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11 Jul. 2018

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From: Oliver L. Canaday, 713 Camellia Ave., Panama City, FL. 32404
(pertains to farm on 909 Parker Town Road, Four Oaks, N.C.

Clerk's Office
N.C. Utilities Commission

(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
(I 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) N.C. Commission "Order" of 12 Jan. 2018, granting certificate to DEP for CPCN

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

(d) G.S. 62-105. Burden of proof, decision (a), "...The Commission shall grant a certificate for 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,"...

(e) G.S. 62-2. Declaration of Policy, (a), (1), (3), (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 Life-Cycle Cost, (base of 40 years) for purpose of this letter) DEP may use 40 - 75 years

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

(g) DEP Late-Filed Exhibit No. 2, Cost Comparison of the four best-scored alternative routes of 13 Nov. 2017

(h) G.S. 62-80. Powers of Commission to rescind, alter, or amend prior order or decision

(i) N.C. Public Staff Letter to M. Lynn Jarvis, Chief Clerk of N.C. Utility Commission, Re: Docket No. E-2, Sub 1150 of 16 Oct. 2017

Encl: (1) CT. Siting Council, Life-Cycle Cost for a Typical 345kV Overhead Line, pie chart; with notes to show on/about (o/a) 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 over 40 year Life-Cycle Cost); -(Intervener could not find cost analysis by DEP that was a similar cost analysis, would expect something similar is given for the regular rate increase, but not same format)

Subj: -Motion to Review Fresh Evidence; -Existed at Time of 31 Oct. 2017 Hearing but for Various Reasons Was not Put Before the Hearing by Commission, Public Staff, or Intervener; -Review is for Justice, Intervener believes there is Good Cause for Review of Fresh Evidence and Better Due Diligence of Application Complying with General Statutes; -Motion to Rescind, Alter, or Amend "Order" of 12 Jan. 2018, Pertains to Docket No. E-2, Sub 1150; -"Order" is Unlawful, unjust, unreasonable, and unwarranted as Commissions' "Order" is in Violation of Provisions of Laws: G.S. 62-102, G.S. 62-105(a) and G.S. 62-2(4a)

1. This is not a frivolous Motion. Upon receipt of this certified letter the Commission is notified DEP's Application does not comply with references, G.S. 62-102, G.S. 62-105(a) and G.S. 62-2 (4a).
2. The Transcript, reference (f) gives uncontroverted evidence DEP's Application, reference (a), does not comply for cost matters required in:

- a. -G.S. 62-102 (a), (4), c.; (reference (c)); -cost of Alternatives: operations and maintenance; -Late-Filed Exhibit No. 2, reference (g), for construction is suspect new evidence. Cost matters referred to, not being in DEP's Application, reference (a), is creditable and substantial evidence for Commission to use Power of G.S. 62-80 and rescind, alter, or amend prior "Order", reference (b) for non-compliance with reference (c).

- 1). **-Intervner Motions for Commission to Investigate** ; -how DEP's Exhibit No.2, reference (g) was put in Record, E-2, Sub 1150, (suspect new evidence entered into Record, raises question). This is not frivolous to Motion for investigation.

- 2). **-Intervener Motions for Commission to Investigate**; -the Public Staff Letter, reference (i), for recommending the Commission to issue certificate requested. (According to 16 Oct. 2017 Public Staff Letter, reference (i): -based on investigation, review of DEP's application, exhibits, and other matters of Record; Public Staff believes DEP complied with the requirements of G.S. 62-102 and G.S. 62-105 and "that the estimated costs associated with the line are reasonable" -Intervener cannot find the reasonable estimated costs associated with the line as of 16 Oct. 2017; the costs would include construction, operation, maintenance, and Life-Cycle Cost in G.S. 62-2 (4a), see reference (c); -this is reason for Motion to investigate. This is not frivolous to Motion for investigation.

- b. -G.S. 62-105 (a), reference (d), -Certificate is granted if Commission finds cost associated with proposed line are reasonable. DEP's Application, reference (a), does not have the associated cost of proposed line for: operations, maintenance; and Late-Filed Exhibit No. 2 for construction is suspect new evidence. Cost matters referred to not being in DEP's Application, reference (a), is creditable

and substantial evidence for Commission to use Power of G.S. 62-80 and rescind, alter, or amend prior "order", reference (b), for non-compliance with reference (d).

c. -G.S. 62-2 (4a), reference (e), DEP's Application, reference (a), does not comply with requirements of reference (e). To assure...result in (first part) -lower cost of new facilities (new Line), and (second part) -lower rates over operating lives of new facilities. (Life-Cycle Cost to be projected by Duke Energy for the number of years new line is expected to be used.) -See enclosure (1) for example/estimate only of Live-Cycle Cost, 40 years of 230kV transmission line.

