

August 6, 2018

E-2 Sub 1150

FILED

NOV 26 2018

Clerk's Office
N.C. Utilities Commission

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Dec 03 2018

To: Commissioner Daniel G. Clodfelter, 430 N Salisbury Street., 4325 mail center Raleigh, NC 27699-4300

To: Attorney General Josh Stein, 114 W Edenton St, Raleigh, NC 27603

To: Governor Roy Cooper, 20301 mail service center, Raleigh NC 27699-3001

To: Lt. Governor Dan Forest, 310 N Blount St, Raleigh, NC 27601

To: Preseident Pro tem of the Senate, Phil Berger, P.O. Box 1309, Eden, NC 27289-1309

Reference Docket E-2 sub 1150 Duke Energy Progress

See enclosure

The purpose of the letter is to inform all above parties that Docket E-2 sub 1150 submitted by Duke Energy on 6-16-2017 and all correspondence does not meet the general statues of north carolina referenced in their docket and approved by the north carolina utilities commission on 1-12-2018.

§ 62-105. Burden of proof; decision.

- (3) **That the costs associated with the proposed transmission line are reasonable;**

The costs are not in the docket or any supporting information. Under sworn testimony Timothy Sane admits under oath the costs are not in the docket when questioned by commissioner Beatty. See Enc 1

The order granted Duke energy Progress the right to Construct, Operate and maintain a 230KV transmission line. There is no costs to operate and maintain line in docket e-2 sub 1150. A late filed exhibit was entered into record after intervenor hearing that shows route 31 is \$543,150.00 less to construct than route 4. In addition, route 31 is 5.27 miles longer so it will costs more to operate (ohm's law) and maintain than route 31. This is is direct conflict with

§ 62-2. Declaration of policy.

- (4) To provide just and reasonable rates and charges for public utility services without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices and consistent with long-term management and conservation of energy resources by avoiding wasteful, uneconomic and inefficient uses of energy

We have asked the utilities commission to compel duke energy to provide these costs to rate paying consumers, and were denied. The utilities commission should not be able to grant an order without the costs of operation and maintenance, and furthermore not grant Duke energy any rate hikes if this is not a requirement.

The process that we have gone through during this entire time frame has been poorly handled and information has been withheld from intervenor before oct 31 2017 hearing. The

costs to construct the line was withheld even though the public staff of the utilities commission said they had it on September 2017. The public staff wrote a letter on October 16, 2017 stating that the "costs associated with the transmission line were reasonable." This evidence was not presented at intervenor hearing per written transcript of testimony. The public staff attorney should have brought this to the attention of the utilities commission when commissioner Beatty questioned timothy same. At that point the utilities commissioners presiding over the hearing should not have let it move forward. The docket e-2 sub 1150 is incomplete without the costs to operate and maintain the transmission line. See enc 2. See enc 3

Duke energy progress should provide a life cycle costs for transmissions line to comply with general statutes. See enc 4

A freedom of information act request was made and denied by the NC utilities commission as well. We sought to find out when the construction costs were submitted, and who authorized them when they were "conveniently" added after the intervenor hearing.

On August 3, 2018 commissioner Clodfelter denied all motions to compel and freedom of information stating that

The Presiding Commissioner, upon receiving Mr. Canaday's July 27, 2018 communication, directed that the letter be filed with the Chief Clerk and a copy provided to DEP. As to the substance of Mr. Canaday's letter, the Presiding Commissioner finds that the Custodian of Records' response to Mr. Canaday's initial public records request was complete and satisfactory pursuant to Chapter 132 of the North Carolina General Statutes, particularly N.C.G.S. § 132-6(a1). Therefore, the Presiding Commissioner concludes that no further response is necessary or appropriate. Nonetheless, the Presiding Commissioner reminds Mr. Canaday that the information submitted by DEP as a late-filed exhibit was at the instruction of the Presiding Commissioner during the course of the hearing in this matter, and no party objected either at the time of such instruction or within a reasonable amount of time following DEP's submission of the late-filed exhibit. Accordingly, Mr. Canaday may find responsive to his public records request some or all of the following records, all of which Mr. Canaday already has unrestricted access through the Commission's online docket portal: (1) Transcript of Testimony, Volume 2, Heard October 31, 2017; (2) the Commission's January 12, 2018 Order granting a CPCN to DEP; (3) the Commission's September 25, 2017 Order requiring DEP to provide 6

