

PRESIDENTIAL PERMIT PP-82
AUTHORIZING
THE JOINT OWNERS OF THE HIGHGATE PROJECT
TO CONSTRUCT, CONNECT, OPERATE, AND MAINTAIN
ELECTRIC TRANSMISSION FACILITIES ACROSS
THE INTERNATIONAL BORDER BETWEEN
THE UNITED STATES AND CANADA

APPLICATION AND INTERVENTIONS

On August 6, 1984, Vermont Electric Power Company, Inc. (VELCO) filed an application with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) for a Presidential permit pursuant to Executive Order No. 10485, as amended by Executive Order No. 12038. VELCO requested authority to construct, connect, operate and maintain electric transmission facilities known as the Highgate Project. These facilities consist of a back-to-back converter station in the town of Highgate, Vermont, and a 345 kilovolt (kV) transmission line extending approximately 7.5 miles from the converter station to the U. S.-Canadian international border, where it will interconnect with a similar facility owned and operated by Hydro-Quebec. The transmission line will be designed and constructed for 345 kV use but will be operated at 120 kV. VELCO filed this application on behalf of the Joint Owners¹ of this project.

¹ VELCO will construct, connect, operate and maintain the facilities on behalf of the Joint Owners: Central Vermont Public Service Corp., Franklin Electric Light Co., Inc., Vermont Public Power Supply Authority, Green Mountain Power Corp., Vermont Electric Generation and Transmission Cooperative, Inc., Allied Power and Light Co., Village of Johnson Electric Light Department, Rochester Electric Light and Power Co., Inc., and the City of Burlington Electric Light Department.

On April 18, 1985, VELCO transferred all tangible and intangible property it had acquired in connection with the project to the Joint Owners as tenants in common with undivided interests. This included rights in real property, project equipment and contractual commitments and obligations. On April 29, 1985, VELCO notified ERA of this transfer and requested that its application for a Presidential permit be amended to name the Joint Owners as applicants and that if a Presidential permit is issued, it be issued to the Joint Owners.

The VELCO application was noticed in the Federal Register on September 6, 1984, and public comments were solicited. In response to this notice, the New England Power Pool (NEPOOL) and the Pennsylvania-New Jersey-Maryland Interconnection (PJM) filed Petitions to Intervene with ERA on September 26, 1984, and September 28, 1984, respectively. The issue of concern raised by both parties was the potential impact that the Highgate Project would have on the reliability of the PJM and NEPOOL systems.

PJM and VELCO have negotiated a settlement of the issues. On March 29, 1985, PJM and VELCO filed a Stipulation with ERA outlining the terms under which PJM would be willing to withdraw from the proceeding. On May 3, 1985, NEPOOL filed with ERA a Motion to Withdraw, indicating that it would withdraw as an intervenor in this proceeding upon issuance of a permit with the same terms. Those terms have been included in Article 3 of this permit. Accordingly, ERA hereby dismisses PJM's and NEPOOL's Petitions to Intervene.

FINDINGS

On August 28, 1984, VELCO submitted an Environmental Report to DOE which was used by DOE in preparing an Environmental Assessment (EA) (DOE/EA-0251, February 1985). The EA concluded that the construction and operation of the proposed electrical facilities would have no significant impacts on the quality of the human environment. Subsequently, on March 7, 1985, DOE issued a Finding of No Significant Impact, satisfying the requirements of the National Environmental Policy Act of 1969.

After a review of factors relating to electric system reliability, and based upon a conditioning of the permit as agreed between VELCO and the dismissed intervenors, ERA staff recommended on May 7, 1985, a finding that the operation of the proposed facilities would not impair reliability of the U. S. electric bulk power supply system. The Administrator concurs with this recommendation, and so finds. The recommendation has been made a part of the permanent docket file.

The Departments of State and Defense, by separate letters dated April 17, 1985, have concurred in the issuance of the Presidential permit.

Upon consideration of all of the facts in this matter, the Administrator finds that the issuance of the Presidential permit, as provided hereafter, is appropriate and consistent with the public interest.

AUTHORIZATION

Pursuant to the provisions of Executive Order No. 10485, as amended by Executive Order 12038, and the Rules and Regulations thereunder (Title 10, Code of Federal Regulations, section 205.320 et seq.), permission hereby is granted to the Joint Owners of the Highgate Project to construct, connect, operate and maintain at the international border of the United States and Canada a three-phase AC transmission line and back-to-back converter station as further described in Article 2 below, upon the following conditions:

Article 1. The facilities herein described shall be subject to all conditions, provisions and requirements of the permit. This permit may be modified or revoked by the President of the United States without notice, or by ERA after public notice, and may be amended by ERA 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 occupied right-of-way:

A three-phase AC transmission line, designed and constructed for 345 kV use but operated at 120 kV, and a back-to-back converter station. The line will extend approximately 7.58 miles from the U. S.-Canadian border near the town of Franklin, Vermont, to the converter station in the town of Highgate, Vermont. The converter station will be installed to convert electricity from

the Hydro-Quebec 120 kV AC system to direct current and back to AC in order to allow connection to the existing VELCO 115 kV AC transmission system. The facilities authorized by this permit are more specifically shown and described in the application filed by VELCO with the ERA on August 6, 1984.

