

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1113

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 to	)
Construct Approximately 6.91 Miles of New	)
230-kV Transmission Line in Carteret County,	)
North Carolina	)
	ORDER GRANTING CERTIFICATE
	OF ENVIRONMENTAL
	COMPATIBILITY AND PUBLIC
	CONVENIENCE AND NECESSITY

BY THE COMMISSION: On August 3, 2017, Duke Energy Progress, LLC (DEP), filed an application and the direct testimony and exhibits of Timothy J. Same and Mark Byrd, pursuant to G.S. 62-100 et seq. and Commission Rules R1-5 and R8-62, for a certificate of environmental compatibility and public convenience and necessity (CPCN) authorizing the construction of approximately 6.91 miles of new 230-kilovolt (kV) transmission line in Carteret County, North Carolina, between DEP's existing Havelock-Morehead Wildwood 115-kV North line near the Town of Harlowe, and the existing Havelock-Morehead Wildwood 230-kV line near the Town of Newport (Proposed Route).

On August 9, 2017, the Commission issued an Order Scheduling Hearings, Requiring Filing of Testimony, Establishing Discovery Guidelines and Requiring Public Notice (Scheduling Order). The Scheduling Order, among other things, scheduled a public witness hearing and an expert witness hearing on DEP's application, to be held in Beaufort, Carteret County, on Thursday, November 30, 2017, and in Raleigh, Wake County, on Tuesday, December 5, 2017, respectively. Further, the Scheduling Order required DEP to publish a public notice containing a summary of its application, the details of the public witness hearing, and other information. The Scheduling Order and the public notice provided, however, that the hearing may be canceled if no significant protests to the application were filed with the Commission.

On September 14, 2017, the State Environmental Review Clearinghouse (Clearinghouse) filed comments with the Commission requesting that DEP provide for further review and comment supplemental information in response to comments of the North Carolina Department of Natural and Cultural Resources (DNCR).

On September 21, 2017, DEP filed an affidavit of publication demonstrating that the public notice had been published once a week for four weeks in a newspaper having general circulation in Carteret County, North Carolina.

On November 15, 2017, the Public Staff - North Carolina Utilities Commission (Public Staff) filed a letter stating that it investigated DEP's application and subsequently determined that the Proposed Route meets the requirements of G.S. 62-105. Therefore, the Public Staff recommends issuance of the CPCN.

DEP was the only party to file testimony in this proceeding. The Commission did not receive any petitions to intervene or protests in this proceeding.

On November 15, 2017, DEP filed a Motion to Cancel Hearings, asserting as follows: that DEP and the Public Staff are the only parties to this proceeding; that no party opposes the granting of the CPCN; and that so long as the Commission does not require DEP's expert witnesses to provide live testimony, there appears to be no need to conduct either the public witness or the expert witness hearings in this proceeding. The Public Staff did not object to DEP's Motion.

On November 17, 2017, the Commission issued an Order canceling the public witness and expert witness hearings, and accepting into the record the direct testimony, exhibits, and affidavits filed in this proceeding.

On January 29, 2018, the Commission issued an Order extending the statutory deadline for issuance of a decision in this docket to 30 days after the Commission receives confirmation from the Clearinghouse that no further review action by the Commission is required for compliance with the North Carolina Environmental Policy Act.

On February 14, 2018, the Commission received a letter from the Clearinghouse confirming that no further action by the Commission is necessary for compliance with the North Carolina Environmental Policy Act. That letter also provided additional comments that the Clearinghouse advised "should be taken into consideration in [DEP's] project development" at issue in this proceeding, namely, that DNCR is "not opposed to the North Carolina Utilities Commission making the conduct and reporting of an archaeological survey a condition of its order as the same survey will be required by the USACE [U.S. Army Corp of Engineers] for its permit."

Based upon DEP's verified application, the testimony and exhibits received into evidence, and the entire record in this proceeding, the Commission makes the following:

#### FINDINGS OF FACT

1. DEP is a public utility providing electric service to customers in its service area in North Carolina and is subject to the jurisdiction of the Commission.
2. The Commission has jurisdiction over DEP's application. Pursuant to G.S. 62-100 et seq. and Commission Rule R8-62, a public utility must receive a CPCN prior to constructing transmission lines at or above 161-kV in North Carolina.

3. DEP is required by the Federal Energy Regulatory Commission (FERC) to comply with Reliability Standards of the North America Electric Reliability Corporation (NERC). DEP may be subject to stringent penalties for violations of NERC Reliability Standards.