additional information; and (4) DEP's verified responses to the Commission's September 25, 2017 Order.

Based upon the foregoing and the entire record in this proceeding, the Presiding Commissioner denies all of Mr. Canaday's motions for relief. The Presiding Commissioner further notifies Mr. Canaday that he has exhausted all remedies and relief available to him that are within the jurisdiction of this Commission.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 3rd day of August, 2018.

NORTH CAROLINA UTILITIES COMMISSION

Janice H.

In essence, commissioner clodfelter states that duke energy progress, the nc utilities commission and the nc public staff are all in agreement the docket E-2 Sub 1150 is complete.

Until the general statues above are satisfied with all associated costs, including operation and maintenance and comparisons of the 4 lowest scoring routes, then and only then will it be complete. This information will show without a doubt, the shortest route 4 will be the best route for the rate paying consumers who are protected by these general statues. The docket already shows it is \$543,150.00 less to construct. See enc 5. See enc 6

I would like a complete and thorough investigation into the above proceedings. I ask any party above to become a party of these proceedings. I do not agree that the general statues of north Carolina have been followed and that critical information has been denied, and some information entered into record illegally and untimely with no authorization. I compel the legislative branch of the state of north Carolina to rescind the utilities commission current order based on all of the above information and enclosures I have provided. I am a tax paying citizen of Carolina and fully expect general statues to be followed by everyone, including businesses and corporations. I am also a rate paying consumer to Duke energy and fully expect the general statues that are in place to protect rate payers be upheld as well



Randy Johnson

P O Box 624

Four Oaks, North Carolina 27524

919-524-7074

1 management folks, have indicated is that because of the
2 most likely -- because the matting most likely would be
3 necessary for those western routes, that they felt that
4 the overall access -- I mean, basically they gave us
5 input on both options from their opinion of what
6 construction cost would have been, and they were very
7 similar to each other.

8 So because we're working primarily in upland
9 areas, and the crossings that we do have for streams and
10 such on the preferred route, those are perpendicular
11 crossings to the environmentally sensitive areas,
12 generally speaking, and the western routes were more
13 parallel and basically running almost, you know, more
14 entirely in those environmentally sensitive areas.

15 Q I apologize to you. I've been doing a lot of
16 reading on this, but I've still got some more to finish.
17 So if it's in here, I may not have found it yet. Are
18 your cost analyses in the record materials?

19 A No, sir.

20 Q They've not been -- they're not part of the
21 Burns & McDowell study, I didn't find them in there, and
22 they're not elsewhere in the record on your analysis of
23 the different costs of the different options?

24 A No, sir.

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**NORTH CAROLINA
PUBLIC STAFF
UTILITIES COMMISSION**

October 16, 2017

M. Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

Re: Docket No. E-2, Sub 1150 – Duke Energy Progress, LLC – Application of Duke Energy Progress, LLC, for a Certificate of Environmental Compatibility and Public Convenience and Necessity to Construct Approximately 11.5 Miles of New 230-kV Transmission Line in Johnston County, North Carolina

Dear Chief Clerk:

On July 14, 2017, Duke Energy Progress, LLC, (DEP or the Company) filed an application pursuant to G.S. 62-100 et seq., for a certificate of environmental compatibility and public convenience and necessity to construct a transmission line in Johnston County, North Carolina. The Public Staff has reviewed the application filed by Duke Energy Progress in the above-captioned docket. As part of its review, the Public Staff met with impacted property owners and representatives of DEP, responded to phone calls from impacted residents, and reviewed responses to data requests submitted to the Company. The application was submitted to the State Clearinghouse on September 29, 2017. By email, the Clearinghouse has indicated that its review should be completed on November 3, 2017.

