

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2, SUB 1288

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 1.3)
Miles of New 230 kV Transmission Line in)
Chatham County, North Carolina)

ORDER GRANTING CERTIFICATE
OF ENVIRONMENTAL
COMPATIBILITY AND PUBLIC
CONVENIENCE AND NECESSITY

BY THE COMMISSION: On February 7, 2022, Duke Energy Progress, LLC (DEP or Applicant) filed an application pursuant to N.C. Gen. Stat. § 62-100 et seq. and Commission Rules R1-5 and R8-62 for a certificate of environmental compatibility and public convenience and necessity (CEPCN) to construct approximately 1.3 miles of new 230 kV transmission line in Chatham County, North Carolina. The application was filed with exhibits and the direct testimony of Clifton M. Cates and Micah E. Retzlaff. The new transmission line will run from the existing Harris Plant-Siler City 230 kV transmission line to the proposed Pittsboro Hanks Chapel substation.

On February 21, 2022, the Commission issued an Order Scheduling Hearings and Requiring Public Notice (Scheduling Order), setting forth the dates for a public witness hearing to be held in Pittsboro, North Carolina, an evidentiary hearing to be held in Raleigh, North Carolina, and dates for the filing of testimony.

DEP's application was properly served on the parties designated by N.C.G.S. § 62-102.

On April 20, 2022, DEP filed Affidavits of Publication confirming that the Public Notice had been published for four successive weeks in Chatham County beginning on February 24, 2022.

On April 22, 2022, the North Carolina Department of Administration filed comments made in review of the environmental impact information received by the State Clearinghouse regarding the proposed transmission line and a letter stating that it has determined that no further review action is needed for compliance with the North Carolina Environmental Policy Act.

On May 18, 2022, the Public Staff filed a letter in lieu of testimony in this proceeding stating that, based on its investigation of the application, exhibits, and other matters of record, the Public Staff believes that DEP has complied with the requirements of N.C.G.S.

§ 62-102 and has demonstrated as required by N.C.G.S. § 62-105 that: (1) the proposed transmission line is necessary; (2) when compared with reasonable alternative courses of action, construction of the line in the proposed location is reasonable; (3) the estimated costs associated with the line are reasonable; (4) the impact of the line on the environment is justified considering the state of available technology; and (5) the environmental compatibility, public convenience, and necessity require the transmission line. The Public Staff recommends that the Commission issue the requested CEPCN. No other comments have been filed in this docket, and no other party has intervened.

On May 27, 2022, DEP filed a Motion to Cancel Hearings, requesting that the Commission cancel both the public witness hearing and the expert witness hearing. On May 31, 2022, the Chair issued an Order Canceling Public Witness Hearing. On June 2, 2022, the Commission issued an Order Canceling Expert Witness Hearing wherein it also required the filing of a proposed order.

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 N.C.G.S. § 62-100 et. seq. and Commission Rule R8-62, a public utility must receive a CEPCN before constructing a transmission line of 161 kV or above in North Carolina.

3. The proposed transmission line would originate at the site of a new Pittsboro Hanks Chapel Substation near Pittsboro in Chatham County, North Carolina, and would terminate at a selected tap location on the existing Harris Plant-Siler City 230 kV transmission line. The approximate total length of the proposed transmission line is 1.3 miles.

4. The Commission did not receive any written complaints or other consumer statements of position regarding the proposed transmission line.

5. DEP's application meets the requirements of N.C.G.S. § 62-102.

6. DEP has carried its burden of proof under N.C.G.S. § 62-105(a) through 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 consideration; and
- (e) the environmental compatibility, public convenience, and necessity require the construction of the transmission line.

7. It is in the public interest, reasonable, and appropriate to grant the requested certificate.

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. 3-7

The evidence supporting these findings of fact appear in DEP's application, the direct testimony of DEP witnesses Cates and Retzlaff, the studies and exhibits filed by DEP, and the recommendation of the Public Staff.

