

PRESIDENTIAL PERMIT
ARIZONA PUBLIC SERVICE COMPANY

ORDER NO. PP-107

BACKGROUND

The Office of Fossil Energy (FE) of the Department of Energy (DOE) 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 United States international border. In addition, FE administers the section 202(e) authority under the Federal Power Act which requires authorization to export electric energy from the United States.

On June 22, 1995, the Arizona Public Service Company (APS) applied to the DOE for a Presidential permit to construct a new 34.5-kilovolt (kV) electric transmission facility between the United States and Mexico from a point in Douglas, Arizona, to the international boundary adjacent to Agua Prieta, Sonora, Mexico. The proposed facility, identified by APS as the "Douglas-Pan American Highway Line," would tap an existing APS-owned 34.5-kV line that originates at the Fairview substation in Douglas, Arizona, and extend south approximately 4,000 feet to the U.S./Mexico border in the vicinity of Agua Prieta, Sonora, Mexico. The Fairview substation will be upgraded by adding a transformer and other equipment in order to accommodate the proposed transmission facilities. The tap will occur at the point where the

existing line currently ends. The proposed facility then will continue south, approximately 4,000 feet, following the Pan American Highway, to the border.

APS anticipates that these facilities will be used for the sale of emergency power both by APS to Comision Federal de Electricidad (CFE, the national electric utility of Mexico) and by CFE to APS. Consequently, by application filed on June 22, 1995, APS applied for authorization under section 202(e) of the Federal Power Act to use the facilities authorized herein to export electric energy to CFE.

Notice of APS' application for this Presidential permit was published in the Federal Register on September 8, 1995, (60 FR 46829) soliciting comments, protests, or requests to intervene. No responses to that notice were received. The Secretary of State and the Secretary of Defense favorably recommended that the request for a Presidential permit be granted as hereinafter provided.

DECISION

The DOE has assessed the potential environmental impacts associated with the issuance of the proposed Presidential permit 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 B4.6 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.

After a review of the information in the Docket, the DOE also has determined that the proposed project would not adversely impact the reliability of the U.S. electric power supply system. An analysis in support of this determination has also been placed in this Docket.

ORDER

Pursuant to the provisions of Executive Order No. 10485, as amended by Executive Order 12038, and the Rules and Regulations thereunder (Title 10, Code of Federal Regulations, section 205.320 et.seq.), permission is granted to the Arizona Public Service Company (APS), in Presidential Permit PP-107, to construct, connect, operate, and maintain electric transmission facilities at the international border of the United States and Mexico, as further described in Article 2 below, upon the following conditions:

Article 1. The facilities herein described shall be subject to all conditions, provisions and requirements of this permit. This permit may be modified or revoked by the President of the United States without notice, or by the DOE after public notice, and may be amended by the DOE after proper application thereto.

Article 2. The facilities covered by and subject to this permit shall include the following facilities and all supporting structures within the right-of-way occupied by such facilities:

One 34.5-kV electric transmission line extending approximately 4,000 feet from a tap of an existing APS-owned 34.5-kV transmission line that originates at the Fairview substation in Douglas, Arizona, to the border adjacent to Agua Prieta, Sonora, Mexico. The facilities authorized herein will cross the border at approximately 31° 20' 1.87" latitude north and 109° 33' 38.59" longitude west.

These facilities are more specifically shown and described in the application filed by the APS on June 22, 1995.

Article 3. The facilities described in Article 2 above shall be designed and operated in accordance with the applicable criteria established by the Western Systems Coordinating Counsel and consistent with that of the North American Electric Reliability Council. In addition, the facilities described in Article 2 above may be used to import up to 20 megawatts of electric power and associated energy from the Comision Federal de Electricidad (CFE) but only to the extent that such import serves load radially connected to the CFE system and does not result in a synchronous connection between CFE and APS.

Article 4. No change shall be made in the facilities covered by this permit or in the authorized operation of these facilities unless such change has been approved by the DOE.

Article 5. APS shall at all times maintain the facilities covered by this permit in a satisfactory condition so that all requirements of the National Electric Safety Code in effect at the time of construction are fully met.

Article 6. The operation and maintenance of the facilities covered by this permit shall be subject to the inspection and approval of a properly designated representative of the DOE, who shall be an authorized representative of the United States for such purposes. APS shall allow officers or employees of the United States, with written authorization, free and unrestricted access into, through, and across any lands occupied by these facilities in the performance of their duties.

Article 7. APS shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this permit. APS shall take appropriate action as necessary to mitigate such situations. Complaints from individuals residing within one-half mile of the center of the transmission circuit are the only ones which must be resolved. APS shall maintain written records of all complaints received and of the corrective actions taken.

Article 8. The United States shall not be responsible or liable: for damages to or loss of the property of, or injuries to, persons; for damages to, or loss of the facilities covered by this permit; or for damages to, or loss of the property of, or injuries to the person of APS officers, agents, servants or employees or of others who may be on said premises; any of which may arise from or be incident to the exercise of the privileges granted herein; and APS shall hold the United States harmless from any and all such claims.

Article 9. APS shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow of all electric energy transmitted between Mexico and the United States over the facilities authorized herein. APS shall prepare, maintain, and preserve complete and accurate records concerning the transfer of such electric energy and 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 (in kilowatt- hours) received or delivered; (2) the consideration paid or received for such energy; and (3) the peak hourly rate of transmission.

Article 10. Neither this permit nor the facilities covered by this permit, or any part thereof, shall be transferable or assignable, except in the event of the involuntary transfer of the facilities by the operation of law. In the case of such an involuntary transfer, this permit shall continue in effect for a period of 60 days and then shall terminate unless an application for a new permit pursuant to Title 10, Code of Federal Regulations, section 205.323, has been received by the DOE. Upon receipt by the DOE of such an application, this existing permit shall continue in effect pending a decision on the new application. During this decision period, the facilities authorized herein shall remain substantially the same as before the transfer.

Article 11. Upon the termination, revocation or surrender of this permit, the 34.5-kV transmission line which is owned, connected, operated, and maintained by APS and described in Article 2 of this permit, shall be removed within such time as DOE may specify and at the

expense of the APS. If APS fails to remove such facilities and/or any portion thereof authorized by this permit, DOE may direct that such actions be taken for the facilities or the

restoration of the land associated with the facilities at the expense of APS. APS shall have no claim for damages by reason of such possession, removal or repair.

Issued in Washington, D.C. on November 28, 1995.

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