4. DEP's application identified the need to build approximately 6.91 miles of new 230-kV transmission line in Carteret County, North Carolina. The new transmission line is required to mitigate a voltage problem in the Havelock area, and to increase electric capacity and service reliability across eastern North Carolina. The new line from the proposed Harlowe 115-kV to 230-kV Substation in the Town of Harlowe, to the proposed Newport 230-kV Switching Station along the Havelock-Morehead Wildwood 230-kV line near the Town of Newport, will increase electric capacity for the immediate area and ensure reliable service in the DEP service area in the region. The new line will provide benefits to the entire region, including Carteret and Craven County residents and businesses, through enhanced reliability for DEP customers, in addition to customers of rural electric cooperatives and municipally owned electric utilities.

5. No party filed testimony or statements opposing the granting of the CPCN for the Proposed Route.

6. DEP's application meets the requirements of G.S. 62-102.

7. DEP has carried its burden of proof under G.S. 62-105(a) by providing substantial, competent evidence showing that:

- (a) the proposed transmission line is necessary to satisfy the reasonable needs of the public for an adequate and reliable supply of electricity;
- (b) 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;
- (c) the costs associated with the proposed transmission line are reasonable;
- (d) the impact that the proposed transmission line will have on the environment is justified considering the state of available technology, the nature and economics of the alternatives, and other material considerations; and
- (e) the environmental compatibility, public convenience and necessity require the construction of the transmission line.

8. It is in the public interest, reasonable, and appropriate to grant the requested CPCN.

## EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 1-2

These findings of fact are essentially informational, jurisdictional, and procedural in nature and uncontroverted.

## EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT NOS. 3-8

The evidence supporting these findings of fact appears in DEP's application, the direct testimony of witnesses Same and Byrd, the comments of the Clearinghouse, and the filing of the Public Staff.

On August 3, 2017, DEP filed its application for a CPCN, requesting authorization to construct approximately 6.91 miles of new 230-kV transmission line in Carteret County, North Carolina. The application states that DEP is required by FERC to comply with NERC reliability standards and that DEP may be subject to stringent penalties for failing to do so. In accordance with these standards, DEP's application states that it plans its transmission system to supply projected demands in a reliable manner at all demand levels over the range of forecasted system demand under contingency conditions. DEP states that, in accordance with NERC Reliability Standards, it routinely conducts studies of its transmission system to identify required improvements. DEP also stated that its transmission system includes lines in every county that it serves and that maintaining the transmission infrastructure is critical to ensuring that electricity remains reliable to sustain future demand.

Witness Same testified that, by summer 2020, an outage of the Havelock terminal of the Havelock-Morehead Wildwood 115-kV North line would cause voltages in the Havelock area to fall below planning criteria. Accordingly, witness Same testified that the new transmission line is needed to mitigate the voltage problem, increase electric capacity and service reliability across eastern North Carolina, and ensure that NERC Reliability Standards are satisfied.

Exhibit A of DEP's application is a Routing Study and Environmental Report (Report), which states that the study area for routing the proposed transmission line is located between the City of Havelock and the Towns of Newport and Harlowe, within Carteret and Craven Counties, and generally is bounded by the Havelock-Morehead Wildwood 115-kV line and U.S. 70 to the west, State Route 101 and the Marine Corps Air Station Cherry Point to the north, public and private roadways to the east, and the Newport River to the south. The Croatan National Forest (CNF), managed by the U.S. Forest Service, bisects the central portion of the study area. The study area and regional features are shown in Figure 2-1 of the Report.

The Report demonstrates that the initial preferred route begins at the proposed Harlowe 230-kV to 115-kV Substation, southeast of the Town of Harlowe and north of State Route 101. The alignment exits the substation to the west for approximately 0.35 miles, and then turns southwest for approximately 0.85 miles, crossing the Harlowe Creek Clubfoot Canal and State Route 101. The Route continues west of

State Route 101, along an increasingly western heading for approximately 1.13 miles before it arrives at the eastern boundary of the CNF. The route continues west-southwest, crossing through the CNF for approximately 1.2 miles. Upon exiting the CNF, the route continues west and parallels the CNF boundary for approximately 3.17 miles, until it meets the Havelock-Morehead Wildwood 115-kV South Transmission Line, northeast of the Town of Newport. Then, the alignment turns north and parallels the existing overhead transmission line for approximately 1.56 miles before arriving at the proposed Newport 230-kV Switching Station, as demonstrated in Figure 2-2 of the Report.