Based upon our investigation of the application, exhibits, and other matters of record, the Public Staff believes that Duke Energy Progress has complied with the requirements of G.S. 62-102, and has demonstrated as required by G.S. 62-105 that the proposed transmission line is necessary and that when compared with

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reasonable alternative courses of action, construction of the line in the proposed location is reasonable, that the estimated costs associated with the line are reasonable, that the impact of the line on the environment is justified considering the state of available technology, and that the environmental compatibility, public convenience, and necessity requires the transmission line.

As noted in the Company's Response to the Commission Order of September 25, 2017, Requiring Additional Information, the Public Staff met with representatives of DEP to review requests from property owners to shift the centerline of the preferred route. The Public Staff would like to encourage the Company to continue to work with property owners where the Company can address concerns raised by the owners. However, to the extent the shift in the centerline of the proposed route impacts a property owner that is not currently impacted by the preferred route contained in the Company's application, the new proposed route should be subject to the notice and hearing requirements of Article 5A of Chapter 62 of the General Statutes unless a waiver of the notice and hearing requirements are obtained from the property owners impacted by the shift. The Public Staff would consider a property owner to be impacted by a proposed line if the line comes within either (i) 50 feet of the property line of the owner or (ii) 250 feet of a primary residence of a property owner. The Public Staff requests that the Company share with the Commission any proposed shift of the centerline of the proposed route and address the notice and hearing requirements if there are any new property owners impacted by the proposed line.

Based on its investigation and review of the application, the Public Staff recommends that the Commission issue the certificate requested in this proceeding subject to the conditions that the Company disclose any proposed shift in the centerline of the proposed route and address whether notice and hearing requirements should be provided to additional property owners, and that the Commission receives a letter from the State Clearinghouse stating no further State Clearinghouse review action by the Commission is required for compliance with the North Carolina Environmental Policy Act.

Sincerely,

Electronically submitted
/s/ Heather D. Fennell
Staff Attorney
heather.fennell@psncuc.nc.gov

HDF/
c: Parties of Record

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NCUC Docket E-2, Sub 1150; Cleveland-Matthews Transmission Line

Williamson, Tommy C [Tommy.Williamson@psncuc.nc.gov]

Wed 6/13/2018 2:34 PM

randy.johnson@vermeermidatlantic.com

Randy, I received your email, dated June 11, 2018, concerning the Duke Energy Progress (DEP) transmission line application in Docket E-2, Sub 1150 (Cleveland-Matthews line).

As representative of the using and consuming public in all utility matters that come before the North Carolina Utilities Commission (Commission), including this docket, the Public Staff takes its responsibilities very seriously. In our review and analysis of DEP's application for the Cleveland-Matthews line, we utilized multiple methods of information gathering to complete our investigation. These methods included field site visits, meetings with customers and the applicant, and sending requests for information to DEP, among others. In August 2017, the Public Staff asked DEP for cost data as follows:

- "Please provide a detailed breakdown of the cost of transmission route 31 (the preferred route) and route 4 (lowest weighted score)."

DEP responded to this request in September 2017. The Public Staff relied on this cost data as part of our overall investigation which formed the foundation of our letter of recommendation filed in this docket on October 16, 2017.

On November 13, 2017, DEP filed this same cost data in this docket (see [filing](#) page 31 of 32) in response to an information request by the Commission during the October 31, 2017 evidentiary hearing.

Thank you.

Tommy C. Williamson, Jr.