1).- DEP did not select Route 4, the lower comparison cost of Late-Filed Exhibit No. 2, -(suspect new evidence), reference (g). The Exhibit No. 2, shows Route 4 construction cost, \$543,153.00, less expensive than construction cost of Route 31, see reference (g) for cost comparisons. (Intervener, does not know anyone in North Carolina who believes \$543,153.00 is a mere amount of money.) Cost matters required via G.S. 62-2 (4a) and DEP's disregard, (non-selection), of economical, less expensive, construction of Route 4 for new transmission line is creditable and substantial. DEP non-compliance with G.S. 62-2 (4a), cost, is creditable and substantial evidence for Commission to use Power of G.S. 62-80 to rescind, alter, or amend prior "Order", reference (b), for non-compliance of reference (e).

2). **Intervener Motions Commission to compel DEP to provide Life-Cycle Cost of 230kV overhead transmission line for number of years DEP expects 230kV line to be in service.** See enclosure (1) for example, would not be exact criteria but similar matter. -This is not a frivolous Motion, this will give information for all cost, especially for operation and maintenance. (Intervener believes this information will show actual requirements for rate increases. Where a longer line than needed has been constructed, the rate payers are stuck paying for it the entire Life-Cycle Cost.

3). When DEP presents Life-Cycle Cost of operation and maintenance cost of a 230kV overhead transmission line, (may include construction for total picture), line by the mile for Commission to

analyze; -the additional cost of 5.27 miles compared without additional cost will be seen for decision making for rate paying in the public interest. (A practical exercise, for example; there are 100 counties in State of North Carolina, say each county has additional 5.27 miles of 230kV transmission line in operation. That is 527 miles X the cost DEP presents for Life-Cycle Cost. A 40-year snap-shot, Life-Cycle Cost, will demonstrate the substantial additional cost paid over 40-years for additional 5.27 miles of line; -that is unnecessary via amending to Route 4. See enclosure (1), Life-Cycle Cost matter pertaining to G.S. 62-2 (4a); -527 miles X \$8,643,592.00 = \$4,555,172,984.00.)

4). There is an additional benefit to property owners in compelling DEP to present a Life-Cycle Cost for new line. The maintenance cost (contract) for right of way, (ROW), is needed by property owners as a "bench-mark cost" to negotiate ROW cost of first life cycle. (There is the actually ROW use over the property cost. -Then the labor and expense, by property owners, of maintaining the maintenance of ROW cost not in forest-cut. -One can measure feet maintained in ROW and convert from mile cost to number of feet cost. At end of first life-Cycle Cost ROW, there would be a 2nd negotiation for this Life-Cycle Cost, and so-on for each Life-Cycle. This gives some resemblance of "Just Compensation" for ROW to property owners.

5). -DEP Application, reference (a), has not complied with the second part of G.S. 62-2 (4a), reference (e), which is the Life-Cycle Cost, consist mostly of cost for operations and maintenance. The construction cost -(suspect new evidence), is a one-time large-ticket item with fixed benchmark cost. The operations and maintenance, Life-Cycle Cost (estimate 40 years) increases annually due to inflation, salaries, benefits, labor, equipment, chemicals, etc. =Rate Increases. Cost matters pertaining to G.S. 62-2 (4a) not shown in DEP's Application, reference (a), and Transcript, reference (f), contents shows DEP failed to comply with reference (e). This is creditable and sustainable evidence for the Commission to use Power of G.S. 62-80 to rescind, alter, or amend prior "Order", reference (b).

SUMMARY

3. -During Intervener's investigation of N.C. General Statutes, the one that stands-out from the others is G.S. 62-2. The Declaration of policy is almost 100% about: -rates, services, operations and their affect on "public interest" for availability of adequate and reliable supply of electric power to the people, economy, and government of North Carolina. Run a Litmus Test of Route 4's criteria to meet Declaration of Policy v. Route 31's criteria to meet Declaration of Policy. Intervener sees the following issues comes up from G.S. 62-2, (a) thru (b) -(first paragraph), -often: cost, economical, reliable, conservation, efficiency, reasonable rates,- mostly these issues & others revolve around cost. Paragraph (4), of G.S. 62-2, ends with a real life challenge that sort of captures the intent of the Declaration of policy: "...conservation of energy resources by avoiding wasteful, uneconomic, and inefficient uses of energy," Route 31 -(o/a) 5.27 miles longer and is wasteful, uneconomic, and inefficient use of energy, Route 4 -o/a 5.27 miles shorter, less waste, more economical and efficient.

-DEP's Application, reference (a), does not comply with North Carolina' : G.S. 62-102 (a), (4), c.; G.S. 62-105 (a); and G.S. 62-2 (4a) pertaining to matters of cost required for reference (a). There is uncontroverted evidence via: -Transcript, reference (f), -DEP's Application, reference (a), and -Exhibit No. 2, reference (g) that DEP's Application and DEP's Attorney Lawrence B. Somers has disregarded matters of required cost via G.S. 62-102, G.S. 62-105(a), and G.S. 62-2 (4a). **Intervener Motions Commission to exercise Power of G.S. 62-80 to rescind, alter, amend "Order", reference (b) and Designate Route 4 as Best Route which is feasible and constructable via Report by Burns & McDonnell Engineering Firm in DEP's Application, reference (a).**

