorized herein shall not cause a violation of the terms and conditions contained in existing electricity export authorizations associated with the international transmission facilities identified in paragraph (A) above. Specifically:

- (1) Exports by Tenaska made pursuant to this Order shall not cause the total exports on facilities authorized by Presidential Permit PP-64 (issued to Basin Electric Power Coop.) to exceed an instantaneous transmission rate of 150 megawatts (MW). The gross amount of energy which Tenaska may export over the PP-64 facilities shall not exceed 900,000 megawatt-hours (MWH) during any consecutive 12-month period.
- (2) Exports by Tenaska made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-32 (issued to Eastern Maine Electric Coop.) to exceed an instantaneous transmission rate of 15 MW. The gross amount of energy which Tenaska may export over the PP-32 facilities shall not exceed 7,500 MWH annually.
- (3) Exports by Tenaska made pursuant to this Order shall not cause the total exports on a combination of the facilities authorized by Presidential Permit PP-230 (issued to International Transmission Company) to exceed a coincident, instantaneous transmission rate of 2.2 billion volt-amperes (2,200 MVA).
- (4) Exports by Tenaska made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-82 (issued to the Joint Owners of the Highgate Project) to exceed an instantaneous transmission rate of 200 MW nor cause a violation of the following security constrained export limits:

| Vermont Total Load (MW) | Security Constrained Maximum Export (MW) |
|-------------------------|--|
| 1000                    | 0  |
| 900                     | 40                                       |
| 800                     | 90                                       |
| 700                     | 125                                      |
| 600                     | 150                                      |
| 500                     | 170                                      |

- (5) Exports by Tenaska made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-43 (issued to Maine Electric Power Company) to exceed an instantaneous transmission rate of 500 MW.
- (6) Exports by Tenaska made pursuant to this Order shall not cause the total exports on the combination of facilities authorized by Presidential Permits PP-12 and PP-29 (issued to Maine Public Service Company) to exceed a coincident, instantaneous transmission rate of 97.8 MW.
- (7) Exports by Tenaska made pursuant to this Order shall not cause total exports on the facilities authorized by Presidential Permit PP-78-1 (issued to Minnesota Power) to exceed an instantaneous transmission rate of 100 MW. Exports by Tenaska may cause total exports on the PP-78-1 facilities to exceed 100 MW

only when total exports between the Mid-Continent Area Power Pool (MAPP) and Manitoba Hydro are below maximum transfer limits and/or whenever operating conditions within the MAPP system permit exports on the PP-78-1 facilities above the 100-MW level without violating established MAPP reliability criteria. However, under no circumstances shall exports by Tenaska cause the total exports on the PP-78-1 facilities to exceed 150 MW.

- (8) Exports made by Tenaska pursuant to this order shall not cause total exports on a combination of the international transmission lines authorized by Presidential Permits PP-45 and PP-63 issued to Northern States Power, PP-61 issued to Minnkota Power, and PP-231 issued to Northern States Power/Xcel, shall not exceed an instantaneous transmission rate of 700 MW on a firm basis and 1050 MW on a non-firm basis.
- (9) Exports by Tenaska made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-66 (issued to Vermont Electric Power Co.) to exceed an instantaneous transmission rate of 50 MW. The gross amount of energy which Tenaska may export over the PP-66 facilities shall not exceed 50,000 MW annually.
- (10) Exports by Tenaska made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-56 (issued to NYPA) to exceed an instantaneous transmission rate of 1000 MW.
- (11) Exports by Tenaska made pursuant to this Order shall not cause: (a) the total exports on the facilities authorized by Presidential Permits PP-25, PP-30, PP-74, and PP-190 (issued to NYPA and Niagara Mohawk) to exceed a combined instantaneous transmission rate of 1650 MW; and (b) the total exports on the 115-kV facilities authorized by Presidential Permit PP-24 (issued to Long Sault, Inc.) to exceed an instantaneous transmission rate of 100 MW. In addition, the gross amount of energy which Tenaska may export over the PP-24 facilities shall not exceed 300,000 MWH annually.
- (12) Exports by Tenaska pursuant to this Order shall not cause total exports on the two 500-kV lines authorized by Presidential Permit PP-10, the 230-kV line authorized by Presidential Permit PP-36, and the 230 kV line authorized by Presidential Permit PP-46 (issued to BPA) to exceed the following limits:

| Condition            | PP-36 & PP-46 Limit | PP-10 Limit | Total Export Limit |
|----------------------|---------------------|-------------|--------------------|
| All lines in service | 400 MW              | 1500 MW     | 1900 MW            |
| 1-500 kV line out    | 400 MW              | 300 MW      | 700 MW             |
| 2-500 kV lines out   | 400 MW              | 0 MW        | 400 MW             |
| 1-230 kV line out    | 400 MW              | 1500 MW     | 1900 MW            |
| 2-230 kV line out    | 0 MW                | 1500 MW     | 1500 MW            |

- (C) Changes by DOE to the export limits in other orders shall result in a concomitant change to the export limits contained in paragraph (B) of this Order. Changes to the export limits contained in subparagraphs B(10), B(11), and B(12) will be made by DOE after submission of appropriate information demonstrating a change in the transmission transfer capability between the electric systems in New York State and Ontario and New York State and Quebec, and between BPA and BC Hydro, or BPA and West Kootenay Power. Notice of these changes will be provided to Tenaska.
- (D) The scheduling and delivery of electricity exports to Canada shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Council, Regional Councils, Regional Transmission Organizations, Independent System Operators, and/or control area operator(s), as appropriate, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.
- (E) Exports made pursuant to this authorization shall be conducted in accordance with the provisions of the Federal Power Act and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder, including the comparable open access provisions of FERC Order No. 888, as amended.
- (F) The authorization herein granted may be modified from time to time or terminated by further order of the DOE. In no event shall such authorization to export over a particular transmission facility identified in paragraph (A) extend beyond the date of termination of the Presidential permit authorizing such facility.
- (G) This authorization shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in such State or State regulatory commission.
- (H) Tenaska shall create and preserve full and complete records with respect to the electric energy exported to Canada. Tenaska shall furnish quarterly reports to the DOE, within 30 days following each calendar quarter, detailing for each month of the previous quarter: (1) the gross amount of electricity delivered, in kilowatt hours; (2) the consideration received for such energy; and (3) the maximum hourly rate of transmission, in kilowatts. Quarterly reports must be filed regardless of current activity and whether or not deliveries of electric energy have been made. If no transactions have been made, a one-sentence report indicating "no activity" for the previous quarter is sufficient. Each report shall indicate the DOE order number under which it is being filed and the expiration date of such order.

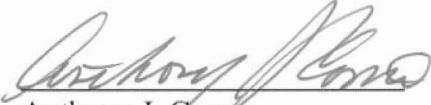
Reports shall be submitted to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability, OE-20, Forrestal Building, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. Properly identified quarterly reports will also be accepted via facsimile at (202) 586-5860 to meet time requirements, but original copies should still be filed at the above address.

(I) In accordance with 10 C.F.R. §205.305, this authorization is not transferable or assignable, except in the event of the involuntary transfer of this authority by operation of law. Provided written notice of the involuntary transfer is given DOE within 30 days, this authorization shall continue in effect temporarily. This continuance also is contingent on the filing of an application for permanent authorization within 60 days of the involuntary transfer; the authorization shall then remain effective until a decision is made on the new application. In the event of a proposed voluntary transfer of this authority to export electricity, the transferee and the transferor shall file jointly an application for a new export authorization, together with a statement of reasons for the transfer.

(J) Exports authorized herein shall be reduced or suspended, as appropriate, whenever a continuation of those exports would cause or exacerbate a transmission operating problem.

(K) This authorization shall be effective for a period of five (5) years from the date of issuance of this Order. Application for renewal of this authorization may be filed within six months prior to its expiration. Failure to provide DOE with at least sixty (60) days to process a renewal application and provide adequate opportunity for public comment may result in a gap in Tenaska's authority to export electricity.

Issued in Washington, D.C., on March 1, 2007.



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