

US Department of Energy

NOV 29 2012

Electricity Delivery and
Energy Reliability

UNITED STATES OF AMERICA

BEFORE THE

DEPARTMENT OF ENERGY

OFFICE OF ELECTRIC DELIVERY AND ENERGY RELIABILITY

ConocoPhillips Company

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Docket No. EA-336-A

APPLICATION OF CONOCOPHILLIPS COMPANY FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO MEXICO

ConocoPhillips Company ("CoP" or "Applicant") respectfully requests the United States Department of Energy, Office of Electric Delivery and Energy Reliability ("DOE"), to grant CoP a blanket authorization to transmit electric energy from the United States to Mexico for a term of five (5) years. ConocoPhillips submits this application pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. 824(e), and 10 C.F.R. § 205.300, *et seq.*

CoP currently is authorized to export electricity to Mexico pursuant to an export authorization issued by the DOE on April 17, 2008, in Order No. EA-336 ("Export Order"). CoP is authorized to export electricity to Mexico pursuant to the Export Order and subject to the limits and conditions identified in the Export Order.

Pursuant to the terms of the Export Order, CoP's current electricity export authorization will expire on April 17, 2013. Therefore, CoP respectfully requests action on this application and renewed export authorization to Mexico not later than April 1, 2013.

I. DESCRIPTION OF APPLICANT

CoP is a Delaware corporation and is wholly-owned by ConocoPhillips, a publicly-traded Delaware corporation. CoP's principal place of business is in Houston, Texas. CoP is engaged in, among other things, the marketing of electric power at wholesale in various markets throughout the United States. CoP has been authorized by the Federal Energy Regulatory Commission ("FERC") to engage in wholesale sales of electric power in interstate commerce pursuant to its FERC approved market-based rate wholesale power sales tariff.¹

This Application is consistent with the North American Free Trade Agreement and United States energy policy as established in the Energy Policy Act of 1992. Grant of export authorization to CoP will foster the development and maintenance of a more efficient and competitive North American energy market. CoP requests authority for

¹ CoP is the successor to the market-based rate authorization originally granted to Conoco Power Marketing Inc. See Conoco Power Marketing Inc., Docket No. ER95-1441-000, Letter Order (Aug. 30, 1995) (unpublished) (granting market-based rate authorization to Conoco Power Marketing Inc.). This authorization has been transferred on several occasions as the result of changes in ownership, internal reorganizations, name changes and mergers. See DuPont Power Marketing Inc., Docket No. ER95-1441-003, Letter Order (May 15, 1996) (unpublished) (accepting Notice of Succession reflecting name change); Conoco Power Marketing, Inc., Docket No. ER99-1087-000, Letter Order (Jan. 25, 1999) (unpublished) (accepting Notice of Succession reflecting name change); Conoco Power Marketing, Inc., Docket No. ER00-1455-000, Letter Order (March 2, 2000) (unpublished) (accepting Notice of Succession reflecting change in ownership); Conoco Inc., Docket No. ER01-738-000, Letter Order (Feb. 9, 2001) (accepting Notice of Succession reflecting transfer of rate schedule resulting from internal corporate reorganization); ConocoPhillips Co., Docket No. ER03-428-000, Letter Order (March 25, 2003) (unpublished) (accepting Notice of Succession reflecting name change). See also ConocoPhillips Co., Docket No. ER03-428-007, Letter Order (Feb. 3, 2009) (unpublished) (accepting updated market power analysis); ConocoPhillips Co., Docket No. ER03-428-008, Letter Order (July 23, 2009) (unpublished) (accepting most recent updated market power analysis, for Southeast region); ConocoPhillips Co., Docket No. ER03-428-009, Letter Order (May 5, 2010) (unpublished) (accepting notice of change in status regarding transmission facility).

export transactions through specified border facilities even though specific transactions may not yet have been negotiated. DOE has granted export authority to similarly situated power marketers, and CoP agrees to abide by the general conditions set forth in the DOE's prior order authorizing power marketers to export power, including CoP's existing export authorization order.²

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

CoP provides the following information:

A. Exact legal name of applicant.

ConocoPhillips Company

B. Exact legal name of all partners.

None.

C. Name, title, post office address, and telephone number of the person to whom correspondence in regard to the application should be addressed.

All service and correspondence concerning this Application should be directed to CoP's following representatives:

Casey P. McFaden
Senior Counsel
ConocoPhillips Company
600 North Dairy Ashford
Houston, TX 77079
Tel: (281) 293-5610
casey.p.mcfaden@conocophillips.com

Charles F. Eisenhardt
Senior Analyst, G&P Regulatory Reporting
ConocoPhillips Company
600 North Dairy Ashford
Houston, TX 77079
Tel: (281) 293-4581
charles.f.eisenhardt@conocophillips.com

² See, e.g., ConocoPhillips Company, FE Docket No. EA-336 (Apr. 17, 2008); Coral Power, L.L.C., FE Docket No. EA-212 (Aug. 26, 2002).

