MEGA
A GENER COMPANY

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

Merchant Energy Group of the Americas, Inc.) Docket No. EA-187A

APPLICATION OF MERCHANT ENERGY GROUP OF THE AMERICAS, INC. FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA

Merchant Energy Group of the Americas, Inc., ("MEGA"), pursuant to Section 2020(e) of the federal power Act ("FPA") 16 U.S.C. Section 824a(e) and 10 C.F.R. Section 205.300 to 205.309, hereby files its application for blanket authority to transmit electric energy from the Unites States to Canada. The granting of this application will supercede our current and existing Order No. EA-187 issued August 21, 1998.

I
DESCRIPTION OF APPLICANT

The exact legal name of Applicant is Merchant Energy Group of the Americas, Inc. MEGA is a corporation formed under Delaware law with its principal place of business in Annapolis, MD. MEGA is a wholly owned subsidiary of Gener, S.A. MEGA has qualified to do business in all states except Alaska and Hawaii.

MEGA does not own or control any electric power generation or transmission facilities and does not have a franchised electric power service area. MEGA operates as a power marketer and broker of electric power at wholesale and arranges for services in related areas such as fuel supplies and transmission services. MEGA will purchase the power to be exported from electric utilities and federal power marketing agencies as defined in Sections 3 (22) and (19) (16 U.S.C. Section 796 (22) and (19)) of the FPA. The instant application relates to MEGA as a marketer of electric power only.

II
JURISDICTION

No other known federal, state or local government has jurisdiction over the actions to be taken under the authority sought in this application.

III
COMMUNICATIONS

All service and correspondence concerning this application should be sent to:

Joseph P. Limone, Esq.
General Counsel
Merchant Energy Group of the Americas, Inc.
151 West Street
Suite 300
Annapolis, MD 21401

Phone: (410) 295-1732
Fax: (410) 295-1705
email: limonej@merchantenergy.com

IV
TECHNICAL DISCUSSION OF PROPOSAL

MEGA seeks authority to transmit electric power to Canada as a power marketer. MEGA will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to effect any power exports. This would 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 Council and member regional councils (the "NERC") in effect at the time of export and (2) obtaining all necessary transmission access over the existing facilities listed in the original Exhibit C of application of Order No, EA-187 and the transmission lines owned by Long Sault, Inc, at Messena, New York.,

MEGA will further comply with additional technical terms as included in our original application of Order No. EA-187.

V
PROCEDURES

MEGA proposes to comply with procedures similar to those imposed by Enron Power Marketing, Inc ("Enron") pursuant to the department of Energy's ("DOE") Order No, EA-102 issued February 6, 1996 to Enron. From time to time, MEGA will enter into agreements with third parties, which involve the export of electric power from the United States to Canada. Prior to commencing (or continuing) the export of electric power under such agreements, MEGA will provide DOE with written evidence that sufficient transmission access to complete records with respect to the electric transaction has been obtained. MEGA will make and preserve complete records with respect to the electric power exported to Canada and will provide DOE with quarterly reports within 30 days following each calendar quarter. These quarterly reports will show the gross amount of kilowatt-hours of electric energy delivered and the consideration received thereof during each month of the previous quarter and the maximum hourly rate of transmission.

VI
EXHIBITS AND ATTACHMENTS

All exhibits and attachments submitted with the original application of Order No. EA-187 are valid and in effect.

VII
CONCLUSION

MEGA respectfully requests that this application for blanket authority to transmit electric energy to Canada be expeditiously considered and approved on the substantially similar terms as were imposed by Enron.

Respectfully submitted,

Joseph P. Limone
General Counsel
Assistant Secretary