

PRESIDENTIAL PERMIT

HILL COUNTY ELECTRIC COOPERATIVE, INC.

ORDER NO. PP-118

I. 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 an application dated July 11, 1996, as amended on July 25, 1996, Hill County Electric Cooperative, Inc. (Hill County) applied to FE for a Presidential permit to construct a new 69-kilovolt (kV) electric transmission facility between the United States and Canada from a point in Hill County, Montana, to the international boundary adjacent to Wild Horse, Alberta, Canada. The proposed electric transmission line will extend approximately 17.5 miles from Hill County's existing North Gilford Substation to the border. At the border, the transmission line will connect with similar facilities owned and operated by TransCanada Power Corporation (TCP), a Canadian power marketing company.

The 69-kV line will be used to provide electric energy to a pump station owned by Express Pipeline Ltd. in the vicinity of Wild Horse, Alberta, Canada. The pump station in turn will serve a crude oil pipeline that will transport Canadian-produced oil from Hardisty, Alberta, Canada, to Casper, Wyoming. The pipeline is scheduled to begin operation in April 1997.

In order to be able to use the facilities authorized herein to export electric energy to the Express Pipeline pump station, on July 11, 1996, as amended on July 25, 1996, Hill County also applied to FE, under section 202(e) of the Federal Power Act, for an electricity export authorization. This related application is contained in FE Docket EA-118.

Notice of Hill County's application for a Presidential permit was published in the Federal Register on August 5, 1996, (61 FR 40618) soliciting comments, protests, or requests to intervene. No responses to that notice were received. Also the Secretary of State and the Secretary of Defense have favorably recommended issuance of a Presidential permit to Hill County for the proposed facility.

II. FINDING AND DECISION

The DOE has assessed the impact that the construction and operation of the proposed facility would have on the reliability of the U.S. electric power supply system. As a result of this review, the DOE has determined that the installation of the proposed 69-kV facility on the Hill

County electric system would not adversely impact the reliability of the U.S. electric power supply system. An analysis in support of this finding has been made a part of the record in this Docket.

The DOE has prepared an Environmental Assessment (EA) (DOE/EA-1192, December 1996) to analyze the potential environmental consequences of this proposed action and its alternatives. The EA was prepared in accordance with the requirements of the National Environmental Policy Act of 1969 (NEPA), as amended (Public Law 91-190, 42 U.S.C. 4321, et. seq.), the Council on Environmental Quality regulations implementing NEPA, and the DOE NEPA regulations. Based on the information and analysis contained in this EA, the DOE issued a Finding of No Significant Impact (FONSI) dated February 5, 1997, which concluded that the construction and operation of the proposed 69-kV transmission line and the related export of electric energy to Canada would not constitute a major Federal action which could significantly affect the quality of the human environment within the meaning of NEPA. A copy of DOE/EA-1192 and the FONSI have been placed in this Docket.

III. 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 Hill County Electric Cooperative, Inc. to construct, connect, operate, and maintain electric transmission facilities at the international border of the United States and Canada, 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 69-kV electric transmission line extending approximately 17.5 miles from the North Gilford Substation in Hill County, Montana, to the U.S.-Canada border adjacent to Wild Horse, Alberta, Canada.

These facilities are more specifically shown and described in the application filed by Hill County on July 12, 1996, as amended on July 25, 1996.

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 consistent with that of the North American Electric Reliability Council. Furthermore, the facilities authorized herein shall be used to supply only radial load at the Wild Horse Pumping

Station and shall not be interconnected with transmission systems located within Canada without further authorization by the DOE obtained through amendment of this permit.

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. Changes that can cause operation of the permitted facilities in a non-radial mode or as part of a networked system, or the addition of, or modification to, associated switch gear located in the North Gilford Substation will require amendment of this permit.

Article 5. Hill County 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. Hill County 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. Hill County shall investigate any complaints from nearby residents of radio or television interference identifiably caused by the operation of the facilities covered by this permit. Hill County 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. Hill County 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 Hill County 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 Hill County shall hold the United States harmless from any and all such claims.

Article 9. Hill County 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 Canada over the facilities authorized herein. Hill County 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 delivered, in kilowatt hours; (2) the consideration received for such energy; and (3) the maximum hourly rate of transmission in kilowatts.

Annual reports shall be submitted to the U.S. Department of Energy, Office of Fossil Energy, FE-52, 1000 Independence Avenue, SW, Washington, D.C. 20585-0305.

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 69-kV transmission line which is owned, connected, operated, and maintained by Hill County and described in Article 2 of this permit, shall be removed within such time as DOE may specify and at the expense of Hill County. If Hill County 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 Hill County. Hill County 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, the 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 February 6, 1997.

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