

PRESIDENTIAL PERMIT

SAN DIEGO GAS & ELECTRIC COMPANY

ORDER NO. PP-68-2

I. BACKGROUND

The Office of Fossil Energy (FE) of the Department of Energy (DOE) has the responsibility for implementing Executive Order (EO) 10485, as amended by EO 12038, which requires the issuance of Presidential permits for the construction, operation, maintenance, or connection of electric transmission facilities at the United States international border.

On January 12, 1981, the Department of Energy (DOE) issued Presidential Permit PP-68 to San Diego Gas & Electric Company (SDG&E) authorizing it to construct, operate, maintain, and connect a 230,000-volt (230-kV) electric transmission line that extends from its Miguel Substation to the United States border with Mexico, a distance of approximately 10 miles. From the U.S.-Mexican border, the transmission line extends into Mexico and interconnects with the Comision Federal de Electricidad (CFE) electric system at its Tijuana Substation. At that time, SDG&E was authorized to construct towers capable of accommodating two electrical circuits but only to install a single electrical circuit with a single set of conductors on one side of those towers. On November 8, 1982, in Docket PP-68-1, DOE amended Presidential Permit PP-68 to authorize SDG&E to add a second set of conductors to the towers. However, the two sets of conductors (a total of 6 conductors) are connected and are operated as a single electrical circuit; i.e., a "twinned" circuit.

On February 8, 2001, SDG&E filed an application with the Office of Fossil Energy (FE) of DOE to again amend the existing Presidential permit to authorize it to make certain changes to the existing transmission line to provide for the connection of the 510-megawatt (MW) Otay Mesa merchant powerplant being developed 1.5 miles north of the border. To interconnect the new powerplant to the existing PP-68 international transmission facilities, SDG&E proposes to construct a 5-acre switchyard within the fenced boundary of the powerplant and to construct approximately 0.1 miles of new 230-kV transmission line to interconnect with the 230-kV Miguel-Tijuana transmission line.

SDG&E also proposes to reconductor that portion of the existing twinned transmission line from the new 5-acre switchyard, north to the Miguel Substation, a distance of approximately 9 miles. SDG&E proposes to bundle each circuit by adding a second set of conductors to each phase (i.e., 12 total conductors versus 6 that currently exist), and to operate the resulting facilities from the Otay Mesa switchyard north as two separate electrical circuits. The 1.5 mile portion of SDG&E's Miguel-Tijuana international transmission line south of the Otay Mesa powerplant will remain unchanged and continue to be operated as a single twinned electrical circuit.

Notice of SDG&E's application to amend Presidential Permit PP-68 was published in the *Federal Register* on February 27, 2001 (66 FR 12504) requesting that comments, protests, and petitions to intervene be submitted to DOE by March 29, 2001. A timely Notice of Intervention by the California Public Utilities Commission was received on March 23, 2001.

II. DISCUSSION

In the February 27, 2001 *Federal Register* notice, DOE indicated that if Presidential Permit PP-68 were amended in this proceeding it would contain a condition requiring SDG&E to provide non-discriminatory, open access transmission services over the subject international transmission line. Such a condition has not been included in this permit at this time, since DOE is considering an administrative action that would apply the principles of non-discriminatory open access to all international transmission lines, including this line.

III. FINDING AND DECISION

DOE has assessed the impact that the proposed modification of the existing international transmission facilities would have on the reliability of the U.S. electric power supply system. Based on that assessment, DOE has determined that the proposed modification would not adversely impact the reliability of the U.S. electric power supply system. An analysis supporting this determination has been placed in the docket in this proceeding.

DOE has also determined that the amendment of this Presidential permit clearly would not constitute a major Federal action which could significantly affect the quality of the human environment within the meaning of the National Environmental Policy Act of 1969. DOE has documented the rationale supporting this determination in a Finding of No Significant Impact, dated September 24, 2001.

The Secretary of State and the Secretary of Defense have concurred in the amendment of Presidential Permit PP-68.

Based on the above, DOE finds that amending Presidential Permit PP-68 as requested by SDG&E is consistent with the public interest.

