

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Export File
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EA-13-F

EXPORTATION OF ELECTRIC ENERGY
EXPORT RATE SCHEDULE
TRANSMISSION FACILITIES AT
INTERNATIONAL BORDER

Before Commissioners: Richard L. Dunham, Chairman;
Don S. Smith, John H. Holloman III,
and James G. Watt.

Niagara Mohawk Power Corporation) Docket Nos. IT-6078
) and E-6640

ORDER AUTHORIZING TRANSMISSION OF
ELECTRIC ENERGY TO CANADA, SUPERSEDING
PRIOR AUTHORIZATIONS, ACCEPTING
EXPORT RATE SCHEDULE SUPPLEMENT FOR FILING,
AND RELEASING AMENDMENT
TO PERMIT FOR ELECTRIC
TRANSMISSION FACILITIES AT
UNITED STATES-CANADIAN BORDER

(Issued January 19, 1977)

This order (1) authorizes increases in the amounts and transmission rates of electric energy exported to the Province of Quebec, Canada, by Niagara Mohawk Power Corporation (Niagara Mohawk) from the two points in Franklin County, New York, Docket Nos. IT-6078 and E-6640, (2) accepts for filing, as a change in Niagara Mohawk's Export Rate Schedule FPC No. 4, a new rate schedule which provides for higher charges with respect to Niagara Mohawk's sales of the exported energy to Quebec Hydro-Electric Commission (Hydro Quebec), and (3) releases the Amendment to Permit of Niagara Mohawk, Docket No. E-6640, which authorizes changes in its electric transmission facilities located at the United States-Canadian border near Fort Covington, Franklin County, New York, such facilities being among those utilized to export the energy.

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Niagara Mohawk is incorporated under the laws of the State of New York, with its principal place of business at Syracuse, New York.

PRIOR COMMISSION ACTIONS

The Commission, by order issued July 15, 1974, in Docket Nos. IT-6078 and E-6640 (52 FPC 122), authorized Niagara Mohawk to transmit electric energy from the United States to Canada as follows:

In Docket No. IT-6078, an amount not to exceed 3,000,000 kwh per year at a rate of transmission not to exceed 800 kw over Niagara Mohawk's 4,800 volt facilities which extend overhead from a point near the Hamlet of Hogansburg, Franklin County, New York, to a point on the international border between the United States and Canada near the village of the St. Regis Indian Reservation, Province of Quebec, where the energy is delivered to Hydro Quebec for distribution within the Reservation, such facilities being covered by Niagara Mohawk's Presidential Permit signed by the President of the United States on January 31, 1948, as amended, Docket No. IT-6079;

and

In Docket No. E-6640, an amount not to exceed 2,000,000 kwh per year at a rate of transmission not to exceed 500 kw over Niagara Mohawk's 4,800 volt facilities which extend overhead from a point near the Hamlet of Chapman, Town of Fort Covington, Franklin County, New York, to a point on the aforementioned international border near the Chenail Road District of the St. Regis Indian Reservation, where the energy is delivered to Hydro Quebec for distribution within the Reservation, such facilities being covered by Niagara Mohawk's Permit signed by the Chairman of the Commission on January 24, 1956, Docket No. E-6640.

In addition, the Commission's above-mentioned order of July 15, 1974, accepted for filing Supplement No. 2 to Niagara Mohawk's Export Rate Schedule FPC No. 4 under which the exported energy is sold to Hydro Quebec.

PROPOSED MODIFICATIONS OF EXPORTS, FACILITIES AND CHARGES

Applications for supplemental export orders were filed by Niagara Mohawk in Docket Nos. IT-6078 and E-6640 on February 2, 1976, pursuant to Section 202(e) of the Federal Power Act. The order applied for in each docket would authorize Niagara Mohawk to increase the amount and transmission rate of electric energy exported to Hydro Quebec to 5,000,000 kwh per year and 900 kw, respectively. The additional amounts of energy are needed to meet the growth in the electric service requirements of consumers served by Hydro Quebec in the St. Regis Indian Reservation, most of whom are residential customers.

The application submitted in Docket No. IT-6078 states that no change in the electric transmission facilities specified in Niagara Mohawk's amended Presidential Permit, Docket No. IT-6079, is contemplated by reason of the proposed increases in the amount and transmission rate of electric energy exported by means of those facilities. The application submitted in Docket No. E-6640 states, however, that Niagara Mohawk proposes to make certain changes in the electric transmission facilities specified in its Permit, Docket No. E-6640, by reason of the proposed increases in the amount and transmission rate of energy exported over such facilities. Therefore, the application filed in Docket No. E-6640 is being treated as a request for, among other things, an amendment to Niagara Mohawk's Permit in that docket which would authorize, pursuant to Executive Order No. 10485, dated September 3, 1953, changes in the facilities covered by that Permit, including the conversion from single-phase service to three-phase service, the addition of two wires on the transmission line, and an increase in the operating voltage from 4,800 volts to 13,200 volts.