Utilities Engineer, Electric Division
North Carolina Utilities Commission Public Staff
4326 Mail Service Center
Raleigh, NC 27699-4300
Ph: 919.733.2267

See Enc 4

G. Loss Cost Calculation Method

G.1 Loss Cost Formula

The following formulas are used in the electric industry to estimate the cost of transmission losses. The loss calculations are based on a peak load current for a given line and a system loss factor.

$$EC \text{ (Energy Cost)} = 3 \times R \times I^2 \times 8760 \times LF \times AIC$$

$$DC \text{ (Demand Cost)} = 3 \times R \times I^2 \times IDC \times LIF$$

EC = energy cost, \$ / yr.

DC = demand cost, \$ / yr.

R = conductor resistance (ohms/phase/mile) X line length (miles)

I = peak load current on the line (amperes)

8760 = hours / year

LF = loss factor (average loss / peak loss)

AIC = average incremental energy cost for the year (\$ / kWh)

IDC = incremental demand cost (\$ / kW-yr.)

NOTES: AIC is based on the wholesale price of electricity (\$0.048/kWh in this report). Since transmission losses occur at the wholesale level, they should not include the cost of distribution facilities or other costs. IDC is zero since this evaluation is not being done for system capacity reasons.¹

Example Calculation

Conductor = 1272 ACSS (R = 0.08712 ohms/mile)

Peak load current = 502 amperes (equal to 100 MVA at 115 kV)

Loss Factor = 0.38 (same for CT utilities)

AIC = \$0.048 / kWh (consistent with previous reports)

Demand Cost = \$0.0

$$\begin{aligned} \text{Initial cost of losses} &= (3)(0.08712)(502)^2 (1\text{kW}/1000\text{W})(8760 \text{ hr /year})(0.38) (\$0.048/\text{kWh}) \\ &= \$10,524 \end{aligned}$$

$$\text{First year cost of losses} = (\$10,524)(1.012)(1/1.08)(1.0203^2) = \$10,266$$

