



UNITED STATES DEPARTMENT OF ENERGY

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

FE Docket No. EA-98-H

Aquila Power Corporation; PacifiCorp; Avista Corporation;
PanCanadian Energy Services, Inc; Avista Energy, Inc.; Powerex Corporation;
Candela Energy Corporation; Pacific Northwest Generating Cooperative;
Edison Mission M and T, Inc.; Puget Sound Energy, Inc.;
El Paso Electric Company; Southern California Edison Company;
El Paso Merchant Energy, L.P.; TransAlta Energy Marketing (U. S.), Inc.;
Enron Power Marketing; TransCanada Energy Ltd.; Idaho Power Company;
Tucson Electric Power Company; Kansas City Power & Light;
UtiliCorp United, Inc.; Pacific Gas & Electric Company

Order Authorizing Electricity Exports to Canada

Order No. EA-98-H

January 8, 2002

WESTERN SYSTEMS POWER POOL

ORDER NO. EA-98-H

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 export 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 WSPP's pooling agreement and service schedules approved by the Federal Energy Regulatory Commission (FERC). That two-year authorization underwent several subsequent amendments which added and/or deleted members of WSPP to the list of authorized exporters and also extended the authorization for five years until September 5, 2001 (Order EA-98-C).

On August 8, 2001, on behalf of 16 of its member companies, WSPP filed an application with FE to renew the electricity export authorization contained in Order EA-98-C which expired on September 5, 2001. In its application, WSPP requested that any order which may be issued in the proceeding be made effective as of September 5, 2001, so as to avoid any lapse in its members' export authority. The WSPP application was further supplemented on August 17, 2001, to increase the number of WSPP member systems requesting export authorization to 21 and to change the name of one member.

Notice of the WSPP application appeared in the *Federal Register* on November 26, 2001, (66 FR 59007) requesting that comments, protests, and petitions to intervene be submitted to DOE by December 11, 2001. None were received.

II. FINDING AND DECISION

The circumstances described in the application are virtually identical to those for which export authority has previously been granted. Consequently, DOE finds that the electric reliability review dated 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. The agreement provides that any transaction, including exports, be limited to no more than one year in length, that no new transmission facilities to support these transactions

will be built, and that 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.

The Applicants' application for renewal of its export authorization was filed with DOE prior to the expiration of the prior authorization. In order to avoid any lapse in the Applicants' export authority due to processing time, this Order is being made effective upon the expiration of the previous authorization.

III. ORDER

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

Aquila Power Corporation	PacifiCorp
Avista Corporation	PanCanadian Energy Services, Inc
Avista Energy, Inc.	Powerex Corporation
Candela Energy Corporation	Pacific Northwest Generating Cooperative
Edison Mission M and T, Inc	Puget Sound Energy, Inc.
El Paso Electric Company	Southern California Edison Company
El Paso Merchant Energy, L.P.	TransAlta Energy Marketing (U. S.), Inc.
Enron Power Marketing	TransCanada Energy Ltd.
Idaho Power Company	Tucson Electric Power Company
Kansas City Power & Light	UtiliCorp United, Inc.
Pacific Gas & Electric Company	

The Applicants are hereby authorized to export electric energy to Canada under the following terms and conditions:

(A) The electric energy exported by the Applicants pursuant to this Order may be delivered to Canada only over the following existing international transmission facilities for which assessments of the transmission limits for operation in the export mode have been made:

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

(B) Exports by the Applicants 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 Bonneville Power Administration) to exceed the following limits:

<u>Condition</u>	<u>PP-36 & PP-46 Limit</u>	<u>PP-10 Limit</u>	<u>Total Export Limit</u>
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 lines out	0 MW	1500 MW	1500 MW

(C) Any request by the Applicants for change to the export limits contained in paragraph (B) will be considered by DOE after submission by the Applicants of appropriate information demonstrating a change in the transmission transfer capability between Bonneville Power Administration (BPA) and BC Hydro, or BPA and West Kootenay Power.

(D) In scheduling the delivery of electricity exports to Canada, the Applicants shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Council, Regional Councils, or independent system operators, as appropriate, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(E) The Applicants 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 thereunder, including the comparable open access provisions of FERC Order No. 888, as amended.

(F) The authorization herein granted may be modified from time to time or terminated by further order of the 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).

(G) 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.

(H) The Applicants shall make and preserve full and complete records with respect to the electric energy exported to Canada. The Applicants shall furnish quarterly reports to the DOE, within 30 days following each calendar quarter, detailing for each month of the previous quarter: (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. Quarterly 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 quarter is sufficient.

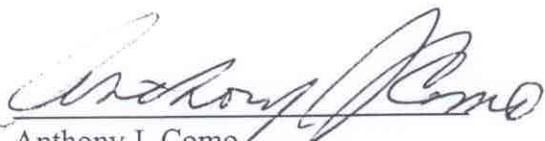
Reports shall be submitted to the U.S. Department of Energy, Office of Fossil Energy, FE-27, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. Properly identified quarterly reports will also be accepted via facsimile at (202) 287-5736 to meet time requirements, but original copies should still be filed at the above address.

(I) 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.

(J) 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.

(K) This authorization shall be made effective as of September 5, 2001, and shall 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 expiration of this authorization.

Issued in Washington, D.C., on January 8, 2002.



Anthony J. Como
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Office of Coal & Power Import/Export
Office of Coal & Power Systems
Office of Fossil Energy