

UNITED STATES DEPARTMENT OF ENERGY

**Office of Fossil Energy
Washington, D.C.**

FE Docket No. EA-106

Arizona Public Service Company

Electricity Export Authorization

Order Authorizing Electricity Export to Mexico

Order No. EA-106

December 5, 1995

ELECTRICITY EXPORT AUTHORIZATION

ARIZONA PUBLIC SERVICE COMPANY

ORDER No. EA-106

BACKGROUND

On June 22, 1995, the Arizona Public Service Company (APS) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), pursuant to section 202(e) of the Federal Power Act (FPA), for authorization to transmit electric energy to Mexico. APS proposes to export up to 30 megawatts (MW) of electric power and associated energy to supply retail customers in an industrial park in Mexico. The industrial park customers presently are being provided electric service from the Comision Federal de Electricidad (CFE), the national electric utility of Mexico.

The DOE also has the responsibility for implementing Executive Order 10485, as amended by Executive Order 12038, which requires the issuance of Presidential permits for the construction, connection, operation and maintenance of electric transmission facilities at the U.S. international border. Also on June 22, 1995, in related Docket PP-106, APS applied to FE for a Presidential permit to construct a new 34.5-kilovolt (kV) electric transmission facility from a point near San Luis, Yuma County, Arizona, to the international boundary adjacent to San Luis, Sonora, Mexico (Industrial Park Line). The new line will be used to deliver the energy authorized for export in this Order. On November 7, 1995, the DOE issued Presidential Permit PP-106 to APS for the construction of this new 34.5 kV transmission facility.

Notice of this APS export application was placed in the Federal Register on August 16, 1995, (60 FR 42552) soliciting comments, protests, or petitions to intervene. No responses to that notice were received.

DECISION

The DOE has also assessed the impact that the proposed export would have on the reliability of the U.S. electric power supply system. As a result of that review, the DOE has determined that the export of electric energy to Mexico as requested by APS would not impair the sufficiency of electric supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities in accordance with section 202(e) of the Federal Power Act. An analysis in support of this finding has been made a part of the record in this Docket.

The DOE has assessed the potential environmental impacts associated with the proposed export and has determined that this action is among those classes of actions not normally requiring preparation of an environmental assessment or an environmental impact statement and, therefore, is eligible for categorical exclusion under Appendix B to Subpart D, paragraph B4.2 of the revised DOE Regulations implementing the National Environmental Policy Act of 1969. A memorandum documenting the use of this categorical exclusion has been placed in this Docket.

ORDER

Based on the above finding, it is hereby ordered that:

(A) The Arizona Public Service Company (APS) is hereby authorized to export electric energy to Mexico over the electric transmission facilities previously authorized by Presidential Permit PP-106 issued by the DOE on November 7, 1995.

(B) Exports authorized herein shall be limited to a maximum rate of transmission of 30 megawatts (MW). However, at no time shall the exports occurring pursuant to either this Order or a combination of this Order and Order EA-108 (San Luis-Canal Line) cause the load on the 69/34.5 kV transformer at the APS San Luis substation to exceed: (1) its continuous rating during normal operating conditions on the APS system; or (2) to exceed 125% of its continuous rating during emergency conditions on the APS system.

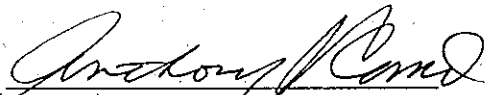
(C) APS shall conduct all operations pursuant to the authorization hereby granted in accordance with the provisions of the Federal Power Act and pertinent rules, regulations, and orders adopted or issued by the DOE.

(D) 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.

(E) APS shall make and preserve full and complete records with respect to the electric energy exported to Mexico. APS shall furnish a report to the DOE annually by February 15, detailing for each month of the previous calendar year, the gross amount of electricity delivered, the consideration received, and the peak hourly rate of transmission.

(F) Exports authorized herein shall be reduced or suspended, as appropriate, whenever a continuation of those exports would impair or tend to impair the reliability of the U.S. electric power supply system.

Issued in Washington, D.C., December 5, 1995.



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