Article 3. The facilities described in Article 2 will be designed and operated in accordance with the applicable criteria established by the Northeast Power Coordinating Council (NPCC) and consistent with that of the North American Electric Reliability Council (NERC). Furthermore, the proposed facilities will be operated under the following conditions and limitations:

- a. Initially, the facilities described in Article 2 shall be operated in such a manner that the maximum rate of transmission of electrical power entering the United States over the facilities authorized herein shall not exceed 200 MW at any time.
- b. Before the facilities described in Article 2 may be operated at import levels in excess of 200 MW, the Joint Owners must conduct appropriate studies, or direct that such studies be conducted, to determine the reliability limit for imports received through the Highgate Project. These studies are to be coordinated with other members of NPCC and with PJM. Such studies shall be made available to ERA upon request.

- c. Upon completion of the studies conducted under paragraph 2 above, a summary technical report shall be submitted to ERA identifying the reliability limit for power imports over the subject facilities, and any other pertinent operating limitations determined by such studies. The limit determined therein must be consistent with NERC and NPCC reliability criteria.
- d. After receipt of the technical report identified in paragraph 3 above, ERA will decide whether to accept or reject the data contained therein. If the findings in this report are accepted by ERA, the initial 200 MW limit for power imports over the facilities authorized herein will be changed to the reliability limit determined in the technical report.
- e. VELCO, or any other subsequently designated agent of the Joint Owners of the Highgate Project, shall carry out its expressed commitment to the members of PJM to:
 - 1. Participate with NEPOOL, the New York Power Pool and PJM in conducting joint studies to analyze the operation of their combined electrical system during the late 1980's under both normal and outage conditions with a view toward coordinated operation between pools. A major consideration will be the impact of deliveries from Hydro-Quebec at the five NPCC locations scheduled to be in service at that time; and

2. If the studies conducted pursuant to subparagraph 1 above conclude that imports to the Northeastern United States from Hydro-Quebec cause adverse effects on PJM systems, the Joint Owners agree to participate on a pro rata basis in an equitable solution to any problems. An equitable solution must take account of any adverse effects caused by PJM on the VELCO system, or on the systems of the Joint Owners, caused by PJM that are identified in the studies.

- f. The results of the studies in subparagraph 1 above shall be made available to ERA.

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

Article 5. The Joint Owners or their authorized agent 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 the DOE, who shall be an authorized representative of the United States for such purposes. The Joint Owners or their agent 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. The United States shall not be responsible or liable for damages to, or loss of the property of, or injuries to, persons, including damages to, or loss of the property of, or injuries to, the Joint Owners or their officers, agents, servants or employees, any of which may arise from or be incident to the exercise of the privileges granted herein. The Joint Owners shall hold the United States harmless from any and all such claims.

Article 8. The Joint Owners shall arrange for the installation and maintenance of appropriate metering equipment to record the hourly flow of all electric energy transmitted between the United States and Canada over the facilities authorized herein. The Joint Owners shall prepare, maintain and preserve complete and accurate records concerning the transfer of such electric energy; and shall furnish to ERA an annual report, which will be due on or before February 15th of each year, detailing for each month of the preceding calendar year the transmission of such electric energy, as follows: (1) the gross amount of kilowatt-hours received and delivered; (2) the maximum hourly rate of transmission in kilowatts; and (3) the consideration paid and received for such energy.

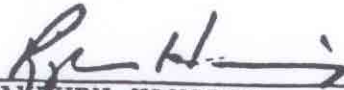
Article 9. Neither this permit nor the facilities covered by this permit, or any part thereof, shall be transferable or assignable, except in the event of the involuntary transfer of the facilities

by the operation of law. In the case of such an involuntary transfer, this permit shall continue in effect for a period of sixty 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 ERA. Upon receipt by ERA 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.

Article 10. Upon the termination, revocation or surrender of this permit, the 345 kV overhead electric transmission circuits which are owned, constructed, connected, operated and maintained by the Joint Owners and described in Article 2 of this permit, shall be removed within such time as ERA may specify and at the expense of the Joint Owners. If the Joint Owners fail to remove such facilities or any portion thereof authorized by this permit, ERA may direct that actions be taken for the removal or the restoration of the facilities at the expense of the Joint Owners. The Joint Owners shall have no claim for damages by reason of such possession, removal or repair. However, upon a showing by the relevant owner that certain facilities authorized herein, such as portions of its rights-of-way or the transmission line within the United States, are useful to other utility operations within the bounds of the United States, ERA will not require that those facilities be removed and the land restored to its original condition upon termination of the international interconnection.

Article 11. This permit shall be valid upon receipt by ERA of the Testimony of Acceptance properly executed.

Issued in Washington, D.C., May 14, 1985.



RAYBURN HANZLIK
Administrator
Economic Regulatory Administration