

E-2 Sub 1150

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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. 27524

(I am a rate paying customer to DEP, Two Accounts: 034 176 4413 & 667 764 2578)

→ 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

Lawrence B. Somers, NCRH 20 / PO Box 1551, Raleigh, N.C. 27602 (DEP lawyer/party)

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

(b) G.S. 62-2 (a), (1), (3), (3a), (4) and (4a) "To assure...-lower rates over Operating
Lives of such new facilities..." (Intervener used term: Life-Cycle Cost of Line)

(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 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,"

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

(f) Oliver L. Canaday's Letter to N.C. Utility Commission of 6 Jun. 2018, Objection
to Order Denying Motion for Reconsideration

(g) Oliver L. Canaday's Letter to N.C. Utility 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

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

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

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

(k) 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

Encl: (1) CT. Siting Council, Life-Cycle Cost for a Typical 345kV Overhead Line, pie chart

Subj: **Request -Review, Investigate, and Make Appropriate Recommendations to the Commission with Respect to the Service Furnished, or Proposed to be Furnished by any Public Utility**; (Pertains to Docket No. E-2, Sub 1150, My References are in this Docket) (In Accordance With (IAW) G.S. 62-15, (d), (2)) and G.S. 62-2 Declaration of policy

1. This is not a frivolous request for Review and Investigate via G.S. 62-15. I request the Public Staff to: **"-Review, -Investigate, and -Make Appropriate Recommendations to the Commission with respect to the service furnished, or proposed to be furnished by any public utility.**

2. IAW G.S. 62-15, request subject; Review/Investigation of reference (e) for complying with General Statutes, references: (b), (c), (d) and cross-referenced with Hearing Transcripts, reference (j), for Uncontroverted Evidence. The "Order" must be rescinded lacking burden of proof.

a. Reference (b), G.S 62-2, has several item issues not completed, in particular is (4a). The "Order", has no cost analysis from Duke Energy Progress (DEP) that addresses: **"...lower cost of new facilities and lower rates over the operating lives of such new facilities"**... this is Uncontroverted Evidence DEP's Application has not complied with G.S. 62-2 (4a); shown via Transcript, reference (j). Therefore, **must rescind "Order"** via not complying with G.S.62-2 (4a). (Term **Life-Cycle Cost by mile** is used for("**lower rates over the operating lives of such new facilities**") for purpose of this letter. DEP must present Life-Cycle Cost of a 230kV Line "by mile" from power generation point to end user that pays the bill, similar to what CT. Council on Utilities has done on pie chart showing cost. CT. uses 40 years as Life-Cycle Cost, DEP may use 40/60/75 years, or etc. When done, cost can be multiplied by on/about (a/o) 5.27 miles, this is what consuming public **Pays Extra** over Life- Cycle Cost, X number of years. (Expect DEP does something similar each time for a rate increase justification; (**not presented this way**). -"All N.C. DEP rate payers, (pay for **longer lines** Route 31), pays for all electricity on the lines even **that loss through Ohm's Law**); via DEP rate hikes.)

b. Reference (c), G.S. 102 (a), (4), c "Alternatives to-proposed action". DEP filed a Late-Filed Exhibit No. 2 of 13 Nov. 2017 showing construction cost of Four Best-Scored Alternative Routes.

DEP did not give the **cost of operation and maintenance** that is needed for proposed action.

-Also, this appears submitted as New Evidence into the Record without authorization and Commission used this in "Order", reference (e). The 31 Oct. 2017 Hearing Transcript shows evidence there was no cost analysis information in DEP 's Application that date. The Transcript shows Commission did not authorize Late-Filed Exhibit No. 2 pertaining to cost, and filed as a Late-Filed Exhibit. -The Commission authorized Late-File Exhibit (No. 1) for a parallel 230kV line to run parallel with 500kV line, to study if this was feasible. I have no issue with Exhibit No. 1, as this was expected.)

There is Uncontroverted Evidence via Hearing Transcript that Exhibit No. 2 entered into the record as unauthorized information and used in Commission's "Order". Motion for investigation as to how this was entered into Record, via G.S. 62-65(a), and G.S. 62-37. DEP has not met requirements of G.S. 62-102 (a) (4), c., therefore the "Order" must be rescinded via not compliance with G.S. 62-102.

c. Reference (d), G.S. 62-105. Burden of Proof, decision. (a). DEP has not met the burden of proof for "Order to grant certificate. DEP does not have the **Cost of Operation and Maintenance** in their Application. The evidence is via the 31 Oct. 2017 Hearing Transcript, in sworn testimony DEP witness states there is no cost in the Engineer Burns & McDonnell Report. This is Uncontroverted Evidence that DEP's Application has not complied with G.S. 62-105. (Furthermore, the **Construction Cost** entered into Record is suspect New Evidence.) DEP has not met requirements of G.S. 62-105 (a). via Uncontrivated evidence in Transcript, therefore the "Order" must be rescinded.

3. Reference (h), Public Staff letter to Commission recommending the Commission issue the certificate for approximately 11.5 miles of New 230kV Transmission Line in Johnston County, N.C. I have issue with some of the information stated in letter to support this recommendation, shown below:

a. ..."complied with the requirements G.S. 62-102"... -DEP has not complied with this General Statutes per this date. The Hearing Transcript of 31 Oct. 2017, shows DEP has not presented the cost of operation and maintenance of the lines with the Alternatives to the proposed action.

(Furthermore, the cost of construction submitted via Exhibit No. 2 is suspect New Evidence.)

b. ...".demonstrated as required by G.S. 62-105"... -DEP has not complied with this General Statutes as of this date. The contents of Hearing Transcript of 31 Oct. 2017, show DEP has not presented cost of operation and maintenance of lines as required. ..."The Commission shall grant a certificate for the construction, operation, and maintenance of the proposed transmission line if it finds: ...(3) -That the cost associated with the proposed transmission line are reasonable";... . Therefore, the Hearing Transcript of 31 Oct. 2017 provides Uncontroverted Evidence this requirement for G.S. 62-105 is not met as required; as there is no cost of operation and maintenance in DEP's Application. (Also, cost of construction is suspect New Evidence.) The Public Staff letter is referenced in the "Order" as recommending approval for the certificate; (Page 2, paragraph 5, line -3. -(On Oct. 16, 2017, The Public Staff filled a letter recommending...). This is one of the items in the "Order" that requires the "Order" must be rescinded. **Motion to rescind "Order"** as G.S. 62-102 and G.S. 62-105 are not complete, via Uncontroverted Evidence in Hearing Transcript.

c. There are two issues in Public Staff letter misleading the Commission in their decision making:

- 1) ..."compared with reasonable alternative courses of action"; -G.S. 62-102(a), (4), c.-incomplete;
 - 2)..."estimated cost associated with the line are reasonable"; -G.S. 62-105(a), (3)- incomplete;
- neither are complete in DEP's Application of 14 Jul. 2017; -shown with Uncontroverted Evidence via Hearing Transcript of 31 Oct. 2017. See above explanation via G.S. 62-102 and G.S. 62-105, these two misleading pieces of information are used in the Commission's decision-making to grant "Order". "Order" **must be rescinded** -non compliance of G.S. 62-102 & 62-105 via Uncontroverted Evidence.
4. -Convincing Commission to review Fresh Evidence & rescind "Order", alter to Route 4, will save consuming public several million dollars over Life-Cycle of Line by fact it is o/a 5.27 miles shorter.

5. -Request a Review G.S. 62-2, reference (b), for investigation of Engineers Burns and McDonnell Report used by DEP in Application of 14 Jul. 2017 and DEP witness during Hearing, reference (j) pages 79 - 82 for giving a weight of 5 for residences with no criteria except Residence Proximity score. Commissioner and DEP witness had a conversation, page 82, lines 1 – 8 it was stated and agreed via DEP witness “it is not a business or residence can’t be within these distances; its just the closer they are the higher the weighting”. -So no other reason than “Residence Proximity Score to give a weight of 5 and guide the preferred line to Route 31 due to less residences in rural farm area.

-Pertaining to this issue, in DEP’s Application during the process of selection of preferred route 31 with the DEP Sitting Team, (Hearing Transcript, reference (j), page 84/159 lines 18 – 24 and Page 85/159, lines 1-3); **-Shows plainly an advocate on the team** influenced the decision making process away from the western routes, **via we have a gentleman that actually lives in this area, grew up in this area, used to ride four-wheelers all over this area, and we had a very strong opinion as to the complexities of constructing the western route alternatives, “you know”**). This was stated under oath at Hearing with full knowledge that **Engineering Firm Burns and McDonnell had reported that any of the final four lines were feasible and constructible**. Intervener adds, putting transmission lines thru wetlands seems a minor obstacle to the line engineers that do the work.

