

ELECTRICITY EXPORT AUTHORIZATION
HILL COUNTY ELECTRIC COOPERATIVE, INC.

ORDER NO. EA-118

I. BACKGROUND:

Exports of electricity from the United States to a foreign country are regulated and require authorization under section 202(e) of the Federal Power Act (FPA).

In an application dated July 11, 1996, as amended on July 25, 1996, the Hill County Electric Cooperative, Inc. (Hill County) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) for authorization to transmit electric energy from the United States to Canada. Specifically, Hill County is seeking authority to export electric energy to Canada to supply an oil pipeline pump station in Canada owned by Express Pipeline Ltd. (Express Pipeline). The pump station will serve a crude oil pipeline that will transport Canadian-produced oil from Hardisty, Alberta, Canada, to Casper, Wyoming. The pipeline is scheduled to begin operation in April 1997, and will supply crude oil to refineries in Wyoming and the Midwest.

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. In a related application dated July 11, 1996, as amended on July 25, 1996, Hill County applied to FE for a Presidential permit to construct a new 69-kilovolt (kV) electric transmission facility between the United States and Canada from a point in Hill County, Montana, to the international boundary adjacent to Wild Horse, Alberta, Canada. The proposed electric transmission line will extend approximately 17.5 miles from Hill County's existing North Gilford Substation to the border. At the border the Hill County transmission line will connect with similar facilities owned and operated by TransCanada Power Corporation (TCP), a Canadian power marketing company, and extend to the Express Pipeline pump station. These transmission facilities will be used to deliver the electric energy authorized for export by this Order. Simultaneous with this export authorization, DOE, in Order PP-118, is granting a Presidential permit to Hill County for construction of the Wild Horse Transmission Line.

Notice of the Hill County export application was placed in the Federal Register on August 5, 1996, (61 FR 40618) requesting comments, protests, and petitions to intervene. None were received.

II. FINDING AND DECISION

The DOE has assessed the impact that the proposed export would have on the reliability of the U.S. electric power supply system. As a result of this review, the DOE has determined that the export of electric energy to Canada as requested by Hill County would not impair the sufficiency of electric power 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 FPA. An analysis in support of this finding has been made a part of the record in this Docket.

The DOE has prepared an Environmental Assessment (EA) (DOE/EA-1192, December 1996) to analyze the potential environmental consequences of this proposed action and its alternatives. The EA was prepared in accordance with the requirements of the National Environmental Policy Act of 1969 (NEPA), as amended (Public Law 91-190, 42 U.S.C. 4321, et. seq.), the Council on Environmental Quality regulations implementing NEPA, and the DOE NEPA regulations. Based on the information and analysis contained in this EA, the DOE issued a Finding of No Significant Impact (FONSI) dated February 5, 1997, which concluded that the potential environmental impacts associated with the proposed export of electric energy and the construction and operation of the related 69-kV transmission line would not constitute a major Federal action which could significantly affect the quality of the human environment within the meaning of NEPA. A copy of DOE/EA-1192 and the FONSI have been placed in this Docket.

III. ORDER:

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

(A) The Hill County Electric Cooperative, Inc. (Hill County) is authorized to export electric energy to Canada. The electricity exports authorized herein shall be delivered to Canada only over the facilities authorized by Presidential Permit PP-118.

(B) Exports made by Hill County pursuant to this Order shall not cause the total exports on the facilities authorized in Presidential Permit PP-118 to exceed an instantaneous transmission rate of 6 MW.

(C) Hill County 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) The authorization herein granted may be modified from time to time or terminated by further order of DOE, but in no event shall such authorization extend beyond the date of termination or expiration of Presidential Permit PP-118.

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

(F) Hill County shall make and preserve full and complete records with respect to the electric energy exported to Canada. Hill County shall furnish a report to the DOE annually by February 15, detailing for each month of the previous calendar year: (1) the gross amount of electric energy delivered, in kilowatt hours; (2) the consideration received for such energy; and (3) the maximum hourly rate of transmission in kilowatts.

Annual reports shall be submitted to the U.S. Department of Energy, Office of Fossil Energy, FE-52, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305.

(G) 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 and 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.

(H) Exports to Canada 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., on February 6, 1997.

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