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29 Jun. 2018

Clerk's Office
N.C. Utilities Commission

From: Oliver L. Canaday, 713 Camellia Ave., Panama City, FL 32404
 (pertains to farm on 909 Parker Town Road, Four Oaks, N.C.)
 (I am a rate paying customer to DEP, Two Accounts: 0341764413 & 6677642578))

→ To: N.C. Utility Commission, 430 N. Salisbury St., Dobbs Building, Raleigh, N.C. 27699-9001

Christopher J. Ayers, Executive Director, N.C. Utilities Commission, Dobbs Building,
 430 N. Salisbury St., 4326 Mail Service Center, Raleigh, N.C. 27699-4326
 (request to be represented by Public Staff)

Lawrence B. Somers, NCRH 20 / PO Box 1551, Raleigh, N.C. 27602

Ref: (a) Application of Duke Energy Progress, LLC (DEP) for Certificate of Environmental Compatibility and Public Convenience and Necessity (CPCN), via Docket No. E-2, Sub 1150 of 14 Jul. 2017, & includes information from 24 Jul. 2017 correction to DEP's revised Exhibit A, pp. 4-24 and 4-25 to application

(b) G.S. 62-15 (d), (g) Office of executive director; public staff, structure and function.

(c) G.S. 62-2 (a), (1), (3), (3a), (4), (4a) "To assure....result in lower cost of new facilities and lower rates over the operating lives of such new facilities"... (Intervener will use term: Life-Cycle Cost of Line, for purpose of this letter)

(d) G.S. 62-102. Application for Certificate (a), (4), c. "Alternatives to proposed action"

(e) G.S. 62-105. Burden of Proof, decision. (a) "...The Commission shall grant a certificate for the Construction, Operation, and Maintenance of the proposed transmission lines if it finds"....and (3) "That the cost associated with the proposed transmission line are reasonable."

(f) Commission "Order" Granting Certificate for Route 31 Transmission Line shown in Docket No. E-2, Sub 1150, date of 12 Jan. 2018

(g) Oliver L. Canaday's letter to Commission of 6 Jun. 2018, Objection to Order Denying Motion to Reconsideration

(h) Oliver L. Canaday's letter to Commission of 14 Jun. 2018, **Motion to Review "Fresh Evidence"** of DEP's Application for Construction of transmission Line, Route 31, via G.S. 62-78

(i) G.S. 62-65. Rules of Evidence. (a)

(j) Public Staff Letter to Commission of 16 Oct. 2017, Recommendation for Certificate

(k) Hearing Transcript of 31 Oct.2017, recorded by Linda S. Garrett , Notary Public No. 19971700150, pertaining to Docket No. E-2, Sub 1150

(l) DEP Letter of 25 Jun. 2018 signed by Lawrence B. Somers, pertaining to: Docket No. E-2, Sub 1150

(m) G.S. 62-70 Ex parte communications. (a), (b), (c), (d), (e), (f)

(n) **Fresh Evidence** -is not new evidence, **fresh evidence existed at the time of the initial trial, but for various reasons could not be put before the court.** (New evidence is that which has become available subsequent to the trial, and is much harder to gain admissibility in evidence that is fresh evidence.) (G.S. 62-78(d) - - - One reason for **Motion and having a Review; and Objection to Order Denying Motion to Reconsideration, to get Fresh Evidence into Record so it can be processed for action; was not addressed during the 31 Oct. 2017 Hearing according to transcript records**

(o) DEP Late-Filed Exhibit No. 2, Cost Comparison of the four best-scored alternative lines; -listed routes are: Route 31, Route 4, Route 32, Route 1, of 13 Nov. 2017

Encl: (1) CT. Siting Council, Life-Cycle Cost for a Typical 345kV Overhead Line, pie chart; with notes to show an on/about estimate for (230kV line cost per mile for 40 years/Life-Cycle Cost; X 5.27 miles (extra miles) on Route 31& shows extra cost paid by DEP's consuming public customers over 40 year life cycle); -(Intervener could not find a cost analysis by DEP that was a similar cost analysis, would expect something similar is given for the regular rate increases)

Subj: **Motion to Review Fresh Evidence** for the **Motion for Reconsideration**; this is **Motion to Compel a Review** DEP's Application, reference (a), for Lack of Burden of Proof via G.S. 62-2, G.S. 62-102, and G.S. 62-105 (DEP's Application does not comply with N.C. Law via General Statutes for "Cost" as required by G.S. 62-102, 62-105, and 62-2)

1. This is not frivolous, **Motion to Review Fresh Evidence** for the **Motion for Reconsideration** to **Motion -Must Compel a Review** of DEP's Application, reference (a). for cost requirements required by G.S. 62-102, 62-105, and 62-2; the Transcript is uncontroverted evidence, reference (k), DEP has not met cost requirements as required by N.C. General Statutes. DEP has not been forth coming to present cost associated with construction, operation, maintenance, and the "lower rates of the operating lives of such new facilities"- (Life-Cycle Cost). The Public Staff errored/oversight and did not require cost in Application, then the Commission granted "Order" for certificate for line without the cost in Application; for operations, maintenance, Life-Cycle Cost, and construction – (suspect new evidence).

