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United States  
Department of Energy

Office of Electricity Delivery and Energy Reliability

Duke Energy Indiana, Inc.

Docket No. EA-161-A

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Order Authorizing Electricity Exports to Canada

Order No. EA-161-A

August 31, 2009

# Duke Energy Indiana, Inc.

## Electricity Export Authorization Amendment

### Order No. EA-161-A

#### **I. BACKGROUND**

Exports of electricity from the United States to a foreign country are regulated by the Department of Energy (DOE) pursuant to sections 301(b) and 402(f) of the Department of Energy Organization Act (42 U.S.C. 7151(b), 7172(f)) and require authorization under section 202(e) of the Federal Power Act (FPA) (16 U.S.C.824a(e))<sup>1</sup>.

On January 22, 1998, DOE issued Order No. EA-161 to PSI Energy, Inc. (PSI) authorizing electricity exports to Canada.

Duke Energy has notified DOE that, as a result of a corporate merger, PSI Energy, Inc. changed its name to Duke Energy Indiana, Inc. (DEI) effective October 1, 2006, and requested that it be authorized to export electric energy under its new name.

#### **II. FINDING AND DECISION**

DOE finds that the action requested by DEI would have no effect on DOE's electric reliability determinations contained in Docket No. EA-161.

Similarly, DOE finds that it has adequately satisfied its responsibility under the National Environmental Policy Act of 1969 through the documentation of a categorical exclusion in Docket No. EA-161.

#### **III. ORDER**

Based on the above findings, the electricity export authorization issued to PSI Energy Inc. on January 22, 1998, in Order No. EA-161 is hereby amended by changing the name of the authorized exporter to DEI and to read as follows:

(A) The electric energy exported by DEI pursuant to this Order may be delivered to Canada over any international transmission facility authorized by Presidential permit

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<sup>1</sup> The authority to administer the International Electricity Regulatory Program through the regulation of electricity exports and the issuance of Presidential permits has been delegated to the Assistant Secretary for the Office of Electricity Delivery and Energy Reliability in Redelegation Order No. 00-002.10C issued on May 29, 2008.

that is appropriate for open access transmission by third parties in accordance with the export limits authorized by DOE.

- (1) The following international transmission facilities located at the United States border with Canada are currently authorized by Presidential permit and available for open access transmission:

| <b><u>Present Owner</u></b>          | <b><u>Location</u></b>  | <b><u>Voltage</u></b> | <b><u>Presidential Permit No.</u></b> <sup>2</sup> |
|--------------------------------------|-------------------------|-----------------------|--|
| Bangor Hydro-Electric Company        | Baileyville, ME         | 345-kV                | PP-89  |
| Basin Electric Power Cooperative     | Tioga, ND               | 230-kV                | PP-64  |
| Bonneville Power Administration      | Blaine, WA              | 2-500-kV              | PP-10  |
|                                      | Nelway, WA              | 230-kV                | PP-36  |
|                                      | Nelway, WA              | 230-kV                | PP-46  |
| Eastern Maine Electric Cooperative   | Calais, ME              | 69-kV                 | PP-32  |
| International Transmission Company   | Detroit, MI             | 230-kV                | PP-230   |
|                                      | Marysville, MI          | 230-kV                | PP-230   |
|                                      | St. Claire, MI          | 230-kV                | PP-230   |
|                                      | St. Claire, MI          | 345-kV                | PP-230   |
| Joint Owners of the Highgate Project | Highgate, VT            | 120-kV                | PP-82  |
| Long Sault, Inc.                     | Massena, NY             | 2-115-kV              | PP-24  |
| Maine Electric Power Company         | Houlton, ME             | 345-kV                | PP-43  |
| Maine Public Service Company         | Limestone, ME           | 69-kV                 | PP-12  |
|                                      | Fort Fairfield, ME      | 69-kV                 | PP-12  |
|                                      | Madawaska, ME           | 138-kV                | PP-29  |
|                                      | Aroostook, ME           | 2-69-kV               | PP-29  |
| Minnesota Power, Inc.                | International Falls, MN | 115-kV                | PP-78  |
| Minnkota Power Cooperative           | Roseau County, MN       | 230-kV                | PP-61  |

<sup>2</sup> These Presidential permit numbers refer to the generic DOE permit number and are intended to include any subsequent amendments to the permit authorizing the facility.