-- (Case-in-point, 2017; I rented a helicopter & pilot, and flew down the 500kV line from Middle Creek (Cleveland area, I-40) down past Fayetteville, N.C. past I-95 to find the transmission sub-station, found it, and the o/a five 230kV lines coming out of it. Alone the recon-trip there were several long wetland areas, there were two fairly large swamps between Middle Creek and the facility east of I-95, the two large ones were o/a mile long estimate from memory and aerial view. -This is added reason to investigate why DEP selected Route 31 o/a 11.5 miles v. Route 4 o/a 6.23 miles, (no sense cost wise).

-When the Public Staff gets the cost of operation and maintenance and other items used in figuring the

Life-Cycle Cost, difference in cost to be huge -comparing Route 4 v. Route 31. See enclosure (1).

The construction is a big ticket one-time-cost, but small compared to operation and maintenance over Life-Cycle Cost of the line (-probable be 40/50/60/75 years), not stated yet; G.S. 62-2 (4a), to assure public policy, "result in lower cost of new facilities, and lower rates over the operating lives of such new facilities". All extra cost: construction, operations, maintenance, & Life-Cycle Cost for longer line, Route 31 v. Route 4 is paid via all N.C. rate payers with DEP rate hikes; -not N.C. Government public policy as intended via G.S. 62-2.

6. Investigate unreasonableness not awarding a business score for cropland for agri-business out of farm residences. See Hearing Transcripts, reference (j) page 82, lines 14 – 17. Motion to Investigate guidance system and review to cross-reference with G.S. 62-2(a), (1)-(7), (undue residence weight 5 use), which is about N.C. public policy pertaining to public electric utilities that focuses almost 100% on rates, services, operations, to promote adequate, reliable and economical utility service to all of the citizens and residences of the state. (Intervener finds nothing to create a system to guide a transmission line out of a community not wanting it, so all N.C. DEP rate payers, -pay extra cost for construction, operation, maintenance & Life-Cycle Cost of 5.27 miles of line to accommodate this community who is one of the main benefactors of this electric service. Intervener nor anyone he knows can find where public policy suggest running a line an extra o/a 5.27 miles and all N.C. DEP rate payers pay more for their electric service via DEP rate increases. Per G.S. 62-2, -to push 230kV power o/a extra 5.27 miles the next (40/50/60 years) -paid by all N.C. DEP rate paying citizens to accommodate a few citizens on Route 4 is not in interest of the North Carolina DEP rate payers. (Once the extra miles of lines are build the rate increases never go away, just keeps piling up with rate increases.)

7. Reliable is not having outages or breaks in electric service to the consuming public. See reference (f), enclosure (3), page 2/2, Edison International list 8 Common Causes of Outages, and are relevant to this part of North Carolina. The following are the 8 common causes of outages: -1 -Storms -wind, heat, ice snow are the most common causes; -2 -Trees -high winds & trimming by untrained

professionals; -3 -Vehicles – collision with utility poles; -4 -Earthquakes – quakes of all sizes damage electrical facilities & lines; -5 -Animals –there are barriers but small animals still cause a short circuit; -6 -Lightning -strikes electrical equipment, transmission towers, wires, & poles; -7 -Excavation digging -underground cables are disturbed by digging; -8 -High Power Demand -during heat waves & other times of unusually high power demand overburden parts of system. -Common sense and deductive thinking shows that a shorter line is more reliable as there is less line to be affected by common outages. In this case Route 4 is (o/a) 6.23 miles long v. Route 31 is o/a 11.5 miles long. Simple math percentages shows Route 4 would be o/a 45% more reliable because it is shorter by o/a 5.27 miles.

8. Intervener motions for investigation via G.S. 62-37 and G.S. 62-65, to identify office and or staff action that screened DEP's Application for being in compliant with the N.C. G.S. 62-2;

G.S. 62-102(a), (4), c.; and G.S. 62-105. Burden of Proof, decision. (a). These N.C. General Statutes were not complied-with prior to Hearing of 31 Oct. 2017. The Commission has granted "Order" for certificate without completed **requirements of cost** via G.S. 62-102, 62-105, and 62-2. The cost is for: -"construction cost" (suspect new evidence after hearing), -"operating cost", "maintenance cost", and "lower cost of new facilities and lower rates over the operating lives of such new facilities .