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

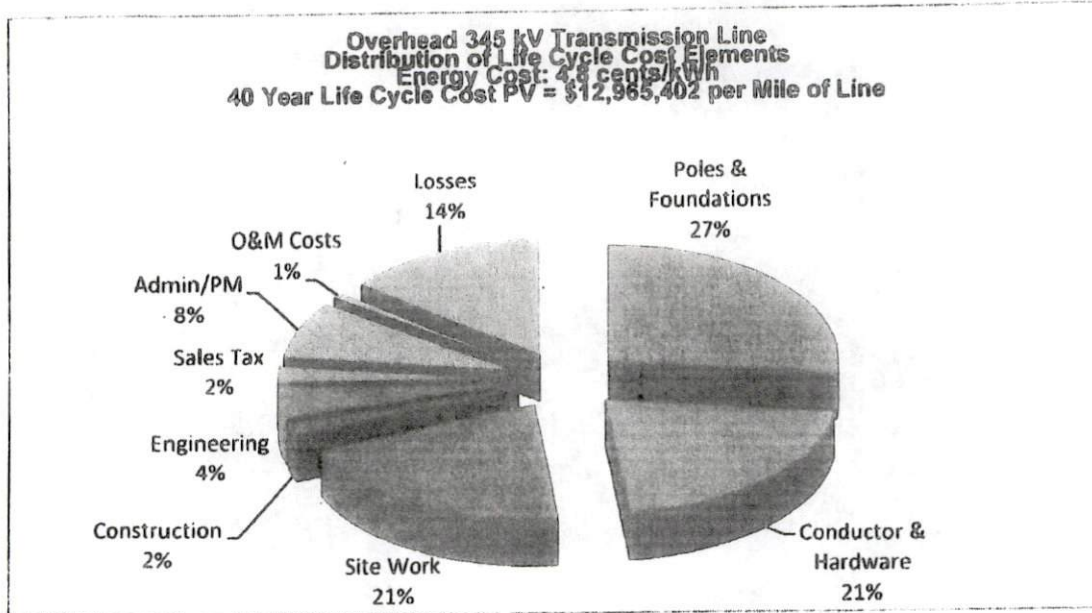
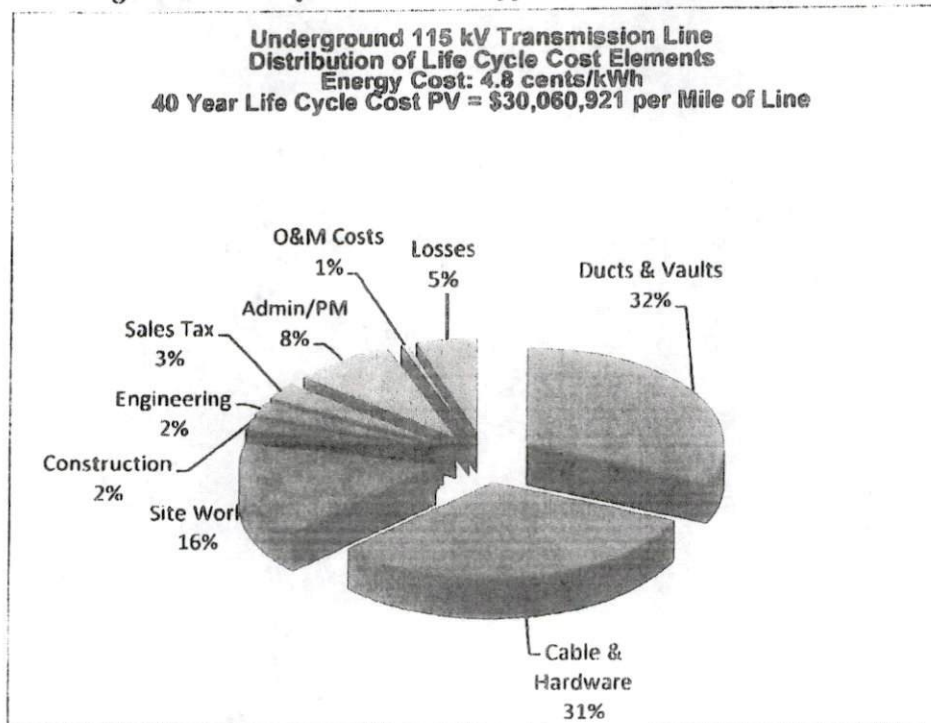


Figure 1-3: Life-Cycle Costs for a Typical 115 kV Underground Line



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Cost Comparison of Routes 31, 4, 32, and 1

	Selected Route Route 31 North-South	Route 4 East-West	Route 32 North-South	Route 1 East-West
Install /Modify Line Structures and Wires	3,328,000	3,072,000	3,119,235	2,891,776
Install /Modify Line Structures and Wires (Inspector's Time)	244,000	200,000	244,000	200,000
Site Finalization (clean-up)	192,000	96,000	192,000	96,000
Site Finalization (clean-up) Inspector	27,000	14,000	27,000	14,000
As-built	2,000	2,000	2,000	2,000
Erosion Control	1,000,000	2,000,000	1,000,000	2,000,000
Staking	24,000	12,000	24,000	12,000
ROW Clearing	1,818,000	940,000	1,818,000	940,000
Centerline Survey	317,000	164,000	317,000	164,000
Tie Plat Survey	180,000	93,000	180,000	93,000
Flagging Clearing Limit	60,000	31,000	60,000	31,000
Subtotal	7,192,000	6,624,000	6,983,235	6,443,776
Engineering labor & Material Estimates	1,936,265	2,142,163	3,001,683	3,151,788
Subtotal - Direct View	9,128,265	8,766,163	9,984,918	9,595,564
Adjusted to Include Burdens	\$ 13,692,398	\$ 13,149,245	\$ 14,977,377	\$ 14,393,346

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Commissioner Daniel G. Claddick
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