|                                   |                   |            |                     |
|-----------------------------------|-------------------|------------|---------------------|
| Montana Alberta Tie Ltd.          | Cut Bank, MT      | 230-kV     | PP-305 <sup>3</sup> |
| New York Power Authority          | Massena, NY       | 765-kV     | PP-56               |
|                                   | Massena, NY       | 2-230-kV   | PP-25               |
|                                   | Niagara Falls, NY | 2-345-kV   | PP-74               |
|                                   | Devils Hole, NY   | 230-kV     | PP-30               |
| Niagara Mohawk Power Corp.        | Devils Hole, NY   | 230-kV     | PP-190              |
| Northern States Power Company     | Red River, ND     | 230-kV     | PP-45               |
|                                   | Roseau County, MN | 500-kV     | PP-63               |
|                                   | Rugby, ND         | 230-kV     | PP-231              |
| Sea Breeze Olympic Converter LP   | Port Angeles, WA  | ±450-kV DC | PP-299 <sup>3</sup> |
| Vermont Electric Power Co.        | Derby Line, VT    | 120-kV     | PP-66               |
| Vermont Electric Transmission Co. | Norton, VT        | ±450-kV DC | PP-76               |

(2) The following are the authorized export limits for the international transmission lines listed above in subparagraph (A)(1):

- (a) Exports by DEI made pursuant to this Order shall not cause the total exports on facilities authorized by Presidential Permit PP-64 (issued to Basin Electric Power Coop.) to exceed an instantaneous transmission rate of 150 megawatts (MW). The gross amount of energy which DEI may export over the PP-64 facilities shall not exceed 900,000 megawatt-hours (MWH) during any consecutive 12-month period.
- (b) Exports by DEI made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-32 (issued to Eastern Maine Electric Coop.) to exceed an instantaneous transmission rate of 15 MW. The gross amount of energy which DEI may export over the PP-32 facilities shall not exceed 7,500 MWH annually.
- (c) Exports by DEI made pursuant to this Order shall not cause the total exports on a combination of the facilities authorized by Presidential Permit PP-230 (issued to International Transmission Company) to exceed a coincident, instantaneous transmission rate of 2.2 billion volt-amperes (2,200 MVA).
- (d) Exports by DEI made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-82 (issued to the Joint Owners of the Highgate Project) to exceed an instantaneous transmission rate

<sup>3</sup> These transmission facilities have been authorized but not yet constructed or placed in operation.

of 200 MW nor cause a violation of the following security constrained export limits:

| <u>Vermont Total<br/>Load (MW)</u> | <u>Security Constrained<br/>Maximum Export (MW)</u> |
|------------------------------------|---|
| 1000                               | 0   |
| 900                                | 40  |
| 800                                | 90  |
| 700                                | 125   |
| 600                                | 150   |
| 500                                | 170   |

- (e) Exports by DEI made pursuant to this Order shall not cause the total exports on the combination of facilities authorized by Presidential Permits PP-43 (issued to Maine Electric Power Company) and PP-89-1 (issued to Bangor Hydro-Electric) to exceed an instantaneous transmission rate of 400 MW.
- (f) Exports by DEI made pursuant to this Order shall not cause the total exports on the combination of facilities authorized by Presidential Permits PP-12 and PP-29 (issued to Maine Public Service Company) to exceed a coincident, instantaneous transmission rate of 97.8 MW.
- (g) Exports by DEI made pursuant to this Order shall not cause total exports on the facilities authorized by Presidential Permit PP-78-1 (issued to Minnesota Power) to exceed an instantaneous transmission rate of 100 MW. Exports by DEI may cause total exports on the PP-78-1 facilities to exceed 100 MW only when total exports between the Mid-Continent Area Power Pool (MAPP) and Manitoba Hydro are below maximum transfer limits and/or whenever operating conditions within the MAPP system permit exports on the PP-78-1 facilities above the 100-MW level without violating established MAPP reliability criteria. However, under no circumstances shall exports by DEI cause the total exports on the PP-78-1 facilities to exceed 150 MW.
- (h) Exports made by DEI pursuant to this order shall not cause total exports on a combination of the international transmission lines authorized by Presidential Permits PP-45 and PP-63 issued to Northern States Power, PP-61 issued to Minnkota Power, and PP-231 issued to Northern States Power/Xcel, shall not exceed an instantaneous transmission rate of 700 MW on a firm basis and 1050 MW on a non-firm basis.
- (i) Exports by DEI made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-66 (issued to Vermont Electric Power Co.) to exceed an instantaneous transmission rate of 50 MW. The gross amount of energy which DEI may export over the PP-66 facilities shall not exceed 50,000 MWH annually.

- (j) Exports by DEI made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-56 (issued to NYPA) to exceed an instantaneous transmission rate of 1000 MW.
- (k) Exports by DEI made pursuant to this Order shall not cause: (a) the total exports on the facilities authorized by Presidential Permits PP-25, PP-30, PP-74, and PP-190 (issued to NYPA and Niagara Mohawk) to exceed a combined instantaneous transmission rate of 1650 MW; and (b) the total exports on the 115-kV facilities authorized by Presidential Permit PP-24 (issued to Long Sault, Inc.) to exceed an instantaneous transmission rate of 100 MW. In addition, the gross amount of energy which DEI may export over the PP-24 facilities shall not exceed 300,000 MWH annually.
- (l) Exports by DEI pursuant to this Order shall not cause total exports on the two 500-kV lines authorized by Presidential Permit PP-10, the 230-kV line authorized by Presidential Permit PP-36, and the 230 kV line authorized by Presidential Permit PP-46 (issued to BPA) to exceed the following limits:

| Condition            | PP-36 & PP-46<br>Limit | PP-10<br>Limit | Total Export<br>Limit |
|----------------------|------------------------|----------------|-----------------------|
| All lines in service | 400 MW                 | 1500 MW        | 1900 MW               |
| 1-500 kV line out    | 400 MW                 | 300 MW         | 700 MW                |
| 2-500 kV lines out   | 400 MW                 | 0 MW           | 400 MW                |
| 1-230 kV line out    | 400 MW                 | 1500 MW        | 1900 MW               |
| 2-230 kV line out    | 0 MW                   | 1500 MW        | 1500 MW               |

- (m) Exports by DEI made pursuant to this Order shall not cause a violation of the following conditions as they apply to exports over the facilities authorized by Presidential Permit PP-76 as amended (issued to the Vermont Electric Transmission Company):

| <u>Exports Through</u>               | NEPOOL<br><u>Load Condition</u> | <u>Export Limit</u> |
|--------------------------------------|---------------------------------|---------------------|
| Comerford converter                  | Summer, Heavy                   | 650 MW              |
| Comerford converter                  | Winter, Heavy                   | 660 MW              |
| Comerford converter                  | Summer, Light                   | 690 MW              |
| Comerford converter                  | Winter, Light                   | 690 MW              |
| Comerford & Sandy<br>Pond converters | All                             | 2,000 MW            |

- (n) Exports by DEI made pursuant to this Order over the international transmission facilities authorized by Presidential Permit PP-305 issued to Montana Alberta Tie Ltd. shall not exceed an instantaneous transmission rate of 300 MW.

- (o) Exports by DEI made pursuant to this Order over the international transmission facilities authorized by Presidential Permit PP-299 issued to Sea Breeze Olympic Converter LP shall not exceed an instantaneous transmission rate of 550 MW.

(B) Changes by DOE to the export limits in other orders shall result in a concomitant change to the export limits contained in paragraph (A)(2) of this Order. Changes to the export limits contained in subparagraphs (A)(2)(j), (k), and (l) will be made by DOE after submission of appropriate information demonstrating a change in the transmission transfer capability between the electric systems in New York State and Ontario and New York State and Quebec, and between BPA and BC Hydro or BPA and West Kootenay Power. Notice of these changes will be provided to DEI.

(C) The scheduling and delivery of electricity exports to Canada shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Corporation, Regional reliability entities, Regional Transmission Organizations, Independent System Operators, and/or balancing authorities, as appropriate, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(D) Exports made pursuant to this authorization shall be conducted in accordance with the provisions of the Federal Power Act and any pertinent rules, regulations, directives, policy statements, and orders adopted or issued thereunder, including the comparable open access provisions of FERC Order No. 888, as amended.

(E) The authorization herein granted may be modified from time to time or terminated by further order of the DOE. In no event shall such authorization to export over a particular transmission facility identified in subparagraph (A)(1) extend beyond the date of termination of the Presidential permit authorizing such facility.

(F) This authorization shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in such State or State regulatory commission.

(G) DEI shall create and preserve full and complete records with respect to the electric energy exported to Canada. DEI shall furnish annual a report to DOE annually, by February 15, detailing for each month of the previous year: (1) the gross amount of electricity delivered, in kilowatt hours; (2) the consideration received for such energy; 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. Each report shall indicate the DOE order number under which it is being filed and the expiration date of such order.

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

SW, Washington, D.C. 20585-0305. Properly identified quarterly reports will also be accepted via facsimile at (202) 586-8008 to meet time requirements, but original copies should still be filed at the above address.

(H) In accordance with 10 C.F.R. §205.305, this authorization is not transferable or assignable, except in the event of the involuntary transfer of this authority by operation of law. Provided written notice of the involuntary transfer is given DOE within 30 days, this authorization shall continue in effect temporarily. This continuance also is contingent on the filing of an application for permanent authorization within 60 days of the involuntary transfer; the authorization shall then remain effective until a decision is made on the new application. In the event of a proposed voluntary transfer of this authority to export electricity, the transferee and the transferor shall file jointly an application for a new export authorization, together with a statement of reasons for the transfer.

(I) Exports authorized herein shall be reduced or suspended, as appropriate, whenever a continuation of those exports would cause or exacerbate a transmission operating problem.

(J) This authorization shall be effective upon issuance and remain in effect for a period of five (5) years from that date. Application for renewal of this authorization may be filed within six months prior to its expiration. Failure to provide DOE with at least sixty (60) days to process a renewal application and provide adequate opportunity for public comment may result in a gap in DEI's authority to export electricity.

Issued in Washington, D.C., on August 31, 2009.



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