After selection of the initial preferred route and preparation of the routing and siting report, DEP learned that the site for the proposed Harlowe 230-kV to 115-kV Substation needed to be shifted to minimize the impact to features regulated under the Clean Water Act. Changing the substation location required slight adjustments to the alignment of the preferred route, with the newly proposed Harlowe Substation being sited west of State Route 101 and eliminating the proposed highway and Harlowe Canal crossings. The revised alignment and substation locations are illustrated in Figure 5-1 of the Report. The Proposed Route begins at the proposed Harlowe 230-kV to 115-kV Substation near the Town of Harlowe and southwest of State Route 101. The alignment exits the Substation heading west for approximately 1.29 miles across private pine plantations, before arriving at the eastern boundary of the CNF. The route then crosses through the CNF for approximately 0.95 miles. Upon exiting the CNF, the route continues west and parallels the CNF boundary for approximately 3.12 miles across active forest plantations, Significant Natural Heritage Areas, and private conservation easements until it meets the Havelock-Morehead Wildwood 115-kV South Transmission Line, north of the Town of Newport. In this vicinity, the route crosses an additional 1,310 feet of CNF land. From here, the alignment turns north and parallels the existing overhead transmission line for approximately 1.55 miles before arriving at the proposed Newport 230-kV Switching Station.

The Report states that the proposed in-service date for the new line is approximately March 2020 and that the projected cost is approximately \$32 million. Also in the Report, DEP describes the transmission line routing process, studies, and physical properties of the Proposed Route. The Commission concludes that the Report satisfies the requirements of G.S. 62-102.

On September 14, 2017, the Clearinghouse filed a letter with the Commission stating that the North Carolina Department of Natural and Cultural Resources requested additional information prior to providing its concurrence with DEP's application.

On November 15, 2017, the Public Staff filed a letter in support of DEP's application stating that it recommends issuance of the CPCN following the Commission's receipt from the Clearinghouse of confirmation that no further Commission action is needed to ensure compliance with the North Carolina Environmental Policy Act.

Witness Same testified that sixteen landowners would be directly affected by having at least some portion of the proposed 125-foot right-of-way on their properties.

On July 29, 2017, DEP sent letters to eighteen landowners who own land within 250 feet of the centerline of the Proposed Route. These letters referenced G.S. 40A-11, and provided the requisite 30-day notice for DEP to enter the landowners' respective properties for the purpose of conducting surveys, soil borings, appraisals, and assessments. None of the affected landowners intervened or filed comments in this proceeding. DEP and the Public Staff were the only parties to this proceeding, and no party or person has opposed issuance of the CPCN.

Having carefully reviewed the application, and based upon all of the evidence of record and the recommendation of the Public Staff, the Commission finds that the Proposed Route satisfies the environmental compatibility and public convenience and necessity requirements of G.S. 62-100 et seq. and, therefore, concludes that a CPCN should be issued to DEP for construction of a new transmission line along the Proposed Route. DNCR, which, through the Clearinghouse, had initially requested the results of an archaeological survey prior to completion of its review, later indicated that it did not oppose the Commission making the conduct and reporting of the survey a condition of its order. The Commission, therefore, further concludes that such a condition should be imposed on the grant of the CPCN in this Order.

IT IS, THEREFORE, ORDERED as follows:

1. That pursuant to G.S. 62-102, a certificate of environmental compatibility and public convenience and necessity to construct approximately 6.91 miles of new 230-kV transmission line in Carteret County, North Carolina, as described in DEP's application, is hereby issued to DEP, and the same is attached hereto as Appendix A, subject to the conditions set forth herein and therein.

2. That, prior to DEP engaging in any ground disturbing activities associated with the construction of the transmission line, DEP shall conduct the archeological survey and report the results thereof to the Commission and the Clearinghouse. Upon completion of the archeological survey, DEP shall comply with any further requests or recommendations of DNCR.

ISSUED BY ORDER OF THE COMMISSION.

This the 22<sup>nd</sup> day of February, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Linnetta Threatt".

Linnetta Threatt, Deputy Clerk

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-2, SUB 1113

KNOW ALL PERSONS BY THESE PRESENTS THAT

DUKE ENERGY PROGRESS, LLC  
410 South Wilmington Street  
Raleigh, North Carolina 27601

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE  
AND NECESSITY PURSUANT TO G.S. 62-102**

to construct approximately 6.91 miles of new 230-kV Transmission Line, located in Carteret County, North Carolina, which will originate at the proposed Harlowe 230-kV to 115-kV Substation southeast of the Town of Harlowe and north of State Route 101, and which will terminate at the proposed Newport 230-kV Switching Station

subject to receipt of all federal and state permits as required by existing and future regulations prior to beginning construction and further subject to all other orders, rules, regulations, and conditions as are now or may hereafter be lawfully made by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 22<sup>nd</sup> day of February, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Linnetta Threatt", is written over a faint, circular official seal of the North Carolina Utilities Commission.

Linnetta Threatt, Deputy Clerk