There is Uncontroverted Evidence showing these General Statutes are not complied-with in Hearing Transcript, reference (j). Therefore, the "Order" does not comply with requirements of G.S. 62-102, G.S. 62-105, and G.S. 62-2 and **must be rescinded**. So IAW G.S. 62-79 (b), Intervener Motions "Order", reference (e) be revoked by Commission due to not complying with G.S. 62-102, G.S. 62-105, and G.S. 62-2 requirements.

9. Intervener looks for DEP to complete cost requirements of G.S. -62-102, -62-105, -62-2, & resubmit Application for 230kV transmission line to the Commission. Intervener prays Commission reviews G.S. 62-2 and gives a **Hard Look** at Route 4 being Best-Route to supply economical, reliable,

reasonable electrical service to the Cleveland area.

10. When Commission reviews the alternatives with all the cost information for decision making, Intervener prays Commission amends prior "Order" to Route 4. Route 4 is Best Route due to its good merits to supply adequate and reliable electric power to Cleveland area; and economical (cost) services to all citizens and residences receiving DEP service in N.C. **Intervener Motions via G.S. 62-80** the Commission rescind the prior order for Route 31 and amend to Route 4 due to its good merits of location, reliable/short line, economical cost effectiveness of all the N.C. DEP rate payers.

SUMMARY

11. Issues Intervener Motioned to review & investigated are supported by uncontroverted evidence via contents of Hearing Transcript of 31 Oct. 2017, reference (j). The Transcript is uncontroverted evidence the issues to be investigated and reviewed show beyond all reasonable doubt DEP has not complied with-G.S. 62-2, (a), (1), (3), (3a), (4), -(4a); -G.S. 62-102(a), (4), c.; G.S. 62-105 Burden of Proof, decision.(a). - Other issues, especially two; cropland/farming not being a business and weighted properly as a business is extremely unreasonable by anyone growing up in North Carolina, **must be** corrected to business weighted in Application; -using weighted system to guide route from community not wanting line, without written criteria is completely unreasonable and **must be** changed to merits. Case in point, using DEP's Application, -What is criteria of three Sensitive Streams: High, Medium, and Low. Each one should be identified with criteria for each level; then you know the difference; at present you can not identify criteria difference in the streams.

-Conclusion; Intervener has presented uncontroverted evidence the Commission has granted "Order" for certificate to DEP line construction without completion of N.C. General Statutes: 62-102, 62-105(a) and 62-2 as required. Furthermore, the DEP Exhibit No. 2 investigation must be cleared-up as to how it got into Record after the Hearing, via G.S. 62-70. **Intervener Motions the Commission**

grant a Review of the Fresh Evidence presented for cost as Intervener believes sufficient reason has been presented to grant a review and to hold/authorize further hearing or preceding as necessary.

When -DEP has done cost analysis required via G.S. 62-102, 62-105(a) and 62-2 Life-Cycle Cost; Intervener believes cost analysis and results of investigations will show evidence Route 4 is Best-Route to supply electric service to Cleveland area, and in best interest of the public.

Intervener motions for Commission to rescind order and amend to replace Route 31 with Route 4; via G.S. 62-80. The evidence shown is not arbitrary or not just interveners' dissatisfaction of line crossing his property. Route 4 has the best merits for the line, public interest and cost via G.S. 62.2.

Sincerely,



Oliver L. Canaday, MSgt, USMCRet, 0441/0331H, CACw/3 bzn-stars, PH, CAR, NUCw/2 bzn-stars
MUC, RVNSw/sil-star, BC, AWC, C&S

