
United States
Department of Energy

Office of Electricity Delivery and Energy Reliability

Bangor Hydro-Electric Company
OE Docket No. PP-89-1



Amendment to Presidential Permit
Order No. PP-89-1

December 30, 2005

PRESIDENTIAL PERMIT AMENDMENT

Bangor Hydro-Electric Company

Order No. PP-89-1

I. BACKGROUND

The Department of Energy (DOE) has responsibility for implementing Executive Order (E.O.) 10485, as amended by E.O. 12038, which requires the issuance of a Presidential permit by DOE before electric transmission facilities may be constructed, operated, maintained, or connected at the borders of the United States. DOE may issue such a permit if it determines that the permit is in the public interest and after obtaining favorable recommendations from the U.S. Departments of State and Defense.

On December 16, 1988, Bangor Hydro-Electric Company (BHE) applied to DOE for a Presidential permit to construct, operate, maintain, and connect a single-circuit, alternating current (AC) 345,000-volt (345-kV) electric transmission line that would originate at BHE's existing Orrington Substation, located near Orrington, Maine, extend approximately 84 miles eastward, and cross the U.S.-Canada border near Baileyville, Maine. In August 1995, DOE published a Final Environmental Impact Statement (EIS) (DOE/EIS-0166) for the proposed action of granting a Presidential permit to BHE, and issued the Record of Decision (ROD) on January 18, 1996 (61 FR 2244, 1/25/96). On January 22, 1996, DOE issued Presidential Permit PP-89 to BHE for the construction, operation, maintenance, and connection of the proposed transmission line along a route identified in the 1995 EIS as the Stud Mill Road Route.

During the State of Maine's permitting proceeding for the proposed transmission line, the Maine Board of Environmental Protection indicated a preference for a route other than the Stud Mill Road Route, one that would be more closely aligned with existing linear facilities in the area. Therefore, on September 30, 2003, BHE applied to DOE in the current proceeding (OE Docket No. PP-89-1) to amend Presidential Permit PP-89 to allow for construction of the previously authorized 345-kV transmission line along a route different from the Stud Mill Road Route or from the other alternative routes analyzed in the 1995 EIS.

In its application, BHE requested authority to construct the proposed international transmission line along a route referred to as the Modified Consolidated Corridors Route. Like the international transmission line authorized by Presidential Permit PP-89, the proposed project, referred to as the Northeast Reliability Interconnect (NRI), also would originate at the Orrington Substation, extend eastward approximately 85 mi (137 km), and cross the U.S.-Canada border near Baileyville, Maine, but would be more closely aligned with existing linear facilities than the originally proposed route. At the U.S.-Canada border, the proposed transmission line would connect with a Canadian transmission line to be constructed, operated, and maintained by New Brunswick Power Corporation (NB Power), a Crown corporation of Canada's Province of New Brunswick.

Notice of BHE's application to amend PP-89 was placed in the *Federal Register* on October 29, 2003 (68 FR 61659), requesting that comments, protests, or petitions to intervene be submitted to DOE by November 28, 2003. A timely Petition to Intervene

and Comments was submitted by the PJM Interconnection (PJM). In its Petition to Intervene, PJM noted that it is a regional transmission organization and administrator for the Mid-Atlantic Area Council and is responsible for assuring the reliable operation of the bulk power system within the PJM Control Area. As such, PJM notes that it is concerned with the construction of any transmission facilities that may potentially have an impact on the PJM transmission system. PJM did not oppose or otherwise express an opinion on BHE's request to amend PP-89.

Pursuant to 18 CFR 385.214, there being no objection to PJM's timely request to intervene, it became a party to this proceeding.

II. DISCUSSION

As part of its permit amendment application, BHE submitted technical studies which supplemented and updated the electric reliability studies submitted in the original PP-89 proceeding. These latest studies confirm and support DOE's original finding that the proposed NRI, in combination with the existing 345-kV MEPCO line authorized by Presidential Permit PP-43, can import up to 1,000 MW from Canada, and export up to 400 MW to Canada, without adversely impacting the reliability of the regional electrical grid. Therefore, this amended permit retains these same electric reliability conditions contained in PP-89.

DOE's decision to amend PP-89 is based, in part, on the environmental analysis contained in the *Final Environmental Impact Statement for the Bangor Hydro-Electric*

Company Northeast Reliability Interconnect (Final EIS) (DOE/EIS-0372) and as discussed in the ROD in this proceeding. To the extent that the ROD is predicated on implementation of mitigation measures identified in the Final EIS, those measures are incorporated by reference as a condition in Article 12 of this permit.

III. FINDING AND DECISION

In determining whether issuance of a permit for a proposed action is in the public interest, DOE considers the environmental impacts of the proposed project pursuant to the National Environmental Policy Act of 1969 (NEPA), determines the project's impact on electric reliability by ascertaining whether the proposed project would adversely affect the operation of the U.S. electric power supply system under normal and contingency conditions, and any other factors that DOE may also consider relevant to the public interest.

DOE has assessed the impact that the installation and operation of the proposed international transmission facilities would have on the reliability of the U.S. electric power supply system. Based on the information in the docket and as discussed above, DOE has determined that amending Presidential Permit PP-89, as requested by BHE and as conditioned herein, would not adversely impact the reliability of the U.S. electric power supply system.

DOE also has assessed the impact that the amendment of Presidential Permit PP-89 would have on the environment pursuant to NEPA. This assessment is documented in the Final EIS (DOE/EIS-0372) and in the ROD.

The Departments of State and Defense have concurred in the granting of this amendment to Presidential Permit PP-89.

