11-03-59

PERMIT

AUTHORIZING

PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY

TO CONSTRUCT, OPERATE, MAINTAIN AND CONNECT

ELECTRIC TRANSMISSION FACILITIES

AT THE INTERNATIONAL BORDER BETWEEN

THE UNITED STATES AND CANADA

(FEDERAL POWER COMMISSION - DOCKET NO. E-6896)

Public Utility District No. 1 of Pend Oreille County (hereinafter referred to as Permittee), a municipal corporation organized under the laws of the State of Washington, with its principal place of business at Newport, Washington, in an application filed in Docket No. E-6896, on August 12, 1959, requested permission to construct, operate, maintain and connect the electric transmission facilities described in Article 2 below, at the international boundary between the United States and Canada. Permittee, which is not required under Section 202 (e) of the Federal Power Act to obtain an order from the Federal Power Commission authorizing it to transmit electric energy from the United States to a foreign country by virtue of the exemption afforded municipal corporations under the provisions of Section 201 (f) of the Act and the definition of the word "person," among others, in Sections 3 (h), 3 (3), and 3 (7) of the Act, proposes to transmit electric energy between the United States and Canada over the facilities described in Article 2. */

By letter dated , 1959, the Secretary of State and by letter dated , 1959, the Secretary of Defense favorably recommended that the Permit be granted as hereinafter provided.

Upon consideration of this matter, the Commission finds that the issuance of a Permit as hereinafter provided is appropriate and consistent with the public interest.

My On August 12, 1959, concurrently with its filing of an application for a Permit herein, Permittee tendered for filing with the Federal Power Commission in Docket No. E-6895 an application for authorization, pursuant to Section 202 (e) of the Federal Power Act, to transmit electric energy from the United States to Canada. Since Section 202 (e) does not require a municipal corporation to file an application for such authorization, the Commission returned the application to Permittee.

Pursuant to the provisions of Executive Order No. 10485, dated September 3, 1953, and the Commission's Regulations under the Federal Power Act, permission is hereby granted to Permittee to construct, operate, maintain and connect the electric transmission facilities described in Article 2 below, at the international boundary between the United States and Canada.

Article 1. Permittee agrees that the facilities herein described shall be subject to all conditions, provisions and requirements of this Permit; and that this Permit may be modified or revoked at the will and pleasure of the President of the United States. The Permittee further agrees that this Permit may be modified or revoked by the Federal Power Commission upon a finding that such modification or revocation is necessary in the public interest. Nothing herein shall prevent amendment of this Permit upon application to the Commission by the Permittee.

Article 2. The facilities covered by and subject to this Permit shall include:

One single phase 7.2 kv line located at the international boundary 220 feet, more or less, east of United States General Land Office Monument set at the north common corner of Sec. 1, T. 40 N., R. 43 E. and Sec. 6, T. 40 N., R. 44 E., Willamette Meridian, Pend Oreille County, Washington.

In addition to the aforedescribed facilities, this Permit shall include any lands and related structures within the rights-of-way occupied by such facilities, all as more specifically shown and described in the application. No substantial change shall hereafter be made in facilities and operations authorized by this Permit until such change shall have been approved by the Commission.

Article 3. The construction, operation, maintenance and connection of the aforesaid facilities shall be subject to the inspection and approval of the District Engineer, Corps of Engineers, United States Army, in charge of the district affected herein and a representative of the Commission, both of whom shall be authorized representatives of the United States for such purposes. The Permittee shall allow officers or employees of the United States showing proper credentials free and unrestricted access into, through and across any lands occupied by said facilities in the performance of their official duties.

Article 4. In the construction, operation, maintenance and connection of the facilities herein specified, the Permittee shall place and maintain suitable structures to reduce to a reasonable degree the liability of contact or inductive interference between its transmission facilities and any other facilities not owned by the Permittee.

Article 5. Permittee agrees to comply promptly with any regulations or instructions affecting the facilities, or any part thereof, covered by this Permit which may be issued by the President of the United States or any Government department or agency of the United States for the aid and protection of aerial navigation.

Article 6. The Permittee shall be liable for all damages occasioned to the property of others by the construction, operation, maintenance and connection of the aforesaid facilities, and in no event shall the United States be liable therefor. The Permittee shall do everything reasonably within its power to prevent or suppress fires on or near any land occupied under this Permit.

Article 7. Permittee agrees to file with the Commission, under oath and in such detail as the Commission may require, such statements or reports with respect to the energy transmitted or the facilities authorized herein, as the Commission may, from time to time, request. Such information may be made available to any Federal, State or local agency requesting such information.

Article 8. Neither this Permit nor the facilities, or any part thereof, covered by this Permit, shall be transferable or assignable, but in the event of the involuntary transfer of the facilities by operation of law (including such transfers to receivers, trustees or purchasers under foreclosure or judicial sales) the Permit shall continue in effect temporarily for a reasonable time thereafter pending the making of an application for a new Permit and decision thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the facilities authorized by this Permit remain substantially the same as before the transfer. The Permittee shall maintain the facilities, or any part thereof, in a condition of repair for the efficient operation of said facilities in the transmission of electric energy, and shall make all necessary renewals and replacements.

Article 9. Upon the termination, revocation or surrender of this Permit, the facilities, including any related structures herein authorized, shall be removed within such time as the Commission may specify and at the expense of the Permittee. Upon failure of the Permittee to remove such facilities or any portion thereof, the Commission may direct that possession of the same may be taken and the facilities removed at the expense of the Permittee, and the Permittee shall have no claim for damages by reason of such possession or removal.

Article 10. The Permittee agrees that when in the opinion of the President of the United States, evidenced by a written order addressed to it as holder of this Permit, the safety of the United States

demands it, the United States shall have the right to enter upon and take possession of the facilities, or any part thereof, maintained or operated under this Permit, and all contracts covering the transmission of electric energy by means of said facilities, or any part thereof, and shall retain possession, management and control thereof for such length of time as may appear to the President to be necessary to accomplish said purpose and then restore possession and control to the Permittee; and in the event that the United States shall exercise such right, it shall pay to the Permittee just and fair compensation for the use of said facilities as may be fixed by the Commission upon the basis of a reasonable profit in time of peace, and the cost of restoring said facilities to as good condition as existed at the taking over thereof, less the reasonable value of any improvements that may be made thereto by the United States and which are valuable to the Permittee.

IN WITNESS WHEREOF, I, signed my name this day of District of Columbia.

, have hereunto 1959, in the City of Washington,

Chairman of the Federal Power Commission IN TESTIMONY OF ACCEPTANCE of all the provisions, conditions and requirements of this Permit, the Permittee this day of , 1959, has caused its name to be signed by its President, and its corporate seal to be affixed hereto and attested by its Secretary, pursuant to a resolution of its Board of Directors duly adopted on the day of , 1959, a certified copy of the record of which is attached hereto.

Public Utility District No. 1 of Pend Oreille County

By_

President

SEAL

(Attest)

Secretary

Public Utility District No. 1 of Pend Oreille County

(Approved)

Commissioner

Executed in triplicate