D. 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 should be included.

CoP is organized under the laws of Delaware and maintains its principal place of business at 600 North Dairy Ashford, Houston, TX 77079.

As noted, CoP is authorized to sell wholesale electric capacity and energy pursuant to its market-based wholesale power sales tariff on file with FERC. Under that authorization, CoP is authorized to engage in wholesale energy marketing transactions in every state within the continental United States with the exception of sales within the ERCOT region of Texas. CoP is authorized to sell electric capacity, energy, and ancillary services within the ERCOT region of Texas under authorization granted by the Public Utility Commission of Texas ("PUCT"). CoP also is authorized to sell energy at retail in several states pursuant to licenses granted by state regulatory commissions.

Neither CoP nor its affiliates currently own generating facilities.³ CoP does, however, have an approximately 9.85% ownership interest in Texas Dispatchable Wind 1, LLC ("TDW 1"), which is an approximately 4 MW generator currently under construction in Seminole, Texas, within the Southwest Public Service Company ("SPS") balancing authority area ("BAA") in the Southwest Power Pool ("SPP") geographic region.⁴ TDW 1 is anticipated to become operational later this year.

³ In 2012, all of CoP's generation assets, which were listed in its prior, 2008 export application, were transferred to Phillips 66 Company, an independent and unaffiliated company, as authorized by the Federal Energy Regulatory Commission. See, ConocoPhillips Company, 139 FERC ¶ 62,025 (2012).

⁴ See, Petition of Texas Dispatchable Wind 1, LLC for Order Accepting Market-Based Rate Tariff For Filing, Docket No. ER13-70-000 (Oct. 10, 2012).

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

Pursuant to section 202(e) of the FPA, DOE has jurisdiction over the action to be taken in this Application. No other federal, state, or local government has jurisdiction over the action to be taken in this Application.

- F. 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.**

CoP seeks authorization to transmit electric energy to Mexico as a power marketer for a term of five (5) years. Neither CoP nor any of its affiliates own or control electric transmission facilities except for those facilities necessary to connect generation facilities to the transmission grid. CoP will export electricity to Mexico using the transmission facilities identified in Exhibit C to this Application.

- G. Technical discussion of the proposed electricity export's reliability, fuel use and system stability impact on the Applicant's present and prospective electric power supply systems. Applicant must explain why the proposed electricity export will not impair the sufficiency of electric supply on its system and why the export will not impede or tend to impede the regional coordination of electric utility planning or operation.**

As noted above, CoP has no "system" of its own on which exports of power could have a reliability or stability impact. The electric power that CoP will export, on either a firm or interruptible basis, will be purchased from others voluntarily and will therefore be surplus to the needs of the selling entities. Moreover, because CoP does not have an obligation to serve native load, the exports proposed by CoP will not impair its ability to

meet current and prospective power supply obligations. The electric energy that will be exported pursuant to the authorization requested in this Application, whether on a firm or interruptible basis, will be purchased in bilateral, voluntary transactions and will depend upon power supply and transmission export capacity available to Mexico. As such, CoP's exports to Mexico do not and will not impair the sufficiency of the electric power supply within the United States. Furthermore, CoP's exports of electric energy to Mexico will not impede or tend to impede the regional coordination of electric utility planning or operations, but will instead conform to system requirements as they may change over time.

CoP will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to effectuate any power exports. All of the electricity exported by CoP will be transmitted pursuant to arrangements with other utilities or entities that own and/or operate existing transmission facilities and will be consistent with the export limitations and other terms and conditions contained in the existing Presidential Permits and electricity export authorizations issued for these cross-border facilities as well as any other export limitations that DOE may deem appropriate, consistent with DOE's orders authorizing exports of electric energy by power marketers.

CoP will schedule each transaction with the appropriate control area in compliance with the reliability criteria, standards, and guidelines of the North America Electric Reliability Corporation ("NERC") and its member regional entities. CoP will obtain all necessary transmission access over the existing facilities listed in Exhibit C for its exports and will comply with all applicable statutes and implementing rules, regulations, and orders of the DOE and FERC. The controls inherent in any transaction

that complies with NERC requirements and DOE export limits on the transmission facilities listed in Exhibit C are sufficient to ensure that exports by CoP will not impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

As noted in Order No. EA-102,⁵ DOE may use the reliability analyses performed in other export authorization proceedings for the transmission facilities listed in Exhibit C in order to make the findings required for the renewal of the export authority to CoP. Because the proposed exports will take place over existing international transmission lines, CoP submits that the requested authorization does not require the preparation of an environmental impact statement or an environmental impact assessment pursuant to the National Environmental Policy Act of 1969.

