

WESTERN SYSTEMS POWER POOL

ORDER NO. EA-98-C

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) (16 U.S.C. §824a(e)).

On September 2, 1994, in Order EA-98, the Office of Fossil Energy (FE) of the Department of Energy (DOE) authorized 22 members of the Western Systems Power Pool (WSPP) (the “Applicants”) to individually enter into transactions which involve exporting electricity from the United States to British Columbia Hydro and Power Authority (BC Hydro), or other future Canadian members of the WSPP, under the terms and conditions of the WSPP’s pooling agreement and service schedules approved by the Federal Energy Regulatory Commission (FERC). On March 4, 1996, in Order EA-98-A, FE amended the previous order by adding 10 additional Applicants authorized to export electric energy to Canada. The term of the two-year order expired on September 2, 1996.

On July 8, 1996, in Docket EA-98-B, WSPP, on behalf of the Applicants, submitted an application to renew the export authorization issued in Order EA-98. WSPP also requested that the term of the new authorization be for 5 years. On July 12, 1996, WSPP, on behalf of member companies, applied to add 10 companies to the list of authorized electricity exporters (Docket No. EA-98-C).

The WSPP pooling Agreement provides for a marketing arrangement in which members arrange among themselves prescheduled and real-time coordinated short-term power and energy transactions. The Agreement also sets limitations and parameters affecting all WSPP transactions. All transactions among WSPP members must be no longer than one year in duration and in accordance with one of four service schedules on file with FERC. The schedules provide for (1) Economy Energy Service, (2) Unit Commitment Service, (3) Firm System Capacity/Energy Sales or Exchanges, and (4) Transmission Service. All transmission services are voluntary.

The electric energy to be exported will be delivered to Canadian members of WSPP over the international transmission facilities owned by Bonneville Power Administration (BPA), which is a member of WSPP, but exempt from section 202(e) of the FPA and does not require an export authorization. These facilities have been authorized by Presidential permits issued pursuant to Executive Order 10485, as amended. They consist of two 500-kilovolt (kV) transmission lines which cross the U.S.-Canada border at Blaine, Washington (Presidential Permit PP-10), and one 230-kV transmission line crossing the border at Nelway, British Columbia (Presidential Permit PP-46). In addition, BPA’s 230-kV transmission line that connects to West Kootenay Power and

Light Company, Limited, also at Nelway, British Columbia, will be used (Presidential Permit PP-36). BPA will allow WSPP members to use the above interconnections to transact business with Canadian WSPP members pursuant to mutually agreeable terms and conditions and to the extent that BPA determines transmission capacity is available for such use, in accordance with FERC transmission access rules and applicable law.

Notice of these applications appeared in the Federal Register on August 20, 1996 (61 FR 43048), requesting that comments, protests, and petitions to intervene be submitted to DOE by September 4, 1996. None were received.

II. FINDING AND DECISION

The circumstances described in the application to renew Order EA-98, and in the application to add additional WSPP member companies to the list of authorized exporters, are virtually identical to those for which export authority has previously been granted in FE Orders EA-98 and EA-98-A. Consequently, DOE finds that the electric reliability review prepared on July 29, 1994, in FE Docket EA-98, is satisfactory to fulfill the statutory requirements of the FPA. Specifically, that reliability review determined that the export of electric energy to Canada as requested by the Applicants 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 FPA. The determination was based on all authorized exports being performed within the confines of the WSPP agreement; specifically, the transactions are limited to no more than one year in length, new transmission facilities to support these transactions will not be built, and members' native loads will not be put in jeopardy as each service schedule provides for the interruption or curtailment of service to another WSPP member so as not to jeopardize service to the seller's retail customers or to another member's transmission system.

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 FE Docket EA-98.

By letter of August 29, 1996, WSPP requested that this renewal be issued with a five-year term rather than the two-year term contained in Order EA-98. FE notes that the Applicants have been exporting electric energy to Canada, pursuant to FE Order EA-98, for two years with no reported impairment in reliability. Further, FE notes that the FERC-approved pooling agreement underlying all WSPP transactions provides an operating infrastructure sufficient to safeguard reliability within the United States. Accordingly, FE has granted Applicant's request for a 5-year authorization period.

III. ORDER

Based on the above findings, it is ordered that the following Applicants are authorized, individually, to export electricity to BC Hydro, or other future Canadian members of the WSPP, under the terms and conditions of WSPP's pooling agreement and service schedules approved by FERC:

Arizona Public Service Company	Nevada Power Company
Aquila Power Corporation	Oklahoma Gas and Electric Company
Central and South West Services, Inc.	Pacific Gas & Electric Company
Central Louisiana Electric Company	PacifiCorp
Citizens Lehman Power Sales	PECO Energy Company
CNG Power Service Corporation	Philbro Inc.
Coastal Electric Services Company	Public Service Company of Colorado
Destec Power Services, Inc.	Public Service Company of New Mexico
Electric Clearinghouse, Inc.	Public Service Company of Oklahoma
Englehard Power Marketing, Inc.	Puget Sound Power & Light Company
Enron Power Marketing	Sierra Pacific Power Company
Entergy Power, Inc.	Southern California Edison Company
Equitable Power Services Company	Southern Energy Marketing, Inc.
Heartland Energy Services	Southwestern Public Service Company
Idaho Power Company	Tenneco Energy Marketing Company
Illinova Power Marketing, Inc.	Tucson Electric Power Company
Kansas City Power & Light	Utilicorp United, Inc. (West Plains Energy)
K N Marketing Inc.	Valero Power Services Company
Koch Power Services, Inc.	Washington Water Power Company
LG&E Power Marketing Inc.	Western Resources, Inc.
Louis Dreyfus Electric Power, Inc.	
Montana Power Company	

(A) The electric energy exported by authorized WSPP member companies pursuant to this Order may be delivered to Canada only over the following existing international transmission facilities owned by BPA:

<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
Blaine, WA	2 - 500-kV	PP-10
Nelway, WA	230-kV	PP-36
Nelway, WA	230-kV	PP-46

(B) 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 the Presidential permits referred to in paragraph (A) above.

(C) This authorization shall be effective for a period of five (5) years from the date of this Order. Within six months prior to the expiration of this authorization, WSPP may reapply for renewal of this five-year authorization or request a period of time longer than the five year period.

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

(F) Authorized member companies of WSPP shall make and preserve full and complete records with respect to the electric energy exported to Canada. Each member company, or its agent, shall furnish a quarterly report to DOE, within 30 days following each calendar quarter, indicating whether exports of electricity have been made. Quarterly reports must be filed whether or not exports have been made. If no exports have been made by a particular member company, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, member companies must report the maximum rate of transmission in megawatts during each month of the quarter; the gross amount of energy delivered in megawatt-hours, the name of the Canadian entity electricity was delivered to, and whether interruption of the export was required and the reason for the interruption.

Quarterly 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. Properly identified quarterly reports will also be accepted via facsimile at (202) 287-5736 to meet time requirements, but original copies should still be filed at the above address.

(G) This authorization is not transferable or assignable in accordance with 10 C.F.R. §205.305. Provided written notice is given DOE within 30 days, this authorization may continue in effect temporarily in the event of the involuntary transfer of this authority by operation of law. This continuance is contingent on the filing of an application for permanent authorization and may be effective until a decision is made thereon. 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 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 September 5, 1996.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy