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December 7, 2017

VIA ELECTRONIC FILING

M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
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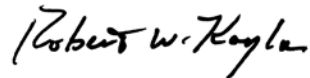
**RE: Duke Energy Progress, LLC Proposed Order
Docket No. E-2, Sub 1150**

Dear Ms. Jarvis:

I enclose the Proposed Order of Duke Energy Progress, LLC ("DEP") for filing in connection with the referenced matter. An electronic copy is being emailed to briefs@ncuc.net.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,



Robert W. Kaylor

Enclosure

cc: Parties of Record

OFFICIAL COPY

Dec 07 2017

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. E-2, SUB 1150

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
)	
Application of Duke Energy Progress, LLC For a Certificate of Environmental Compatibility and Public Convenience and Necessity Pursuant to <u>N.C. Gen. Stat. §§ 62-100 et seq.</u> to Construct Approximately 11.5 Miles of New 230kV Transmission Line in Cleveland area of Johnston County, North Carolina)	DUKE ENERGY PROGRESS, LLC'S PROPOSED ORDER

HEARD: Monday, October 30, 2017 at 6:30 p.m. in the Johnston County Courthouse, Courtroom No. 4, 207 E. Johnston Street, Smithfield, North Carolina

Tuesday, October 31, 2017 at 10:00 a.m. in the Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina

BEFORE: Commissioner Daniel G. Clodfelter, Presiding; and Commissioners Bryan E. Beatty and Lyons Gray

APPEARANCES:

For Duke Energy Progress, LLC:

Lawrence B. Somers, Deputy General Counsel, Duke Energy Corporation,
NCRH 20/Post Office Box 1551, Raleigh, North Carolina 27602-1551

Robert W. Kaylor, Law Office of Robert W. Kaylor, P.A., 353 E. Six Forks Road, Suite 260, Raleigh, North Carolina 27609

For Intervenor Oliver L. Canaday:

Oliver L. Canaday, 713 Camellia Avenue, Panama City, Florida 32404

For the Using and Consuming Public:

Heather Fennell, Staff Attorney, Public Staff, North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4300

BY THE COMMISSION: On July 14, 2017, pursuant to N.C. Gen. Stat. §§62-100 et seq. and Commission Rule R8-62, Duke Energy Progress, LLC (“DEP” or the “Company”) filed an application for a certificate of environmental compatibility and public convenience and necessity (the “Application”) to construct approximately 11.5 miles of new 230kV transmission line in the Cleveland area of Johnston County, North Carolina. The new transmission line will originate at the proposed Cleveland-Matthews Road 230kV/23kV transmission-to-distribution substation and terminate at the tap point along the existing Erwin-Selma 230kV transmission line. On July 24, 2017, DEP filed a revised Routing Study in support of the Application.

On July 18, 2017, the Commission issued its Order scheduling a public hearing in Smithfield, North Carolina and an evidentiary hearing in Raleigh, North Carolina, allowing the filing of petitions to intervene, allowing the filing of direct and rebuttal testimony, and requiring DEP to give public notice of the application and of the scheduled hearing. DEP's Application was properly served on the parties designated by N.C. Gen. Stat. § 62-102, and DEP properly published notice in newspapers of general circulation.

On September 25, 2017, the Commission required DEP to provide additional information about the proposed transmission line and substation. On October 9, 2017, DEP filed verified responses to the Commission's questions.

On October 16, 2017, the Public Staff filed a letter recommending that the Commission issue DEP's requested CPCN subject to certain recommended conditions.

On October 23, 2017 Oliver L. Canaday filed a petition to intervene. The Commission granted the petition on October 25, 2017.

On October 25, 2017, DEP filed the rebuttal testimony of Timothy J. Same and James Umbdenstock to respond to allegations in Mr. Canaday's petition to intervene.

On October 30, 2017, a public hearing was held in Smithfield, North Carolina, at which 18 witnesses spoke: Lou Ann Johnson, Alan Roberts, Bill Price, Tim Duke, Randy Johnson, Dr. Casey Johnson, Gwyn Roberts, Kimberly Canady, Linda Lassiter Keen, Jeffrey Canaday, John Webster, Ronnie Stewart, Marty Lassiter, Tracy Adams, Danny Wood, Carl Holloway, Dana Reeves, and Pam Holloway.

On October 31, 2017, an evidentiary hearing was held in Raleigh, North Carolina. DEP presented the direct testimony, exhibits and rebuttal testimony of witnesses Same and Umbdenstock. The Public Staff did not present evidence. Pro se intervenor Canaday presented his own testimony and exhibits in opposition to DEP's CPCN request.

On November 8, 2017, the State Clearinghouse filed a letter with the Commission requesting that a supplemental document providing additional information requested by the North Carolina Department of Natural and Cultural Resources be submitted to the Clearinghouse by DEP for further review and comment.

The Commission's November 13, 2017 *Order Requiring Additional Information* required DEP to provide updated information regarding the status of ongoing discussions with impacted landowners in order to address landowner concerns with the proposed transmission line.

On November 13, 2017, DEP filed Late Filed Exhibit 1, an analysis of a new 230kV transmission line which would parallel DEP's existing 500kV transmission line, and Late Filed Exhibit 2, cost estimates of three alternative transmission line routes as compared to DEP's Selected Route.

On November 14, 2017 DEP filed responses to the Commission's November 13, 2017 *Order Requiring Additional Information*.

DEP's Proposed Order was filed on December 7, 2017.

Various consumer statements of position were filed in this docket both before and after the evidentiary hearing

Based on the Company's verified application, the testimony and exhibits received into evidence at the hearing, and the record as a whole in this docket, the Commission now makes the following:

FINDINGS OF FACT

1. DEP is duly organized as a public utility under the laws of the State of North Carolina and is subject to the jurisdiction of the Commission. DEP is engaged in the business of generating, transmitting, distributing and selling electric power in its assigned territory in North Carolina.

2. DEP's Application identified the need to build a new 230kV/23kV transmission-to-distribution substation and a new 230kV transmission line to provide

power to the substation in the Cleveland area of Johnston County, North Carolina. The new substation and associated transmission line is required to provide needed capacity and enhanced service reliability to support existing customers and to allow for future residential and commercial growth.

3. To determine the appropriate route for the proposed transmission line, DEP analyzed numerous alternatives. Such analyses consisted of identifying alternative routes, gathering public input and evaluating such routes based upon their length and impact upon the social and natural environment, existing homes and businesses and costs.

4. The most appropriate route for the new transmission line is the preferred route proposed by DEP that originates at the site of a proposed Cleveland-Matthews Road Substation, located at the southeast corner of Polenta Road and Matthews Road in Johnston County, North Carolina and terminates at the tap point along the existing Erwin-Selma 230kV transmission line. The total length of the proposed transmission line is approximately 11.5 miles.

5. Compared with reasonable alternative courses of action, construction of the transmission line in the proposed location is reasonable, preferred, and in the public interest.

6. The total estimated cost of the new transmission line is \$13,692,398, and the costs associated with the proposed transmission line are reasonable.

7. The impact the proposed transmission line will have on the environment is justified considering the state of available technology, the nature and economics of the various alternatives, and other material considerations.

8. The environmental compatibility, public convenience, and necessity require the transmission line as requested by this Application.

DISCUSSION OF EVIDENCE AND CONCLUSIONS

The evidence supporting the Commission's decision is found in the testimony and exhibits received at the hearing and in DEP's Application, including the Routing Study and Environmental Report ("Routing Study") attached thereto.

Standard of Review

N.C. Gen. Stat. §62-105(a), which controls the Commission's decision in this proceeding, provides as follows:

The burden of proof is on the applicant in all cases under this Article, except that any party proposing an alternative location for the proposed transmission line shall have the burden of proof in sustaining its position. The Commission may consider any factors that it finds are relevant and material to its decision. The Commission shall grant a certificate for the construction, operation, and maintenance of the proposed transmission line if it finds:

- (1) That the proposed transmission line is necessary to satisfy the reasonable needs of the public for an adequate and reliable supply of electric energy;
- (2) That, when compared with reasonable alternative courses of action, construction of the transmission line in the proposed location is reasonable, preferred, and in the public interest;
- (3) That the costs associated with the proposed transmission line are reasonable;
- (4) That the impact the proposed transmission line will have on the environment is justified considering the state of available technology, the nature and economics of the various alternatives, and other material considerations; and
- (5) That the environmental compatibility, public convenience, and necessity require the transmission line.

In its Final Order Overruling Exceptions and Affirming Recommended Order, Docket No. E-2, Sub 796 (N.C.U.C. 2002), the Commission interpreted the burden of proof under N.C. Gen. Stat. §62-105(a) as follows:

In interpreting this statute, the Commission concludes that the electric utility applying for approval to site a transmission line has the initial burden of proof,

including that it examined "reasonable alternative courses of action" and that "construction of the transmission line in the proposed location is reasonable, preferred, and in the public interest." A landowner or other intervenor who believes that an alternative route studied by the utility is preferable to that proposed or that the utility did not consider or appropriately weigh relevant factors in reaching its decision may introduce evidence and otherwise argue that the utility has not met its burden of proof. Once the utility has sustained its burden of proof, a landowner or other intervenor proposing an alternative not originally examined by the utility has the burden under the statute of proving that its alternative should have been studied and is preferable to the proposed route.

In considering other "relevant and material" factors under N.C. Gen. Stat. §62-105(a), the Commission notes two additional provisions of state law. First, N.C. Gen. Stat. §62-2 provides, in part:

It is hereby declared to be the policy of the State of North Carolina:... (5) To encourage and promote harmony between public utilities, their users and the environment.

N.C. Gen. Stat. §113A-3, entitled "Declaration of State environmental policy," further provides:

The General Assembly of North Carolina, recognizing the profound influence of man's activity on the natural environment, and desiring, in its role as trustee for future generations, to assure that an environment of high quality will be maintained for the health and well-being of all, declares that it shall be the continuing policy of the State of North Carolina to conserve and protect its natural resources and to create and maintain conditions under which man and nature can exist in productive harmony. Further, it shall be the policy of the State to seek, for all of its citizens, safe, healthful, productive and aesthetically pleasing surroundings; to attain the widest range of beneficial uses of the environment without degradation, risk to health or safety; and to preserve the important historic and cultural elements of our common inheritance.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 1

This finding of fact is essentially informational, procedural, and jurisdictional in nature and uncontroverted.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NOS. 2-4

The evidence in support of this finding is based upon the verified application and the testimony and exhibits of DEP witnesses Timothy Same and James Umbdenstock.

DEP witnesses Same and Umbdenstock and DEP's Routing Study explained the need to build a new 230kV/23kV transmission-to-distribution substation and a new 230kV transmission line to provide power to the substation in the Cleveland area of Johnston County. Witness Umbdenstock testified that there are currently no transmission lines or substations in this area of Johnston County, which is roughly bounded by Interstate 40 on the west, Highway 70 Bypass on the north, Highway 70 on the east and Interstate 95 on the south. This area is approximately 125,000 acres in size and is located entirely within DEP's service territory, except for the portion within the city limits of Smithfield in the extreme southeastern corner of this area. Nine (9) different substations and thirteen (13) distribution circuits currently feed into this area, including two (2) substations located in Wake County. Six 23kV feeders from four substations from as far as 13 miles away terminate less than 1.5 miles from this site, and all exceeded 17.6 MVA during the 2015 Winter peak (January 2015) which is the Winter Planning Limit for 23kV feeders. This new substation site was purchased in 2015 based on the projected load center in the vicinity of Cleveland Road and Matthews Road. In response to questions from the Commission, witness Umbdenstock testified that customer energy usage in the area was growing and that DEP had added a new feeder circuit breaker at the Edmondson 230kV substation, Dixon Road, that was being constructed into the area where the Cleveland-Matthews substation would be constructed in the future after this proposed transmission line is

built to relieve the Johnson Crossroads feeder; and that the Dixon Road and Johnson Crossroads peaks would be greater than 17.6 MVA. DEP considered eight sites within a one-mile radius of the Cleveland-Matthews area for the new substation and selected and purchased the site with the highest ranking and a willing seller. Witness Umbdenstock further testified that two distribution projects were being built in 2017 as a stopgap measure to relieve circuits in the area due to customer growth, but that they would not provide a permanent solution, precluding the need for the proposed 230kV line and substation. The new substation and associated transmission line is required to provide needed capacity and enhanced service reliability to support existing customers, and also to allow for future residential and commercial growth.

Witness Same testified in support of DEP's Application and DEP's retaining Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell"), a full service international engineering and construction firm with substantial utility and infrastructure siting experience, to assist DEP with the line siting and public input for the Project. Burns & McDonnell prepared the Routing Study which was attached as Exhibit A to the Application. The following State and Federal agencies were contacted by DEP (via email correspondence) to provide input on threatened and endangered species, wetlands, wildlife resources, stream sensitivity, hydric soils, and other potential issues: U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, N.C. Wildlife Resources Commission, N.C. Natural Heritage Program, and N.C. Department of Environmental Quality, including the N.C. Division of Water Resources and N.C. Division of Land Quality.

Burns & McDonnell established the study area, which was designed to provide a set of reasonable and geographically distinct route alternatives. Then data was collected from publicly available sources, grouped into categories, and assigned a weight from 1 to 5 to reflect potential sensitivity to a transmission line. With this data, Burns & McDonnell completed a suitability analysis, identified potential routes and selected a preferred route for the proposed transmission line. The objective of the routing analysis was to identify an economically feasible route that offered the most benefits in terms of providing reliable electric service but also limited adverse impacts to the social and natural environment within the study area.

During the data collection phase, DEP contacted local, state and federal government agencies to obtain information on resources of particular concern, for example, threatened and endangered species, wetlands, wildlife resources, and stream sensitivity. The primary concern that was identified related to the presence of a federally protected mussel species and other federal aquatic species of concern in the study area.

Before selection of a final route, DEP held two community workshops in November 2016 to provide potentially affected landowners near the alternative routes an understanding of the need for the Project, the decision-making process used to select a preferred route, and a forum to voice concerns. DEP mailed a letter and map describing the Project and advertising these workshops to all landowners within 500 feet of the alternative routes two weeks prior to the workshops. DEP also issued a news release seven days prior to the workshops and posted information about the Project, including proposed routes, on the Company's website. At the workshops,

DEP and Burns & McDonnell answered questions, took comments, and distributed questionnaires to be returned within six weeks of the workshops. Over 200 people signed in at the workshops, and DEP received input from many landowners at the workshops or through questionnaires afterwards.

Burns & McDonnell identified 32 distinct routes using a combination of 39 line segments. After analyzing route alternatives based on social, environmental and engineering factors, the siting team determined that Route 31 was the best overall route for many reasons. Route 31 affected the least number of homes within 300 feet of the centerline; no businesses or public facilities were within 500 feet of the centerline; no open space was crossed; there was minimal input from concerned landowners for that route, which indicated less likelihood of construction or access issues; there were no highly sensitive stream crossings; Route 31 utilizes cropland when possible to avoid extensive removal of trees; and it crosses wetlands and hydric soils in a perpendicular manner, where possible, which should require less permitting. In response to questions from the Commission, witness Same testified that DEP was amenable to considering minor adjustments to the proposed line routing, provided additional property owners would not be impacted by the adjustments.

DEP provided the required 30-day notice to enter property for the purpose of surveying, soil borings, appraisals and assessments to the 67 landowners who will have some portion of the proposed 125-foot right-of-way on their property and also to another 23 landowners with property outside the proposed right-of-way but within 200 feet of the proposed centerline, in case survey crews needed to access a portion of their property.

DEP's comprehensive transmission line siting process identified Route 31, the Cleveland-Matthews line, as the best and least impactful route to serve transmission needs in the Cleveland area in Johnston County. The preferred route originates at the site of the proposed Cleveland-Matthews Road Substation, located on the southeast corner of Polenta Road and Matthews Road in Johnston County, North Carolina. The route exits the substation site to the southeast and extends for approximately 0.5 mile before turning west for approximately 0.2 mile while crossing Matthews Road. The route then continues south for approximately 0.9 mile before crossing Middle Creek. From this point, the preferred route extends generally southeast for approximately 1.8 miles before crossing NC State Highway 210. The route then continues south-southeast for approximately 0.9 mile before crossing Lassiter Road. From here, the route extends approximately 0.5 mile south-southeast before crossing Hickory Grove Church Road. The route then extends southeast for approximately 0.9 mile and crosses King Mill Road. Continuing southeast for another 0.2 mile, the route then turns and travels east for approximately 0.4 mile before turning south. The route extends south-southeast for 0.6 mile and crosses Black Creek. Turning southeast, the route then extends 0.8 mile and crosses Elevation Road. The route continues to travel southeast for another approximately 0.9 mile and then turns south for 0.6 mile and crosses Old School Road. The route then turns southwest for only 0.1 mile and then turns south for 0.3 mile before crossing Jackson Road. The route continues to the south for 0.3 mile before turning southeast, extending approximately 0.4 mile, and crossing an existing CSX/Amtrak railroad line. The route continues southeast for approximately 1.3 miles, crossing U.S. Highway 301, Parker Road, and Interstate 95

before terminating at a tap point along the existing Erwin-Selma 230kV transmission line.

Sixty-seven landowners will be directly affected by having at least some portion of the proposed 125-foot right-of-way on their property. On April 20, 2017, DEP sent letters to the 67 property owners of the total 77 land parcels that are within the proposed 125-foot right of way. In addition, DEP also sent letters to another 23 owners of 24 total land parcels that are outside the proposed 125-foot right of way, but within 200 feet of the proposed centerline in case survey crews need to access a portion of these parcels outside, but adjacent to the proposed right of way. All of these letters (90 total notification letters) were mailed certified U.S. Postal Service and included the appropriate reference to N.C. Gen. Stat. §40A-11 providing the necessary 30-day notice to enter the properties for the purpose of surveying, soil borings, appraisals, and assessments.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 5

The evidence in support of this finding is based upon the verified application and the testimony and exhibits of DEP witnesses Timothy Same and James Umbdenstock and the testimony of Mr. Canaday.

Landowners appearing at the public hearing and numerous letters of public interest filed by opponents of the proposed transmission lined raised concern with regard to the necessity for the new transmission line and its substation. Intervenor Canaday testified that the Routing Study gave insufficient weight to farmland and forests in the route siting process, had not properly considered the impact of electric and magnetic fields (“EMF”) on farm animals and crops, and that he and other

affected property owners had not received notice of the public workshops held by DEP. Intervenor Canaday also testified that DEP had not properly evaluated the possibility of locating the 230kV line adjacent to an existing 500kV transmission line.

DEP witness Same responded to Intervenor Canaday regarding his alleged lack of notice of the public workshops held by DEP, EMFs in the siting process, and the way that farmland and forests were considered in the siting process.

With regard to notice of the public workshops, on November 4, 2016, DEP mailed a letter via priority mail to Mr. Canaday at his address in Panama City, Florida inviting him to one or both open house events. The letter was not returned as undeliverable. On April 20, 2017, DEP mailed another letter via certified mail to Mr. Canaday at the same mailing address, providing notice of survey activities, and DEP received documented confirmation of delivery. On May 19, 2017, DEP's Transmission Public Engagement Specialist Drew Gilmore spoke to Mr. Canaday by phone for more than 40 minutes, during which Mr. Canaday indicated that he did not receive the first letter but acknowledged receipt of the second letter. Mr. Canaday also confirmed that the mailing address was correct and had not changed during the period between the mailings. Letters were sent to 1,036 owners of 1,313 parcels. In addition, letters were sent to both Johnston and Wake County administrators and each municipal government within the study area. Two newspaper advertisements also ran in the News & Observer in the weeks prior to the workshops.

With regard to the weight given in the siting process to farmland and forested land, DEP assigned a weighting of 2 for "cropland crossed" and a weighting of 3 for "upland forest crossed." The intent of weighting is to differentiate between the levels

of perceived impact of the underlying land uses and to help determine areas of higher constraint versus lower constraint when routing the line. “Cropland crossed” was given a lower weight because continued farming activity is allowed under DEP transmission lines, and only four routing factors were given a higher weight than “upland forest crossed”: “residential proximity” and “open space/green areas” had a weighting of 5, and “wetland crossing” and “stream sensitivity” had a weighting of 4. These ratings appropriately reflect the values and risks of land uses that could impact and ultimately prevent DEP from siting and eventually constructing the proposed line, and reflect input from past transmission line siting processes as well as feedback from the public.

With regard to “EMF pollution,” witness Same testified that the expected EMF readings would essentially be the same along any route and, therefore, would have no impact on the relative rankings of the alternative routes. DEP does not believe that EMF is “pollution” or that the proposed Cleveland-Matthews Transmission Line poses any inappropriate EMF risk.

DEP witness Umbdenstock disagreed with Intervenor Canaday’s assertion that the preferred Cleveland-Matthews Road 230kV transmission line was not necessary because DEP has a 500kV transmission line in the area to serve the new substation. Witness Umbdenstock acknowledged that DEP has a 500kV transmission line at the far western edge of the study area and that there were also portions of three 230kV transmission lines in the study area. Umbdenstock testified that it would not be feasible to tap the existing 500kV transmission line instead of building the proposed 230kV Cleveland-Matthews transmission line because DEP’s 500kV transmission

network is reserved for the bulk transport of large amounts of electricity. A comprehensive study would be required to consider the connection of any load to the bulk system, which would be rare, and even if it were feasible to serve the 230kV retail transmission-to-distribution substation from the 500kV transmission system, it would take approximately 200 contiguous acres for a 500/230kV transmission-to-transmission substation in addition to the construction of a 230/23kV transmission-to-distribution substation. In addition, two separate 180-foot wide 500kV transmission line right-of-way corridors from the existing 500kV line to the new substation site would be required.

In response to questions from the Commission with regard to whether there was a possibility to use the existing 500kV transmission line corridor for the construction of a parallel 230kV transmission line to serve the new proposed substation, DEP filed Late-Filed Exhibit 1. DEP asked Burns & McDonnell to revisit and further document options for paralleling the existing Cumberland-Wake 500kV transmission line as a route alternative for the proposed Cleveland-Matthews Road 230kV Transmission Line Tap Project. The existing 500kV transmission line is located within a 180-foot wide easement. To accommodate a new 230kV transmission line, an additional 82.5 feet of easement would be required, adjacent to the current easement.

Route options were evaluated that paralleled both the east and west sides of the 500kV right-of-way. Routes were segregated as either north or south of where route segment 1 (as identified in the Routing Study) crosses the 500kV corridor.

Route segment 1 is approximately 3.1 miles from the proposed Matthews Road substation to the 500kV corridor.

Aerial photography was reviewed for route options that paralleled the 500kV corridor; homes, apartments and businesses were identified within the easement required for the 230kV transmission line. For the northern route, due to the density of development adjacent to the areas where these structures were identified, there were not feasible route variations that would easily avoid these constraint areas. For the southern routes, there are a few constraint areas that could potentially be avoided but would require the new transmission line to diverge from the existing corridor, which would add length, impacts to additional landowners, and require crossing under the existing 500kV multiple times. Crossing the 500kV line would require modifications to the existing 500kV structures, which would be additional cost beyond just the construction of the 230kV line. The route options would all be longer than the Cleveland-Matthews Road preferred option at 11.5 miles. Both the northern route options are approximately 2.5 miles longer, and the southern route options are approximately 8 miles longer than the preferred route. This late-filed exhibit demonstrated that, due to the significant number of homes, apartments and businesses that would be within the potential right-of-way and would require relocation to accommodate a new 230kV transmission line adjacent to the existing 500kV transmission line, including the additional length of the transmission line, it would not be feasible to construct the 230kV transmission line parallel to an existing 500kV transmission line as an alternative to the proposed Cleveland-Matthews transmission

line. Since a route alternative was not feasible, a cost estimate was not completed by DEP Engineering.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NO. 6

The evidence in support of this finding is based upon the verified application and the testimony and exhibits of DEP witness Timothy Same. As demonstrated by the testimony of DEP witness Same, the Routing Study and DEP Late-Filed Exhibit No. 2, the projected cost of the Selected Route 31 is \$13,692,398. No party to this proceeding presented evidence that this cost was not reasonable.

EVIDENCE AND CONCLUSIONS FOR FINDING OF FACT NOS. 7 AND 8

The evidence in support of these findings is based upon the verified application and the testimony and exhibits of DEP witnesses Timothy Same and James Umbdenstock.

DEP has demonstrated that the proposed transmission line is necessary for an adequate and reliable supply of electric energy; that the proposed location is preferred, and in the public interest, that the associated costs associated with the proposed transmission line are reasonable, and that the environmental compatibility, public convenience, and necessity require the proposed line. DEP has demonstrated that the proposed transmission line is required in order for DEP to continue providing reliable electric service to its customers in Johnston County and has satisfied its burden under N.C. Gen. Stat. §62-105(a). In so finding, the Commission rejects Intervenor Canaday's arguments that DEP failed to give proper weight in its Routing Study to the value of farmland and forests and the impact of alleged EMF on farm

animals and cropland. The Commission further rejects Intervenor Canaday's assertion that an existing 500kV transmission line corridor could be used to construct the new 230kV line in lieu of the proposed Cleveland-Matthews transmission line. The Commission further concludes that DEP appears to have complied with the siting statute and taken reasonable measures to inform the public of the proposed line and alternative routes, working with property owners to alter the route when possible to lessen the impact of the proposed transmission line, and incorporating public opinion into its analysis for selecting the preferred route. The Commission further notes that while some property owners claimed they did not get notice of the DEP public workshops, these workshops are not required by N.C. Gen. Stat. §62-101 but were scheduled by DEP in an effort to allow, and listen to, public input as part of the siting process. The record in this proceeding shows that DEP did make the appropriate effort to include the public in the siting process and that DEP has indicated that it will take lessons learned from this process and incorporate them into future transmission siting projects.

The Commission concludes that the burden of proof has not been met by Intervenor Canaday, as required by N.C. Gen. Stat. §62-105(a), with regard to any alternative route for the transmission line. Intervenor Canaday has not proven that any alternative he suggested is preferable to the proposed route and would provide long-term reliable electric service to load in this area of Johnson County. DEP's Late-Filed Exhibit 1 demonstrates that a new 230kV transmission line adjacent to the existing 500kV transmission line would not be a feasible option, and DEP Late-Filed Exhibit 2 demonstrates that the proposed Cleveland-Matthews Road Tap Line Project

costs were in line and lower than other alternative routes reviewed in the siting process. The evidence presented by Intervenor Canaday involved his opposition to the line being placed on his property and his allegation that DEP could use alternative routes and avoid his property. No opposition evidence was presented on the feasibility or cost consequences of alternative routes or the impact on other property owners.

As in previous cases, the Commission notes that DEP committed to work with all of the affected landowners to construct the line in such a manner that it minimizes the impact on their land use, and the Commission is determined to hold DEP to its commitment to continue to revise its procedures and improve access by all potential landowners to the siting process in future cases. The Commission expects DEP and the affected landowners to work together in a cooperative manner to determine the most appropriate and least disruptive route across the respective landowners' properties.

IT IS THEREFORE, ORDERED as follows:

1. That, pursuant to N.C. Gen. Stat. §62-102, a Certificate of Environmental Compatibility and Public Convenience and Necessity, which is attached as Appendix A, is issued, subject to DEP receiving final clearance from the State Clearinghouse as set forth in the State Clearinghouse letter to the Commission filed on November 8, 2017.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2017.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

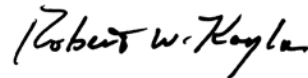
CERTIFICATE OF SERVICE

I certify that a copy of the Proposed Order of Duke Energy Progres, LLC, in Docket No. E-2, Sub 1150, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to the following parties:

David Drooz
Heather D. Fennell
Public Staff
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Raleigh, NC 27699-4326
david.drooz@psncuc.nc.gov
heather.fennell@psncuc.nc.gov

Oliver Canaday
713 Camellia Avenue
Panama City, FL 32404

This the 7th day of December, 2017.



Robert W. Kaylor
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ATTORNEY FOR DUKE ENERGY
PROGRESS, LLC