The "Order" does not meet the requirements of cost via: G.S. 62-102, 62-105(a), and 62-2 and by creditable evidence via uncontroverted evidence in Transcript, reference (k), and (a). **Intervener Motions this is legal basis to rescind "Order"** due to not complying with G.S. 62-102, 62-105, and 62-2. The "Order" is flawed via not meeting requirements of G.S. 62-102, 62-105 and 62-2; and to **be rescinded for cause of non-compliance** with G.S. 62-102, 62-105, and 62-2. Intervener prays Commission seeks Justice, gives a Hard Look at Fresh Evidence not forthcoming at Hearing, reference (k). It is fact DEP failed to present Burden of Proof at Hearing for cost in compliance for G.S. 62-2, 62-102, and 62-105; via: 1) – Application not completed by DEP, reference (a); 2) -Public Staff did not identify in Application, reference (a), or Hearing; 3) -Commission did not identify during Hearing; and 4) -Intervener did not catch in reference (a) nor at Hearing. The DEP Application remains deficient in cost analysis of operations, maintenance, Life-Cycle Cost; and construction -(suspect new evidence). Application does not comply with G.S. 62-102, 62-105, and 62-2, this is creditable evidence to rescind "Order". DEP seeks this matter closed based on Commission's CPCN "Order". Intervener prays Commission gives a Hard Look at G.S. 62-80, -Where as the Commission may at any time upon notice to DPE and other parties of record: -rescind, -alter, -or amend any order or decision made by it; -to contribute to interest of the public for adequate, reliable ,and economical electrical service to all citizens and residences of the State.

Intervener Motions for Commission to action the Power to rescind "Order" due to DEP non-compliance of N.C. G.S. 62-2, 62-102, and 62-105 due to absence of cost: construction (suspect new evidence), operation, maintenance, and Life-Cycle Cost years, see enclosure (1). Intervener does not understand the protocol of how DEP's Application was forwarded recommending approval by Public Staff to Commission in letter of 16 Oct. 2017 as GS. 62-102 & 62-105 required cost incomplete via uncontroverted evidence in Transcript, reference (k), that date. **Intervener Motions for Investigation of this action**, as it is in Record and referenced in "Order" granting certificate.

The Public Staff's Recommendation, if defective, to be rescinded and corrected for Record.

2. Interveners reply to DEP's letter, reference (l), of 25 Jun. 2018. DEP demonstrates a disregard for N.C. General Statutes requirements of cost required by G.S. 62-102, 62-105 and 62-2 (4a). The legal basis of Interveners Motion to Review Fresh Evidence via DEP's Application, reference (a), is incomplete, and missing cost requirements of G.S. 62-102, 62-105(a), and 62-2 supported by uncontroverted evidence shown in DEP's Application and Transcript, reference (k). The Fresh Evidence, (raises many questions, one, how was cost overlooked), -changes the circumstances that provides creditable basis for the Commission to Rescind "Order"; -Evidence is presented below:

a. G.S. 62-2 Declaration of policy is almost 100% about rates, services, operations and adequate reliable supply of electrical power delivered economical to the people, economy, government of North Carolina; via declared policy of State of North Carolina. Reference (k) presents uncontroverted evidence DEP has not complied with G.S. 62-2 (4a) and incomplete, and creditable basis for "Order" to be rescinded.

1) -DEP failed to select lower cost of new facilities, (new 230kV transmission lines for 11.5 miles), (shown in Exhibit No. 2, suspect new evidence in record). The Route 4 line is \$543,153.00 less expensive than Route 31 which is on/about (o/a) 5.27 miles longer. Reference (o) and (k) is uncontroverted evidence DEP did not select lower cost facility, (11.5 mile transmission line), and does not comply with G.S. 62-2 (4a). This is creditable evidence for "Order" to be rescinded. (There is no mention in G.S. 62-2 to run a transmission line an extra o/a 5.27 miles for the N.C. rate payers to pay extra construction cost (suspect new evidence), for line and then pay for extra operation, maintenance cost of 5.27 miles and Life-Cycle Cost.) The extra cost and associated cost of 5.27 miles -transmission lines would be accommodation to residences on Route 4 that do not want the line across their property; the 5 weight of residential property purpose is to guide transmission line to a rural route, (Route 31);

-just connecting the dots in Transcript, reference (k).