H. Original application shall be signed and verified under oath by an officer having knowledge of the matters set forth therein

The executed verification of Chris W. Conway is attached to this Application

⁵ Enron Power Marketing, Inc., FE Docket No. EA-102 (Feb. 6, 1996).

III. EXHIBITS AND ATTACHMENTS

Exhibit A	Agreements (Not Applicable)
Exhibit B	Legal Opinion
Exhibit C	Transmission Facilities (submitted in lieu of maps)
Exhibit D	Non-U.S. Applicant's power of Attorney (Not applicable)
Exhibit E	Statements of any corporate relationship, 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)

To the extent necessary, CoP requests waiver of the requirement to provide Exhibits A, D, E, and F.

Pursuant to the requirement of 10 C.F.R. §205.309, a copy of the Application is being provided to:

Federal Energy Regulatory Commission
888 First Street, N.E.
Washington DC 20426

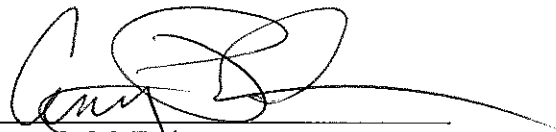
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Public Utilities Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

IV. CONCLUSION

In consideration of the foregoing, CoP respectfully requests approval of this Application for authorization to export electric energy to Mexico for a term of five (5) years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Casey P. McFadden', is written over a horizontal line.

Casey P. McFadden
ConocoPhillips Company
600 North Dairy Ashford
Houston, TX 77079

Attorney for ConocoPhillips Company

Dated: November 27, 2012

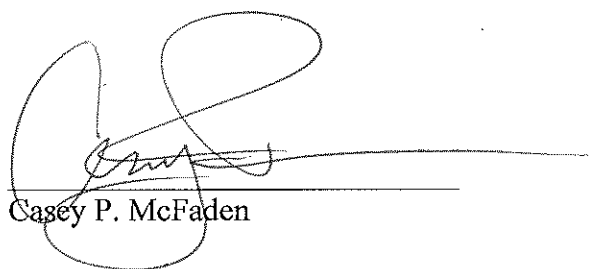
EXHIBIT B

LEGAL OPINION

Legal Opinion

I, Casey P. McFaden, Senior Counsel of ConocoPhillips Company (the "Corporation"), hereby certify on behalf of the Corporation and in support of the Application of ConocoPhillips Company for Authorization to Transmit Electric Energy to Mexico (the Application) dated November 27, 2012, that:

- (1) The Corporation is duly incorporated and validly existing under the corporate laws of the state of Delaware;
- (2) The Corporation has the corporate capacity to act in the manner described in the Application; and
- (3) To the best of my knowledge and belief, the Corporation and its officers and directors have complied with all pertinent federal and state laws related to the actions to be undertaken pursuant to the Application.



Casey P. McFaden

Dated: November 27, 2012

EXHIBIT C

CROSS-BORDER TRANSMISSION FACILITIES

CROSS-BORDER TRANSMISSION FACILITIES

Owner/Permitte	Location	Voltage	Presidential Permit No.
AEP Texas Central Company	Laredo, TX	138 kV 230 kV	PP-317 PP-317
Central Power & Light Company	Brownsville, TX Eagle Pass, TX	138 kV 69 kV 138 kV	PP-94 PP-219
Comision Federal de Electricidad	Falcon Dam, TX	138 kV	None
El Paso Electric Company	Diablo, NM Ascarate, TX	115 kV 115 kV	PP-92 PP-48
San Diego Gas & Electric	Miguel, CA Imperial Valley, CA	230 kV 230 kV	PP-68 PP-79
Sharyland Utilities, Inc.	McAllen, TX	138 kV	PP-285

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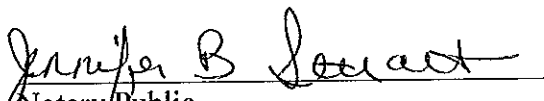
Docket No. EA_____

VERIFICATION

The undersigned, being duly sworn, states that he is an authorized representative of ConocoPhillips Company; that he has read the foregoing application of ConocoPhillips Company for authorization to transmit electric energy to Mexico; and that all of the statements contained therein are true and correct to the best of his knowledge, information, and belief.


Chris W. Conway
Vice President
ConocoPhillips Company

Subscribed and sworn to before me
this 27th day of November, 2012


Notary Public
for the State of Texas



My Commission expires: 2/23/2014