The increased amounts of electric energy proposed to be exported will be sold and delivered by Niagara Mohawk to Hydro Quebec in accordance with the terms and conditions and at the rates and charges set forth and included in the rate schedule which Niagara Mohawk submitted as part of each appli-

cation referred to above. Such rate schedule is deemed to have been tendered for filing by Niagara Mohawk as a change in its export rate schedule pursuant to the provisions of Part 35 of the Commission's Regulations under the Federal Power Act, particularly Sections 35.13 and 35.20 thereof (18 CFR 35.13 and 35.20), and is designated in the Commission's files as Supplement No. 3 to Niagara Mohawk's Export Rate Schedule FPC No. 4. Upon acceptance for filing, as hereinafter provided, the new rate schedule will supersede Supplement No. 2 to Niagara Mohawk's Export Rate Schedule FPC No. 4. The demand and energy charges to Hydro Quebec will be increased under the proposed rate schedule.

PUBLIC NOTICE OF APPLICATIONS

Written notice of Niagara Mohawk's applications has been given to the Public Service Commission of the State of New York and to the Governor of that State. Notice of the applications has also been given by publication in the Federal Register on March 18, 1976 (41 F.R. 11358), stating that any person desiring to be heard or to make any protest with reference to the applications should on or before April 9, 1976, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10). No petition or protest or request to be heard in opposition to the granting of the applications has been received.

MERITS OF PROPOSALS

Niagara Mohawk is engaged in, among other things, the generation, purchase, transmission, distribution and sale of electric energy in upstate New York. Niagara Mohawk is a member of the New York Power Pool (Power Pool). The net assured system generating capacity of Niagara Mohawk and the Power Pool were 4,356,090 kw and 22,834,000 kw, respectively, at the end of calendar year 1975. Niagara Mohawk also interconnects and exchanges energy with The Hydro-Electric Power Commission of Ontario (Ontario Hydro) and Canadian Niagara Power Company, Ltd. (Canadian Niagara) at several points on the United States-Canadian border in the Niagara River and ..

St. Lawrence River areas. 1/ Under these circumstances, the expanding consumption of energy within the St. Regis Indian Reservation is not burdensome to Niagara Mohawk's system. The location and size of the proposed larger deliveries of energy to Hydro Quebec are such that they will have little or no effect on the operation of Niagara Mohawk's system. Accordingly, adequate support exists for Niagara Mohawk's representation that the increased amounts of energy proposed for exportation are "relatively insignificant" when considered in the light of its total electric supply resources.

The changes contemplated in the electric transmission facilities covered by Niagara Mohawk's Permit, Docket No. E-6640, as described above, are necessary to accommodate the increased amount and transmission rate of electric energy which Niagara Mohawk proposes to deliver to Hydro Quebec by means of those facilities. The Commission has determined that it will be consistent with the public interest to issue an amendment to Niagara Mohawk's Permit authorizing the aforementioned changes in the subject facilities and has obtained the favorable recommendations of the Secretaries of State and Defense concerning such amendment, all as required by Executive Order No. 10485 and as more particularly set forth in the Amendment to Permit signed by the Chairman of the Commission on January 19, 1977, and released hereinafter.

The higher demand and energy charges proposed for the sales of electric energy to Hydro Quebec by Niagara Mohawk are substantially identical to its rates for electric service rendered to certain retail customers in upstate New York. Therefore the new export rate schedule does not create a preference for a foreign customer of Niagara Mohawk so as to burden its service to other customers.

ENVIRONMENTAL IMPACT

The foregoing discussion of the merits of Niagara Mohawk's proposed modification of its export authorizations and amendment to its transmission facilities permit clearly establishes

1/ Niagara Mohawk's interconnections and exchanges of electric energy with Ontario Hydro and Canadian Niagara have been authorized by the Commission in various dockets, including Docket No. E-6797.

that approval of the applications seeking the supplemental export orders in Docket Nos. IT-6078 and E-6640 and release of the Amendment to Permit requested in Docket No. E-6640, all as hereinafter provided, will not constitute "major Federal actions significantly affecting the quality of the human environment" within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA) and, therefore, a detailed environmental impact statement by the Commission is not required under NEPA with respect to such approval and release.

The Commission further finds:

(1) The proposed transmission of electric energy from the United States to Canada, as limited herein and as hereinafter authorized, will not impair the sufficiency of electric supply within the United States and will not impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of the Commission.

(2) It is necessary and appropriate for purposes of Part 35 of the Commission's Regulations under the Federal Power Act that Supplement No. 3 to Niagara Mohawk's Export Rate Schedule FPC No. 4 be accepted for filing and allowed to take effect as of March 4, 1976, 30 days after such supplement was tendered for filing, as hereinafter provided.