Based upon the above discussion and analysis, DOE has determined that amending Presidential Permit PP-89 as requested by BHE and as conditioned herein is consistent with the public interest.

IV. Order

Pursuant to the provision of EO 10485, as amended by EO 12038, and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, section 205.320 et. seq.), Presidential Permit PP-89 issued to BHE on January 22, 1996, granting permission to BHE to construct, operate, maintain, and connect electric transmission facilities at the international border of the United States and Canada is hereby amended to read as follows:

Article 1. The facilities herein described shall be subject to all conditions, provisions, and requirements of this Permit. This Permit may be modified or revoked by the President of the United States without notice, or by DOE after public notice, and may be amended by DOE after proper application thereto.

Article 2. The facilities covered by and subject to this Permit shall include the following facilities and all supporting structures within the right-of-way occupied by such facilities:

One 345,000-volt, alternating current electric transmission line that originates at BHE's Orrington Substation and extends approximately 85 miles eastward crossing the U.S. international border with Canada in the vicinity of Baileyville, Maine. The transmission facilities authorized herein shall be constructed along the route identified as the Modified Consolidated Corridors Route in the *Final Environmental Impact Statement for the Bangor Hydro-Electric Company Northeast Reliability Interconnect* (DOE/EIS-0372).

The facilities authorized herein are more specifically shown and described in the application filed by BHE in this docket and in the Final EIS (DOE/EIS-0372).

Article 3. The facilities described in Article 2 above shall be designed and operated in accordance with the applicable criteria established by the Northeast Power Coordinating Council, ISO-New England, and consistent with that of the North American Electric Reliability Council or their successors.

The facilities authorized herein shall be operated such that the instantaneous rate of transmission over a combination of the facilities permitted herein and the facilities authorized by Presidential Permit PP-43 shall not exceed 1,000 MW in the import mode or 400 MW in the export mode

Article 4. No change shall be made in the facilities covered by this Permit or in the authorized operation or connection of these facilities unless such change has been approved by DOE.

Article 5. BHE shall at all times maintain the facilities covered by this Permit in a satisfactory condition so that all requirements of the National Electric Safety Code in effect at the time of construction are fully met.

Article 6. The operation and maintenance of the facilities covered by this Permit shall be subject to the inspection and approval of a properly designated representative of DOE, who shall be an authorized representative of the United States for such purposes. BHE shall allow officers or employees of the United States, with written authorization, free and unrestricted access into, through, and across any lands occupied by these facilities in the performance of their duties.

Article 7. BHE shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this Permit. BHE shall take appropriate action as necessary to mitigate such situations. Complaints from individuals residing within one-half mile of the centerline of the transmission line are the only ones which must be resolved. BHE shall maintain written records of all complaints received and of the corrective actions taken.

Article 8. The United States shall not be responsible or liable: for damages to or loss of the property of, or injuries to, persons; for damages to, or loss of the facilities covered by this Permit; or for damages to, or loss of the property of, or injuries to the person of BHE officers, agents, servants or employees or of others who may be on said premises; any of which may arise from or be incident to the exercise of the privileges granted herein; and BHE shall hold the United States harmless from any and all such claims.

Article 9. BHE shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow of all electric energy transmitted between the United States and Canada over the facilities authorized herein. BHE shall make and preserve full and complete records with respect to the electric energy transactions between the United States and Canada. BHE shall furnish annual reports to DOE, by the 15th of February each year, detailing for each month of the previous year: (1) the gross amount of electricity imported into the U.S., in kilowatt hours; (2) the consideration associated with the import; and (3) the maximum hourly rate of transmission, in kilowatts. Annual 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 year is sufficient.

Reports shall be submitted to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability, OE-20, 1000 Independence Avenue, SW, Washington,

D.C. 20585-0305. Properly identified 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.

Article 10. Neither this Permit nor the facilities covered by this Permit, or any part thereof, shall be transferable or assignable, except in the event of the involuntary transfer of the facilities by the operation of law. In the case of such an involuntary transfer, this Permit shall continue in effect for a period of 60 days and then shall terminate unless an application for a new permit pursuant to Title 10, Code of Federal Regulations, section 205.323, has been received by DOE. Upon receipt by DOE of such an application, this existing Permit shall continue in effect pending a decision on the new application. During this decision period, the facilities authorized herein shall remain substantially the same as before the transfer.

In the event of a proposed voluntary transfer of the facilities, the existing permit holder and the party to whom the transfer would be made shall file a joint application with DOE for a Presidential permit together with a statement of the reasons for the transfer.

Article 11. Upon the termination, revocation or surrender of this Permit, the 345,000-volt transmission facilities which are owned, operated, maintained, and connected by BHE and described in Article 2 of this Permit, shall be removed and the land restored to its original condition within such time as DOE may specify and at the

expense of BHE. If BHE fails to remove such facilities and/or any portion thereof authorized by this Permit, DOE may direct that such actions be taken for the removal of the facilities or the restoration of the land associated with the facilities at the expense of BHE. BHE shall have no claim for damages by reason of such possession, removal or repair. However, if certain facilities authorized herein are useful for other utility operations within the bounds of the United States, DOE will not require that those facilities be removed and the land restored to its original condition upon termination of the international interconnection.

Article 12. BHE shall be required to implement those mitigation measures identified in Section 2.4, Chapter 4, and Appendices E, F, and G of the Final EIS (DOE/EIS-0372).

Article 13. This Permit shall be effective upon publication in the *Federal Register* of the ROD for this proceeding.

Issued in Washington, D.C. on December 30, 2005.

A handwritten signature in black ink, appearing to read "Anthony J. Como", is written over a horizontal line.

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