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File #: 140066

May 1, 2014

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Application of PPL Electric Utilities Corporation Filed Pursuant to 52 Pa. Code Chapter 57, Subchapter G, for Approval of the Siting and Construction of the Double-Circuit 138/69 kV Honey Brook - Twin Valley Transmission Line in Portions of Caernarvon Township in Berks County, Honey Brook Township in Chester County and Caernarvon Township in Lancaster County, Pennsylvania
Docket No. A-2013-2392102**

Dear Secretary Chiavetta:

Enclosed for filing is PPL Electric Utilities Corporation's response to the Bureau of Technical Utility Services' data request for the above-referenced proceeding.

There are no active parties in this proceeding, and, therefore, there is no service list.

Respectfully submitted,

Christopher T. Wright

CTW/jl
Enclosures

cc: Yasmin Snowberger (*Via E-Mail*)

PPL Electric Utilities Corporation
Application for approval of Siting and Construction of the
Double-Circuit 138/69 kV Honey Brook — Twin Valley Transmission Line
Docket No. A-2013-2392102

Response to Data Request of
Bureau of Technical Utility Services

P-1 52 Pa. Code Section 57.72(c)(12) requires “The estimated cost of construction of the proposed HV line, and the projected date for completion.”

The applicant has provided a cost estimate for the project of \$10.5 million with an in-service date of March 2015. [Application, p. 2]. Applicant also provided a different cost estimate of \$14.3 million and an in-service date of September 2015 in the Direct Testimony of Kenneth Hampton. [Statement 2, p. 11.] Mr. Hampton qualified this estimate as an "order-of-magnitude" estimate, suggesting that the estimate could be as high as \$28.6 million. Please reconcile these differing cost estimates and in-service dates. Please provide a breakdown of costs by categories with a range for those categories that are variable.

A-1 On November 7, 2013, PPL Electric filed its Application for approval of the siting and construction of the proposed double-circuit Honey Brook-Twin Valley 138/69 kV Transmission. At the time PPL Electric filed its Application, the estimated cost for the Project was \$10.5 million, and the projected in-service date was March 2015. These estimates are based on “order of magnitude” estimates that were developed to provide a rough approximation of costs. Such estimates are developed using averages of recent costs and time frames for similar projects.

On January 31, 2014, PPL Electric filed its direct testimony, including the direct testimony of Kenneth L. Hampton, PPL Electric Statement No. 2. At the time PPL Electric filed its direct testimony, the estimated cost for the Project was \$14.3 million, and the projected in-service date was September 2015. There is nothing in PPL Electric Statement No. 2 that states “that the estimate could be as high as \$28.6 million.”

As a project progresses and PPL Electric continues to work on it, many factors are identified and information regarding them is developed and refined. Such information includes the constructability of the project, design of the project, locations of wetlands and bodies of water, terrain, geology of the soils, land acquisition issues, and many other factors that affect cost. In addition, PPL Electric analyzes the sequence of construction and the need to coordinate construction with construction of other projects and actions that must be undertaken to allow PPL Electric to continue to provide reliable service during construction. All of these factors can affect the overall cost and construction time

for a project, and their impacts are reflected in future cost estimates and in-service projections prepared by the Company.

The 2014 cost estimate and in-service projection provided in PPL Electric Statement No. 2 reflect a more in-depth analysis of what activities would be required to design and construct the proposed Project. The revised cost estimate more accurately reflects the estimated costs for material, labor, and equipment as of the date that the testimony was submitted. Further, the revised projected in-service date more accurately reflects the date that the Project is likely to be in-service given the analyses and field investigations that had been conducted at the time, the time needed for Commission review, the construction schedule, and the need to coordinate construction with the construction of other projects.

PPL Electric is actively working to identify the many factors that impact the overall cost and projected in-service date of the Project. As of the date of this response, PPL Electric's most current projected in-service date and cost estimate for the Project based on the analyses and field investigations that have been conducted to date are as follows:

Projected In-Service Date:	June 2015
Estimated Cost:	
Substation Work:	Approximately \$1.5 million
Transmission Work:	Approximately \$11.5 million
<u>ROW Acquisition:</u>	<u>Approximately \$4.0 million</u>
Total Estimated Cost:	Approximately \$17.0 million

It must be noted, however, that the updated cost estimate and projected in-service date provided in this response are not final and may change as additional factors that impact the overall cost and in-service date of the Project are identified and addressed.

The final cost estimate and in-service date for the proposed Project cannot be known until the line routes, the constructability of the project, design of the project, locations of wetlands and bodies of water, terrain, geology of the soils, land acquisition issues, sequence of construction, need to coordinate construction with construction of other projects, and many other factors that affect the cost and in-service date are all identified and analyzed. Identifying and addressing these factors requires in-depth analyses and field investigations, which analyses and investigations are developed as a Project progresses.

VERIFICATION

I, Stephanie R. Raymond, being the Vice President – Transmission & Substation at PPL Electric Utilities Corporation, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect PPL Electric Utilities Corporation to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: April 30, 2014