The parties' respective burdens of proof in this proceeding are governed by statute, N.C.G.S. § 62-105(a). The Commission has in the past interpreted the burden of proof requirement set forth in N.C.G.S. § 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.

Final Order Overruling Exceptions and Affirming Recommended Order, *Application of Carolina Power and Light Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity to Construct Approximately 19.6 Miles of 230 kV Transmission Line in Wayne, Duplin, and Sampson Counties, North Carolina*, No. E-2, Sub 796, at 2 (N.C.U.C. Aug. 29, 2002).

In considering other “relevant and material” factors pursuant to N.C.G.S. § 62-105(a), the Commission notes that “[i]t is hereby declared to be the policy of North Carolina:...(5) To encourage and promote harmony between public utilities, their users and the environment.” N.C.G.S. § 62-2. In addition, the Commission considers the following declaration of State environmental policy:

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 cultural elements of our common inheritance.

N.C. Gen. Stat. § 113A-3.

Showing of need

DEP witness Clifton M. Cates testified regarding the need for proposed transmission line. A summary of witness Cates’s testimony follows.

A new 230 kV transmission-to-distribution substation and a new 230 kV transmission line to provide power to the substation are necessary in the area that is on the North and Southeast sides of the Town of Pittsboro in Chatham County, North Carolina. The area is currently served by the Pittsboro Substation. The new substation site was purchased in 2018 based on the projected load center along Highway 15-501 and between US 64 Business and US 64 Bypass. The Pittsboro 230 kV Substation’s planning limit was projected to be exceeded in Summer 2022, causing DEP to complete a project to increase its capacity to 40 MVA in December 2021. The substation is limited to three feeders, which reduces the ability to manage load growth and transfer load for outage restoration. The Northwood 23 kV feeder out of Pittsboro Substation is projected to exceed its planning limit in 2022, and the Big Woods 23 kV is projected to exceed its planning limit in 2023. Several infrastructure projects have been completed or are planned to manage the growing load in the area. Projects in 2021 increased the capacity of the Pittsboro 230 kV Substation and transferred load to an adjacent feeder. In the next two years, projects will transfer load from the Northwood 24 kV to other sources.

However, while these infrastructure projects are helpful and needed, they will not provide a permanent solution. Because of increasing load growth along US 15-501 from the Fearington area to near Chapel Hill, limited capacity is available for extended transfers. Therefore, to serve future load growth in the Pittsboro area, additional substation and feeder capacity will be needed. The new substation and transmission line are required to provide needed capacity and enhanced service reliability to support DEP's existing customers and allow for future residential and commercial growth.

The routing study and selection process

DEP witness Micah Retzlaff testified regarding the routing study and selection process. A summary of witness Retzlaff's testimony follows.

After having established the need for the transmission of power to the Pittsboro, North Carolina area, DEP retained Jacobs Engineering Group (Jacobs), an international technical professional services firm with utility and infrastructure siting experience, to assist DEP with the line routing and obtaining public input for the Project. Jacobs conducted a comprehensive routing study and prepared a Routing Study and Environmental Report, which is attached as Exhibit A to DEP's application. DEP and Jacobs established the study area, which was designed to provide a set of reasonable and geographically distinct route alternatives. Data was then collected from publicly available sources to identify constraints and environmental concerns that could result in challenges for the siting of a transmission line. The data were used to create a raster-based suitability surface within a GIS framework, the purpose of which was to aid in the identification of areas more suitable for the placement of a transmission line route. DEP held two public information meetings to introduce the project and receive input from residents in the study area and from local public officials.

Jacobs grouped the collected data into three categories: Technical, Ecological, and Land Use/Cultural and further divided those categories into individual criteria and assigned them a weight from 1 to 10 according to each criterion's potential sensitivity to a transmission line, as determined by members of DEP's project team and feedback from public comments. With this data, Jacobs developed alternative routes and ultimately selected one as the preferred route for the transmission line. The objective of the routing analysis was to identify an economically feasible route connecting the proposed Pittsboro Hanks Chapel Substation to the Harris Plant-Siler City 230 kV transmission line that would supply reliable electric service while minimizing adverse impacts to the economic, social, and natural environment. DEP contacted local, state, and federal government agencies to obtain information on resources of particular concern that were relevant to the routing process. Different potential routing alternatives were shared with the public and with local officials to obtain input for evaluation. The study team quantified engineering, land use, social, and environmental resources that each feasible route would impact. The quantitative data and public input were used to evaluate the alternatives and select a preferred route.

