UNITED STATES DEPARTMENT OF ENERGY

Office of Fossil Energy
Washington, D.C.

FE Docket No. EA-98-I

Aquila Power Corporation; Avista Corporation; Avista Energy, Inc.;
Candela Energy Corporation; Edison Mission Marketing and Trading, Inc.;
El Paso Electric Company; El Paso Merchant Energy; Enron Power Marketing;
Idaho Power Company; Kansas City Power & Light; Northern States Power Company;
Pacific Gas & Electric Company; Pacific Northwest Generating Cooperative; PacifiCorp;
PanCanadian Energy Services, Inc; Powerex Corporation; PPL EnergyPlus, LLC;
PPL Montana, LLC; Portland General Electric Company; Public Service Company of Colorado;
Puget Sound Energy Ltd.; Southern California Edison Company, TransAlta Energy Marketing;
TransCanada Energy; Tucson Electric Power Company; UtiliCorp United, Inc.

Order Authorizing Electricity Exports to Canada

Order No. EA-98-I

August 6, 2002

WESTERN SYSTEMS POWER POOL

ORDER NO. EA-98-I

I. BACKGROUND

On January 8, 2002, in Order EA-98-H, the Office of Fossil Energy (FE) of the Department of Energy (DOE) authorized a collection of members of the Western Systems Power Pool (WSPP) to individually export electricity from the United States to British Columbia Hydro and Power Authority (BC Hydro), or other future Canadian members of the WSPP, under the terms and conditions of WSPP's pooling agreement and service schedules approved by the Federal Energy Regulatory Commission (FERC). That five-year authorization will expire on September 5, 2006.

Following issuance of Order EA-98-H, it was brought to the attention of FE that the collection of authorized exporters contained in the Order did not comport with the list of applicants contained in the WSPP application to renew the electricity export authorization contained in Order EA-98-C submitted to FE on August 8, 2001, and supplemented on August 17, 2001.

The purpose of this Order is to correctly identify those entities originally requested to be authorized to export electric energy to Canada as part of the WSPP. This correction is necessary due to an oversight by FE in processing the WSPP request to renew its electricity export authorization in FE Docket No. EA-98-H.

II. FINDING AND DECISION

The circumstances described in the application submitted in FE Docket EA-98-H were virtually identical to those for which export authority has previously been granted. Consequently, DOE finds that the electric reliability determination dated July 29, 1994, in FE Docket EA-98 is satisfactory to fulfill the statutory requirements of the Federal Power Act (FPA). Specifically, that reliability review determined that the export of electric energy to Canada, as requested by the Applicants, would not impair the sufficiency of electric supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities in accordance with section 202(e) of the FPA. The determination was based on all authorized exports being performed within the confines of the WSPP agreement. The agreement provides that any transaction, including exports, be limited to no more than one year in length, that no new transmission facilities to support these transactions will be built, and that members' native loads will not be put in jeopardy, as each service schedule provides for the interruption or curtailment

of service to another WSPP member so as not to jeopardize service to the seller's retail customers or to another member's transmission system.

Similarly, DOE finds that it has adequately satisfied its responsibility under the National Environmental Policy Act of 1969 through the documentation of a categorical exclusion in FE Docket EA-98.

II. ORDER

Order No. EA-98-H is hereby superseded and it is ordered that the following members of WSPP ("the Applicants") are authorized to export electricity to BC Hydro, or to other future Canadian members of the WSPP, under the terms and conditions of WSPP's pooling agreement and service schedules approved by FERC:

Aquila Power Corp.
Avista Corp.
Avista Energy, Inc.
Candela Energy Corp.
Edison Mission Marketing & Trading
El Paso Electric Company
El Paso Merchant Energy
Enron Power Marketing
Idaho Power Company
Kansas City Power & Light
Northern States Power Co.
Pacific Gas & Electric Company
Pacific Northwest Generating
PacifiCorp
PanCanadian Energy Services
Powerex Corp.
PPL EnergyPlus, LLC
PPL Montana, LLC
Portland General Electric Co.
Public Service Co. of Colorado
Puget Sound Energy Ltd.
Southern California Edison Co.
TransAlta Energy Marketing
TransCanada Energy
Tucson Electric Power Company
UtiliCorp United, Inc.

The Applicants are hereby authorized to export electric energy to Canada under the following terms and conditions:

(A) The electric energy exported by the Applicants pursuant to this Order may be delivered to Canada only over the following international transmission facilities:

Present Owner	Location	Voltage	Presidential Permit No.
Bonneville Power Administration	Blaine, WA	2-500 kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46

(B) Exports by the Applicants pursuant to this Order shall not cause total exports on the two 500-kV lines authorized by Presidential Permit PP-10, the 230-kV line authorized by Presidential Permit PP-36, and the 230 kV line authorized by Presidential Permit PP-46 (issued to Bonneville Power Administration (BPA)) to exceed the following limits:

Condition	PP-36 & PP-46 Limit	PP-10 Limit	Total Export Limit
All lines in service	400 MW	1500 MW	1900 MW
1-500 kV line out	400 MW	300 MW	700 MW
2-500 kV lines out	400 MW	0 MW	400 MW
1-230 kV line out	400 MW	1500 MW	1900 MW
2-230 kV lines out	0 MW	1500 MW	1500 MW

(C) Any requests by the Applicants for change to the export limits contained in paragraph (B) will be considered by DOE after submission by the Applicants of appropriate information demonstrating a change in the transmission transfer capability between BPA and BC Hydro, or BPA and West Kootenay Power.

(D) In scheduling the delivery of electricity exports to Canada, the Applicants shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Council, Regional Councils, or independent system operators, as appropriate, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(E) The Applicants shall conduct all operations pursuant to the authorization hereby granted in accordance with the provisions of the Federal Power Act and pertinent rules, regulations, and orders adopted or issued thereunder, including the comparable open access provisions of FERC Order No. 888, as amended.

(F) The authorization herein granted may be modified from time to time or terminated by further order of the DOE. In no event shall such authorization to export over a particular transmission facility identified in paragraph (A) extend beyond the date of termination of the Presidential permit authorizing such facility.

(G) This authorization shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in such State or State regulatory commission.

(H) The Applicants shall make and preserve full and complete records with respect to the electric energy exported to Canada. The Applicants shall furnish quarterly reports to the DOE, within 30 days following each calendar quarter, detailing for each month of the previous quarter: (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. Quarterly 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 quarter 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 quarterly 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.

(I) In accordance with 10 C.F.R. §205.305, this authorization is not transferable or assignable, except in the event of the involuntary transfer of this authority by operation of law. Provided written notice of the involuntary transfer is given DOE within 30 days, this authorization shall continue in effect temporarily. This continuance also is contingent on the filing of an application for permanent authorization within 60 days of the involuntary transfer; the authorization shall then remain effective until a decision is made on the new application. In the event of a proposed voluntary transfer of this authority to export electricity, the transferee and the transferor shall file jointly an application for a new export authorization, together with a statement of reasons for the transfer.

(J) Exports authorized herein shall be reduced or suspended, as appropriate, whenever a continuation of those exports would impair or tend to impair the reliability of the U.S. electric power supply system.

(K) This authorization shall be made effective as of September 5, 2001, and shall remain in effect for a period of five (5) years from the date of this Order. Application for renewal of this authorization may be filed within six months prior to expiration of this authorization.

Issued in Washington, D.C., on August 6, 2002.

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