2) DEP has failed to show the Life-Cycle Cost of a 230kV Overhead Transmission cost per-mile. See enclosure (1) for o/a estimate of per-mile for Life-Cycle Cost of 40 years. This is required for selection of Best Route. The extra cost per-mile to push electricity an extra 5.27 miles will never go away, each time there is a rate increase, the rate cost just piles up more to be paid by DEP N.C. rate payers; it is unnecessary expense, and guarded via public interest & G.S. 62-2. Route 4 is stated feasible & constructible by Engineers Burns & McDonnell via reference (a). Reference (k) and (a) is uncontroverted evidence DEP has not complied with G.S. 62-2 (4a), this is creditable evidence to rescind and amend "Order" to Route 4.

b. G.S. 62-102, (a), (4), c. "Alternatives to proposed action"; DEP has not presented the cost of "Alternatives to proposed action", which is construction -(suspect new evidence), operation, maintenance of line routes 31, 4, 32, & 1 to supply electric service to the Cleveland area. Construction was submitted as a Late-Filed Exhibit No. 2 -(suspect new evidence). Operation and maintenance cost is not presented, therefore incomplete, non-compliant. Reference (k) and (a) is uncontroverted evidence DEP is noncompliance with G.S. 62-102, (a), (4) c. This is creditable evidence to rescind "Order" and amend "Order" to Route 4.

c. G.S. 62-105 Burden of Proof, decision (a). DEP's Application does not meet requirements of reference (e). (Construction cost is suspect new evidence.) Reference (k) and (a) is uncontroverted evidence that DEP has not complied with G.S. 62-105 (a) and "Order" for CPCN; this is creditable evidence to rescind "Order" and Amend "Order" to Route 4.

3. Reference (o), DEP Late-Filed Exhibit No. 2, appears to be "new evidence" entered into the Record without authorization. Reason is: "new evidence" was not presented at Hearing, reference (k); it is not in DEP's Application, reference (a); and not authorized in Transcript, reference (k).

-Motion for Investigation, how Late-Filed Exhibit was entered into Record, via G.S. 62-37, G.S. 62-65, and G.S. 62-70.

4. Intervener has presented creditable evidence; via above paragraphs; to Commission that "Order", reference (f), is flawed with incomplete information submitted via DEP, The Public Staff, and in Record. This creditable evidence, is uncontroverted evidence, via Hearing Transcript, reference (k), DEP's Application, reference (a), and Record. This is substantial evidence for Commission to use Power of G.S. 62-80 to rescind "Order", and amend to use Route 4 for Best Route. See below:

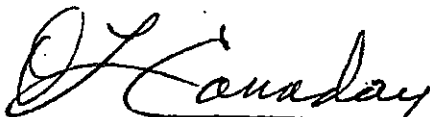
a. G.S. 62-102 is incomplete for cost of line operation, maintenance, and construction -is suspect new evidence; -cost is not in reference (a) nor presented at Hearing.

b. G.S. 62-105 (a) is incomplete for cost of line operation, maintenance, and construction -is suspect new evidence; -cost is not in reference (a) nor presented at Hearing.

c. G.S. 62-2 (a), (4a) has not been complied with; via: "To assure...-result in lower cost of new facilities and lower rates over the operating lives of such new facilities"... -(Intervener used term Life-Cycle Cost in above paragraphs.) DEP did not propose most economical Line for route; nor DEP has not presented a Life-Cycle Cost of line for Routes 31 and 4 for comparison.

5. WHEREFORE all non-compliance and disregard of N.C. General Statutes pertaining to "cost" analysis required via G.S. 62-102, 62-105 and 62-2 and not responding to Motions to Compel to get at evidence -via DEP; -Intervener presents this as creditable evidence to rescind, alter, or amend "Order" to Route 4. Intervener Motions to Commission to use its' Power via, G.S. 62-80, to rescind, alter, or amend "Order", reference (f), to Route 4.

Sincerely,



Oliver L. Canaday, MSgt, USMC Ret. 0441/0331H, CACw3brz-stars, PH, CAR, NUCw/2 brz-stars, MUC, RVNSw/sil-star, BC, AWC, C&S

