

PERMIT AUTHORIZING

BOISE CASCADE CORPORATION

TO OPERATE, MAINTAIN AND CONNECT

ELECTRIC TRANSMISSION FACILITIES

AT THE INTERNATIONAL BORDER BETWEEN

THE UNITED STATES AND CANADA

(Federal Power Commission - Docket No. E-7286)

Boise Cascade Corporation (hereinafter referred to as Permittee), incorporated under the laws of the State of Delaware, with its principal place of business at Boise, Idaho, in an application filed in the above docket on April 18, 1966, requested permission, pursuant to Executive Order No. 10485, dated September 3, 1953, to operate, maintain and connect at the international border between the United States and Canada the constructed facilities described in Article 2 below for the transmission of electric energy between the United States and Canada. Permittee and its subsidiary, The Ontario-Minnesota Pulp and Paper Company Limited, transmit electric energy across the Rainy River between the Town of Fort Frances, Province of Ontario, Canada and the City of International Falls, Minnesota by means of certain facilities, including Permittee's facilities described in Article 2 below.

The Secretary of State by letter dated July 25, 1966 and the Secretary of Defense by letter dated August 5, 1966 favorably recommended that the Permit be granted herein 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.

Pursuant to the provisions of Executive Order No. 10485, dated September 3, 1953, and the Commission's Rules and Regulations thereunder, permission is hereby granted to Permittee to operate, maintain and connect the electric transmission facilities described in Article 2 below at the International border between the United States and Canada 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 or by the Federal Power Commission, and may be amended by the Federal Power Commission on proper application therefor.

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

A double circuit three phase 60 cycle 6.6 kv electric transmission line connected and operating as a single circuit located at the International Boundary at International Falls, Minnesota.

No substantial change shall hereafter be made in the above-described facilities and operation thereof authorized by this Permit unless and until such change shall have been approved by the Commission.

Article 3. Insofar as the electric facilities authorized herein, or which may be subsequently included herein by modification or amendment, are utilized for the transmission of electric energy from the United States to Canada, they may be utilized for such transmission only in the amount, at the rate, and in the manner authorized by the Commission under Section 202(e) of the Federal Power Act.

Article 4. The operation, maintenance and connection of the aforesaid facilities shall be subject to the inspection and approval of the Division Engineer, Corps of Engineers, United States Army in Chicago, Illinois 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 5. In the operation, maintenance and connection of the facilities herein specified, the Permittee shall place and maintain suitable structures to reduce to a reasonable degree the possibility of contact or inductive interference between its transmission facilities and any other facilities not owned by the Permittee.

Article 6. If, in the future, it should appear to the Secretary of the Army that any facilities or operations permitted hereunder cause unreasonable obstructions to the free navigation of any of the navigable waters of the United States, the Permittee may be required, upon notice from the Secretary of the Army, to remove or alter such of the facilities as are owned by it so as to render navigation through such waters free and unobstructed.

Article 7. Permittee shall comply promptly with any regulations or instructions affecting the facilities, or any part thereof, owned by it and 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 8. Permittee shall be liable for all damages occasioned to the property of others by the operation, maintenance, and connection of the facilities owned by it and covered by this Permit, and in no event shall the United States be liable therefor. Permittee shall do everything reasonably within its power to prevent or suppress fires on or near any land occupied under this Permit.

Article 9. Permittee shall install and maintain adequate metering equipment to measure the flow of all electric energy transmitted between the United States and Canada over the facilities authorized herein; 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 annually on or before February 15, showing the gross amount of kilowatt-hours received, the gross amount of kilowatt-hours delivered, the maximum kilowatt rate of transmission, and the consideration paid or received therefor by Permittee during each month of the preceding calendar year.

Article 10. 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 sale) 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. Permittee shall maintain the facilities, or any part thereof, owned, operated, maintained and connected by it as described above 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 11. Upon the termination, revocation or surrender of this Permit, the facilities herein authorized, which are owned, operated, maintained and connected by Permittee, 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 12. When in the opinion of the President of the United States, evidenced by a written order addressed to the 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, owned, operated, maintained, and connected by the Permittee 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 and serviceable to the Permittee.