DEP hosted public information meetings to provide project information and updates and to collect information from the public. Because of the COVID-19 pandemic, DEP held the meetings virtually. Invitations to study area community meetings were sent to all property owners in the project study area. DEP also contacted the following state and federal agencies for information on threatened or endangered species, wetlands, wildlife resources, stream sensitivity, hydric soils, and other potential permitting issues. Those agencies included the 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 the N.C. Division of Land Quality.

The primary goals regarding routing were to minimize overall impacts by paralleling existing rights-of-way where possible, to maximize the distance of the line from existing residences, and to minimize the overall length of the route. The route alternatives consist of individual segments that can be combined in different arrangements to form a continuous path from the proposed substation site to the transmission line. Three distinct routes were developed using a combination of seven line segments. After analyzing the three route alternatives based on social, environmental, and engineering factors, DEP's siting team determined that Route 1 was the preferred route for several reasons: (1) it maximizes distance to existing residences; (2) it parallels DEP's existing Bynum Tap for a majority of its length, reducing the need for additional right-of-way easements; and (3) it was the least overall impacting route in the numerical evaluation performed for the project with a total estimated costs of \$6.88 million. By using standard construction procedures and mitigation techniques when coordinating the project with State and Federal agencies, the construction, operation, and maintenance of the proposed project will have limited effects on the natural and social resources in the area.

The chosen route, which DEP proposes in its application, originates at the site of the proposed Pittsboro Hanks Chapel substation located 1,000 feet east of the intersection of U.S. Highway 64 Business and Hanks Chapel Road in Chatham County, North Carolina. It exits the substation site to the southwest and extends approximately 1,250 feet before turning south-southwest for approximately 5,500 feet before terminating at the selected tap location on the existing Harris Plant-Siler City 230 kV transmission line.

The Commission has not received any written complaints or other consumer statements of position regarding the proposed transmission line.

Discussion and conclusions

Having carefully reviewed the application and based upon the evidence of record and the recommendation of the Public Staff, the Commission concludes that DEP has carried its burden of proof under N.C.G.S. § 62-105(a) in demonstrating that the proposed transmission line is necessary for an adequate and reliable supply of electric energy to its service area. The Commission further concludes that DEP has demonstrated that Route 1 is the preferred transmission line route, that construction of a transmission line

along Route 1 is in the public interest, and that the proposed costs associated therewith are reasonable.

IT IS, THEREFORE, ORDERED as follows:

1. That pursuant to N.C.G.S. § 62-102, a certificate of environmental compatibility and public convenience and necessity to construct approximately 1.3 miles of new 230 kV transmission line in Chatham County, North Carolina, as described in DEP's application, is hereby issued to DEP; and

2. The certificate of environmental compatibility and public convenience and necessity is attached hereto as Appendix A.

ISSUED BY ORDER OF THE COMMISSION.

This the 13th day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Erica N. Green".

Erica N. Green, Deputy Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-2 Sub 1288

KNOW ALL PERSONS BY THESE PRESENTS THAT

DUKE ENERGY PROGRESS, LLC

410 S. Wilmington St.
NCRH 20/ P.O. Box 1551
Raleigh, North Carolina 27602

is hereby issued this

**CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AND PUBLIC CONVENIENCE
AND NECESSITY PURSUANT TO N.C. GEN. STAT. § 62-102**

to construct approximately 1.3 miles of new 230 kV transmission line in Chatham County, North Carolina, to allow interconnection of a new 230 kV/23 kV substation to serve the Pittsboro area to DEP's existing transmission network

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 13th day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION



Erica N. Green, Deputy Clerk