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

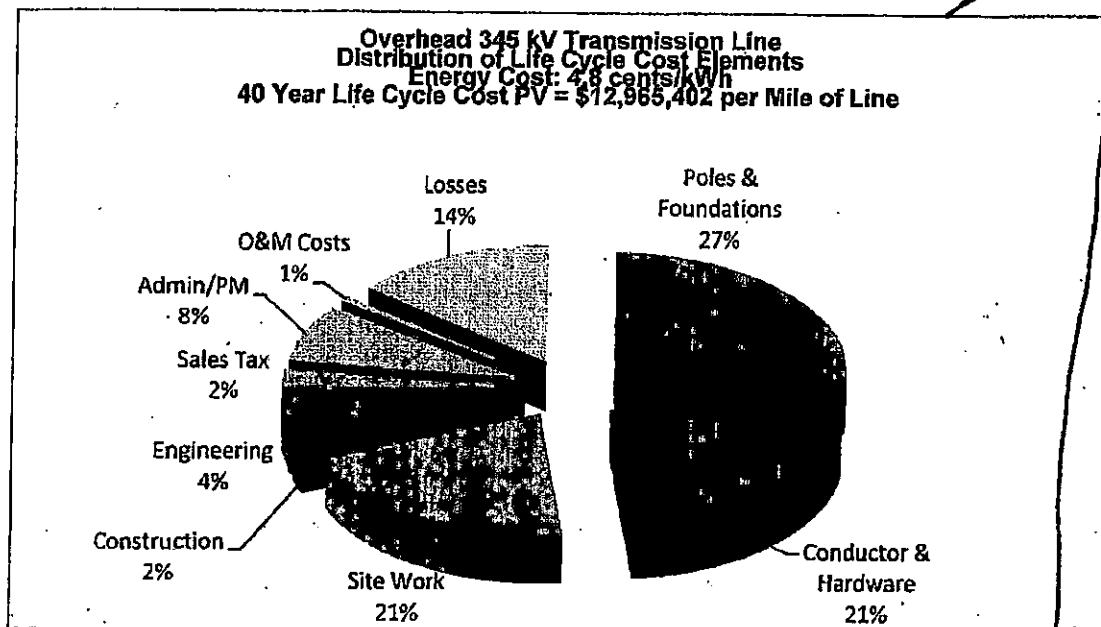
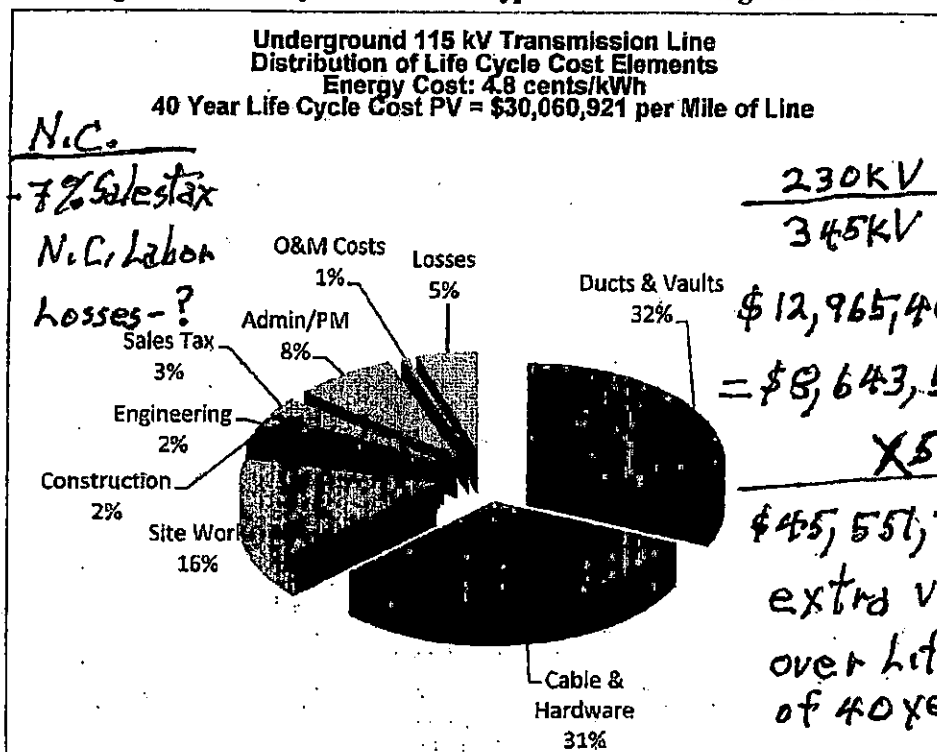


Figure 1-3: Life-Cycle Costs for a Typical 115 kV Underground Line



Est. only

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

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

$\frac{230KV}{345KV} = 66.6666\%$
 $\$12,965,402 \times 66.6666\% = \$8,643,592 \text{ per mile}$
 $\times 5.27 \text{ mile}$
 $\$45,551,729 \text{ to be paid extra via Route 31 over Life-Cycle Cost of 40 years}$