

DEPARTMENT OF ENERGY**[OE Docket No. PP-366]****Application To Rescind Presidential Permit; Joint Application for Presidential Permit; Fraser Papers Inc. and Twin Rivers Paper Company Inc.****AGENCY:** Office of Electricity Delivery and Energy Reliability, DOE.**ACTION:** Notice of application.

SUMMARY: Fraser Papers Inc. (Fraser) and Twin Rivers Paper Company Inc. (Twin Rivers) filed a joint application to voluntarily transfer the Fraser facilities authorized by Presidential Permit No. PP-11, as amended, to Twin Rivers. The application requested that the Department of Energy (DOE) rescind the Presidential permit held by Fraser and simultaneously issue a permit to Twin Rivers covering the same international transmission facilities.

DATES: Comments, protests, or requests to intervene must be submitted on or before June 17, 2010.

ADDRESSES: Comments, protests, or requests to intervene should be addressed as follows: Office of Electricity Delivery and Energy Reliability (OE-20), U.S. Department of Energy, 1000 Independence Avenue, SW., Washington, DC 20585.

FOR FURTHER INFORMATION CONTACT: Christopher Lawrence (Program Office) at 202-586-5260, or by e-mail to Christopher.Lawrence@hq.doe.gov, or Michael T. Skinker (Program Attorney) at 202-586-2793.

SUPPLEMENTARY INFORMATION: The construction, operation, maintenance, and connection of facilities at the international border of the United States for the transmission of electric energy between the United States and a foreign country is prohibited in the absence of a Presidential permit issued pursuant to Executive Order (EO) 10485, as amended by EO 12038. Existing Presidential permits are not transferable or assignable. However, in the event of a proposed voluntary transfer of facilities, in accordance with DOE regulations at 10 CFR 205.323, the existing permit holder and the transferee are required to file a joint application with DOE that includes a statement of reasons for the transfer.

On April 16, 2010, Fraser and Twin Rivers (collectively the "Applicants") jointly filed an application with DOE requesting rescission of Presidential Permit No. PP-11, as amended, issued to Fraser and a simultaneous issuance of a Presidential permit to Twin Rivers for the same international transmission facilities. The international transmission

facilities authorized by Presidential Permit No. PP-11, as amended, include one three-phase 6.6-Kilovolt (kV) transmission line and one three-phase 138-kV transmission line operated at 69-kV. These lines connect Fraser's paper making facility in Madawaska, Maine with their paper pulp facility in Edmundston, New Brunswick, Canada.

The requested transfer of the permit is due to a change in ownership of the existing transmission facilities that was occasioned by an Asset Purchase Agreement between the Applicants as part of Fraser's bankruptcy restructuring process and will not involve any new construction or change in the operation of the previously authorized international transmission lines. The Applicants have requested that the issuance of the permit to Twin Rivers be made effective upon the closing of the sale of the facilities, which occurred on April 29, 2010.

Since restructuring of the electric power industry began, resulting in the introduction of different types of competitive entities into the marketplace, DOE has consistently expressed its policy that cross-border trade in electric energy should be subject to the same principles of comparable open access and non-discrimination that apply to transmission in interstate commerce. DOE has stated that policy in export authorizations granted to entities requesting authority to export over international transmission facilities. Specifically, 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 the Federal Energy Regulatory Commission Order No. 888 (Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; FERC Stats. & Regs. ¶ 31,036 (1996)), as amended. In furtherance of this policy, on July 27, 1999 (64 FR 40586), DOE initiated a proceeding in which it noticed its intention to condition existing and future Presidential permits, appropriate for third party transmission, on compliance with a requirement to provide non-discriminatory open access transmission service. That proceeding is not yet complete. In that proceeding, DOE determined that the international transmission lines authorized by the Presidential permit currently held by Fraser are not appropriate for third party transmission, because the lines are not connected to the U.S. domestic electric power system. Therefore, a requirement

to provide non-discriminatory open access transmission service will not be added to the permit being issued to Twin Rivers.

Procedural Matters: Any person desiring to become a party to this proceeding or to be heard by filing comments or protests to this application should file a petition to intervene, comment or protest at the address provided above in accordance with § 385.211 or 385.214 of the Federal Energy Regulatory Commission's (FERC) Rules of Practice and Procedure (18 CFR 385.211, 385.214). Fifteen copies of each comment, petition and protest should be filed with DOE on or before the date listed above.

Additional copies of such petitions to intervene or protests also should be filed directly with: Glen McMillan, Senior VP and CFO, Fraser Papers Inc., Suite 200 Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3 Canada; Mr. Justin B. Beber, VP, Twin Rivers Paper Company Inc., Suite 300 Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3 Canada; and Steven A. Hudson, Esq., Preti, Flaherty, Beliveau & Pachios, LLP, 45 Memorial Circle, P.O. Box 1058, Augusta, ME 04330-1058.

Before a Presidential permit may be granted or amended, DOE must determine that the proposed action will not adversely impact on the reliability of the U.S. electric power supply system. In addition, DOE must consider the environmental impacts of the proposed action (i.e., granting the Presidential permit or amendment, with any conditions and limitations, or denying the permit) pursuant to the National Environmental Policy Act of 1969. DOE also must obtain the concurrences of the Secretary of State and the Secretary of Defense before taking final action on a Presidential permit application.

Copies of this application will be made available, upon request, for public inspection and copying at the address provided above. In addition, the application may be reviewed or downloaded electronically at http://www.oe.energy.gov/permits/permits_pending.htm. Upon reaching the home page, select "Pending Applications."

Issued in Washington, DC, on May 13, 2010.

Anthony J. Como,

Director, Permitting and Siting, Office of Electricity Delivery and Energy Reliability.

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