(3) The requirements of Executive Order No. 10485 applicable to the issuance of the Amendment to Permit requested by Niagara Mohawk in Docket No. E-6640 for certain changes in its electric transmission facilities at the United States-Canadian border, as described above, have been complied with, and it is therefore appropriate and in the public interest that such Amendment to Permit, as signed by the Chairman of the Commission, be released as hereinafter provided.

The Commission orders:

(A) Niagara Mohawk is hereby authorized to transmit electric energy from the United States to Canada in accordance with the terms and conditions set forth in the applications, and subject to the provisions of this order.

(B) The electric energy which Niagara Mohawk is hereby authorized in Docket No. IT-6078 to transmit from the United States to Canada shall be in an amount not to exceed 5,000,000 kwh per year at a rate of transmission not to exceed 900 kw; the energy to be transmitted over the facilities specified in the aforementioned Presidential Permit signed by the President of the United States on January 31, 1948, as amended, Docket No. IT-6079.

(C) The electric energy which Niagara Mohawk is hereby authorized in Docket No. E-6640 to transmit from the United States to Canada shall be in an amount not to exceed 5,000,000 kwh per year at a rate of transmission not to exceed 900 kw; the energy to be transmitted over the facilities specified in the aforementioned Permit signed by the Chairman of the Commission on January 24, 1956, as amended by the Amendment to Permit signed by the Chairman of the Commission on January 19, 1977, Docket No. E-6640.

(D) Supplement No. 3 to Niagara Mohawk's Export Rate Schedule FPC No. 4 is hereby accepted for filing and allowed to take effect as of March 4, 1976.

(E) Concurrently with the issuance of this order, the Amendment to Permit signed by the Chairman of the Commission in Docket No. E-6640, referred to in Paragraph (C) above, shall be released and a copy thereof transmitted by the Secretary to Niagara Mohawk.

(F) Niagara Mohawk shall provide for the installation and maintenance of adequate metering equipment to measure the flow of all electric energy transmitted from the United States to Canada pursuant to the authorizations herein granted; shall make, keep and preserve full and complete records with respect to the movement of such energy; and shall furnish, in triplicate, to the Commission, with respect to such transmission of energy, reports on or before February 15 of each year, in Docket Nos. IT-6078 and E-6640, showing, for each month of the preceding calendar year, the kwh of energy delivered, the maximum kw rate of transmission, and the consideration received therefor.

(G) The authorizations herein granted may be modified from time to time or terminated by further order of the Commission, but in no event shall such authorizations extend beyond the date of termination or expiration of the Presidential Permit signed by the President of the United States, as amended, or the Permit signed by the Chairman of the Commission, as amended, referred to in Paragraphs (B) and (C) above.

(H) Niagara Mohawk shall conduct all operations pursuant to the authorizations herein granted in accordance with the provisions of the Federal Power Act and pertinent rules, regulations or orders issued by the Commission.

(I) Each authorization herein granted to transmit electric energy from the United States to Canada shall be non-transferable and non-assignable, but in the event of the involuntary transfer of the facilities used for such transmission by operation of law (including such transfers to receivers, trustees, or purchasers under foreclosure or judicial sale), said authorizations shall continue in effect temporarily for a reasonable time thereafter pending the making of applications for permanent authorizations and decisions thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the physical facts relating to sufficiency of supply, rates, and nature of use remain substantially the same as before the transfer.

(J) The authorizations herein granted shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in the State or State regulatory commission over Niagara Mohawk.

(K) The authorizations herein granted are without prejudice to the authority of this Commission, or any other regulatory body, with respect to rates, service, accounts, valuation, estimates or determinations of cost, or any other matter whatsoever now pending or which may come before this Commission, or any other regulatory body, and nothing herein shall be construed as an acquiescence by this Commission in any estimate or determination of cost or any valuation of property claimed or asserted.

(L) Acceptance of the rate schedule supplement as referred to in Paragraph (D) above is without prejudice to any findings or orders which have been or may hereafter be made by this Commission in this or any proceeding now pending or hereafter instituted by or against Niagara Mohawk.

(M) Nothing contained in this order shall be construed as constituting approval by this Commission of any service, rate, charge, classification or any rule, regulation, contract or practice affecting such service or rate provided for in the rate schedule supplement referred to in Paragraph (D) above; nor shall this order be deemed as recognizing any claimed contractual right or obligation affecting or relating to such service or rate.

(N) The authorizations herein granted shall supersede those authorizations heretofore granted by Commission order issued July 15, 1974, in Docket Nos. IT-6078 and E-6640, referred to above.

By the Commission.

(S E A L)

Kenneth F. Plumb,
Secretary.