IV. ORDER

Pursuant to the provision of EO 10485, as amended by EO 12038, and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, section 205.320 et. seq.), Presidential Permit PP-68 is hereby amended to read as follows:

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 DOE after public notice, and may be amended by 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:

- (a) Two three-phase, 60 hertz, 230,000-volt (230-kV) overhead transmission lines supported on double-circuit steel towers and extending approximately 10 miles from SDG&E's Miguel Substation to the U.S.-Mexican international border. From the border, these facilities continue into Mexico and terminate at the Tijuana Substation owned by the Comision Federal de Electricidad.
- (b) Approximately 0.1 miles of 230-kV transmission between the Miguel-Tijuana 230-kV international transmission line (authorized in paragraph (a)) and the Otay Mesa Generating Project (OMGP) switchyard for the purpose of connecting OMGP to the SDG&E electrical system;
- (c) From the point where the OMGP connects to the 230-kV facilities authorized in paragraph (a), north to the connection with SDG&E's Miguel Substation, each phase of the facilities authorized herein shall consist of two 900 kcmil ACSS/AW conductors (i.e., 12 total conductors) and shall be operated as two separate electrical circuits. From the point of connection to the OMGP, south to the U.S. international border, each phase of the facilities authorized herein shall consist of a single 1033.5 kcmil ACSR Ortolan conductor (i.e., 6 total conductors) and shall be operated as a single "twinned" electrical circuit.

The facilities authorized by this permit are more fully described in SDG&E's applications filed with DOE on April 2, 1979, December 2, 1981, and February 8, 2001, the Final Environmental Impact Statement (DOE/EIS-0067) issued by DOE on November 14, 1980, and the Environmental Assessment (EA-1383) prepared by DOE in September 2001.

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 Council and the California Independent System Operator and consistent with those of the North American Electric Reliability Council or its successor.

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 DOE.

Article 5. SDG&E 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 DOE, who shall be an authorized representative of the United States for such purposes. SDG&E 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. SDG&E shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this permit. SDG&E 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. SDG&E 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 SDG&E 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 SDG&E shall hold the United States harmless from any and all such claims.

Article 9. SDG&E shall arrange for the installation and maintenance of appropriate metering equipment to record permanently the hourly flow of all electric energy transmitted between the United States and Mexico over the facilities authorized herein. SDG&E shall make and preserve full and complete records with respect to the electric energy exported to Mexico. SDG&E shall furnish annual reports to DOE, by the 15th of February each year, detailing for each month of the previous year: (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. Annual 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 year is sufficient.

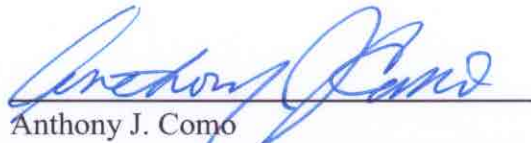
Reports shall be submitted to the U.S. Department of Energy, Office of Fossil Energy, FE-27, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305. Properly identified reports will also be accepted via facsimile at (202) 287-5736 to meet time requirements, but original copies should still be filed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

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

DOE. Upon receipt by 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 230-kV transmission lines which are owned, connected, operated, and maintained by SDG&E and described in Article 2 of this permit, shall be removed and the land restored to its original condition within such time as DOE may specify and at the expense of SDG&E. If SDG&E fails to remove such facilities and/or any portion thereof authorized by this permit, DOE may direct that such actions be taken for the removal of the facilities or the restoration of the land associated with the facilities at the expense of SDG&E. SDG&E shall have no claim for damages by reason of such possession, removal or repair. However, if certain facilities authorized herein are useful for other utility operations within the bounds of the United States, DOE will not require that those facilities be removed and the land restored to its original condition upon termination of the international interconnection.

Issued in Washington, D.C. on September 26, 2001.

A handwritten signature in blue ink, appearing to read "Anthony J. Como", is written over a horizontal line.

Anthony J. Como
Deputy Director, Electric Power Regulation
Office of Coal & Power Import/Export
Office of Coal & Power Systems
Office of Fossil Energy