Sincerely,



Oliver L. Canaday, MSgt, USMC Ret. 0441/0331H, CACw/3 brz-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

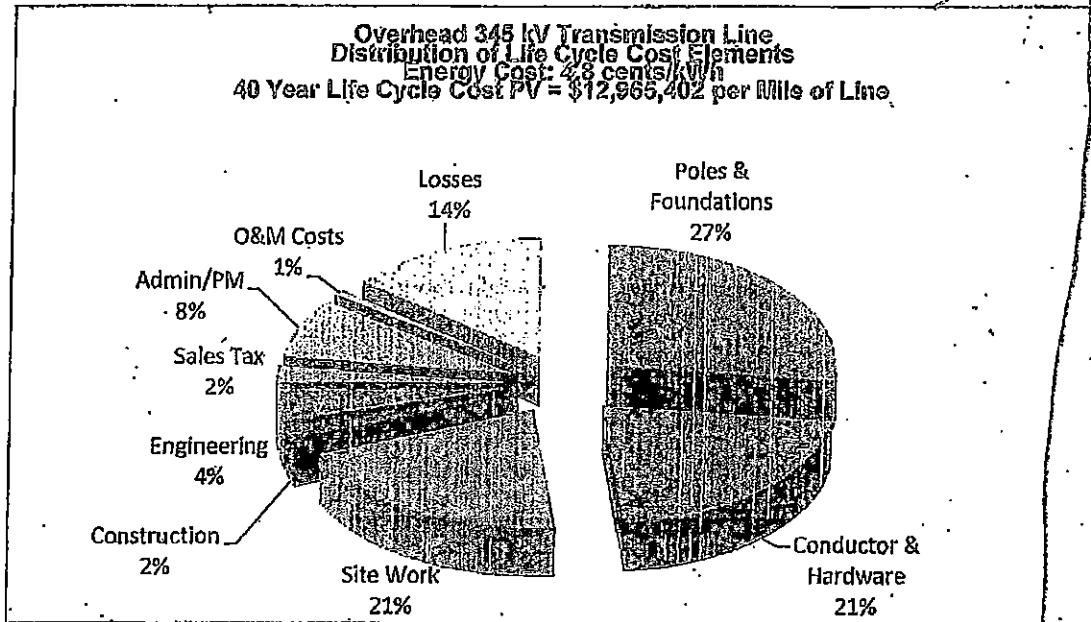
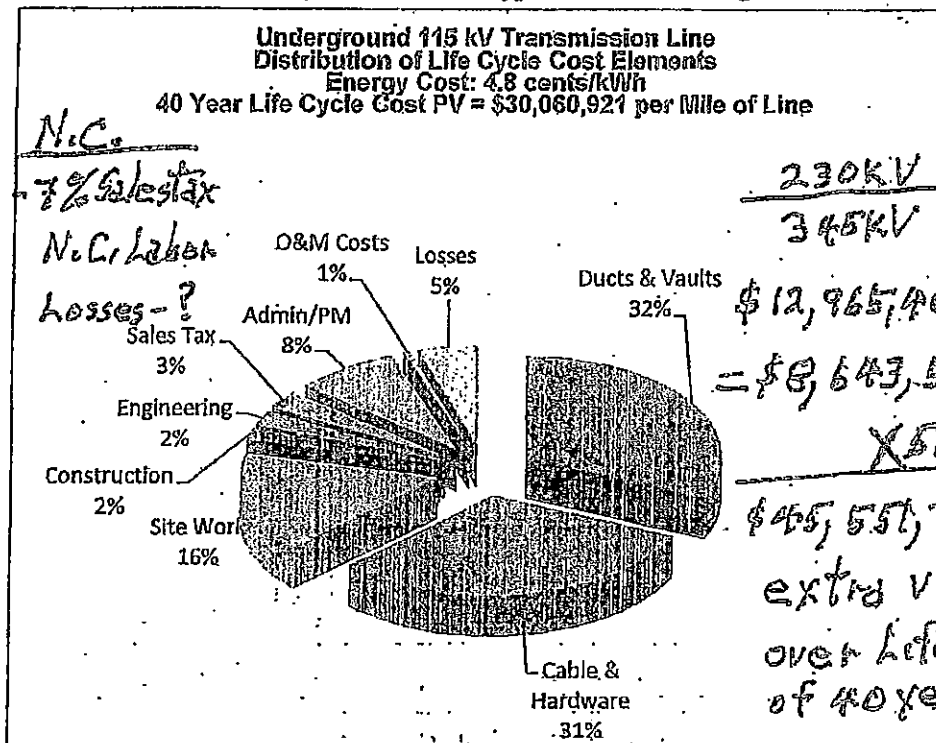


Figure 1-3: Life-Cycle Costs for a Typical 115 kV Underground Line



Est. only

E.T.
- 2% Sales Tax
- Union Labor
Losses 14%
Etc.

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

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

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

\$45,551,729. To be paid
extra via Route 31
over Life-Cycle Cost
of 40 years