Figure 1-2: Life-Cycle Costs for a Typical 345 kV Overhead Line

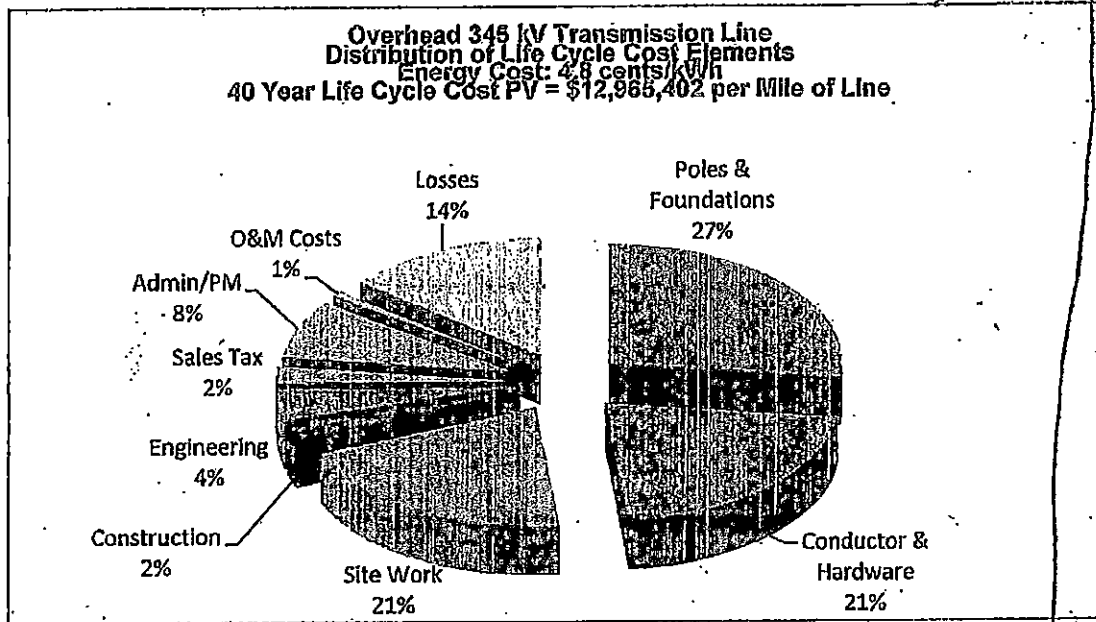
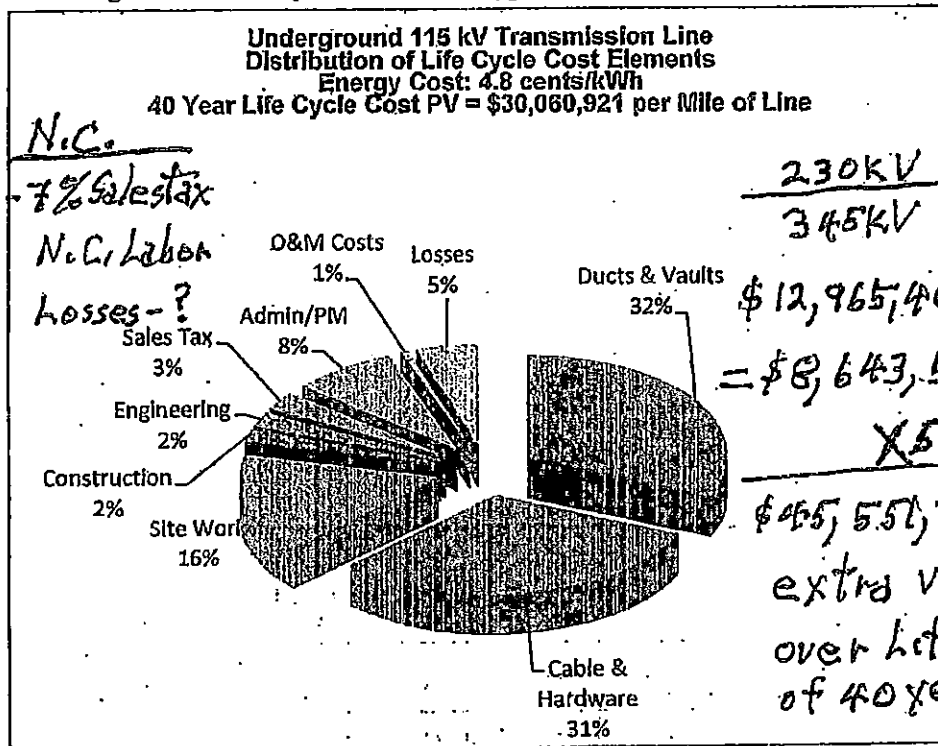


Figure 1-3: Life-Cycle Costs for a Typical 115 kV Underground Line



Est. only

C.T.
- 2% Sales tax
- Union labor
Losses 14%
Etc.

N.C.
- 7% Sales tax
N.C. Labor
Losses - ?
Sales Tax 3%

$$\frac{230KV}{345KV} = 66.6666\%$$

$$\begin{aligned} & \$12,965,402 \times 66.6666\% \\ & = \$8,643,592 \text{ per mile} \\ & \times 5.27 \text{ mile} \end{aligned}$$

\$45,551,729. To be paid
extra via Route 31
over life-cycle cost
of 40 years