

COMMONWEALTH OF PENNSYLVANIA



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February 12, 2024

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Letter Of Notification Of PPL Electric Utilities Corporation, Filed Pursuant To 52 Pa. Code Chapter 57 Subchapter G, For Approval To Rebuild The Existing Double-Circuit Stanton-Summit #3 And #4 230 kV Transmission Lines Connecting the Stanton 230 kV Substation And A Two-Pole Turn Structure That Are Respectively Located In Luzerne And Lackawanna Counties, Pennsylvania
Docket No. A-2022-3037374

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Exceptions in the above-referenced proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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cc: The Honorable Mark Hoyer (email only)
The Honorable Darlene Heep (email only)
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Certificate of Service

*4857-1777-3733

CERTIFICATE OF SERVICE

Letter of Notification of PPL Electric Utilities :
Corporation, Filed Pursuant To 52 Pa. Code :
Chapter 57 Subchapter G, For Approval To :
Rebuild The Existing Double-Circuit :
Stanton-Summit #3 And #4 230 kV : Docket No. A-2022-3037374
Transmission Lines Connecting the Stanton :
230 kV Substation And A Two-Pole Turn :
Structure that are Respectively Located :
in Luzerne and Lackawanna Counties, :
Pennsylvania :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Exceptions, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 12th day of February 2024.

SERVICE BY E-MAIL ONLY

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Letter Of Notification of PPL Electric :
Utilities Corporation, Filed Pursuant To 52 :
Pa. Code Chapter 57 Subchapter G, For : Docket No. A-2022-3037374
Approval To Rebuild The Existing Double- :
Circuit Stanton-Summit #3 And #4 230 kV :
Transmission Lines Connecting the :
Stanton 230 kV Substation And A Two- :
Pole Turn Structure That Are Respectively :
Located In Luzerne And Lackawanna :
Counties, Pennsylvania :

EXCEPTIONS OF THE
OFFICE OF CONSUMER ADVOCATE

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I. INTRODUCTION

The Initial Decision's (ID) finding that PPL satisfied the need element in this matter is unsupported by the record and must be set aside. PPL failed to carry its burden of proof as to whether the *existing* Stanton-Summit #3 and #4 230 kV Transmission Line (Stanton-Summit Line) is necessary or proper for the accommodation, convenience and safety of its patrons, employees and the public. Accordingly, PPL's Application must be denied.¹

PPL's case rests on an unproven assumption – that the existing Stanton-Summit Line is needed and from there proceeded to demonstrate how it could be replaced with \$38 million in ratepayers' money. However, the foundational assumption – the need for the line at all – was not established and the line's existence does not entitle PPL to the presumption that it should be upgraded and replaced. Consider a consumer whose car is rusted out and no longer useful. A prudent consumer would evaluate whether that car was still needed. A consumer may have more cars than they need, alternative modes of transportation exist, for example, public transit, carpools and ride sharing services. Perhaps, after careful consideration, replacing that car may not be the most reasonable or prudent choice as numerous other transportation options exist. In PPL's view, however, the starting point for this discussion is that a new car – a \$38 million car – is the only choice, and the ratepayers should buy one. This is PPL's case: the Stanton-Summit Line could completely fail, and no customers would lose power and no overloads would occur based on that complete failure, yet, despite this, the ID finds that PPL's \$38 million replacement project should be approved because PPL showed that it was necessary.

In reviewing this matter, the Public Utility Commission (Commission) must recognize that the concept of "need" in this case is being used very differently as between PPL and the Office of

¹ For a complete discussion of the issues in this case, please refer to the OCA's Main Brief.

Consumer Advocate (OCA). PPL would have the Commission solely focus on “need” as to the “asset health” issues of its current lattice structures. Within this rubric, the OCA acknowledges that there is a need to do *something* about those lattice structures, but that fact should not automatically lead to a conclusion that the only way forward is to rebuild the existing line. The OCA views “need” as a broader and more holistic view of the needs of the bulk electric system, consistent with how the Commission has interpreted the need requirement in past cases,² and not limited to what may or may not be in PPL’s best interests. It does not serve the consumer interest to allow PPL to spend \$38 million of ratepayers’ money that would bring no benefit to ratepayers.

As the ID provided, “the Commission should consider the electric power needs of the public, the state of the available technology and the available alternatives.” ID at 17. Here PPL has given the Commission one alternative, rebuild the existing transmission line in the same place, at the same voltage levels and using the same aerial construction techniques that have been in place for well over the last 100 years. This country is going through an electrification revolution. It has been well heralded that we, as a nation, are proceeding to build the “grid of the future”. The OCA questions whether defining “need” in so narrow a fashion as PPL advocates for is really consistent with these aspirational goals or are other innovative and/or more cost-effective approaches possible with further study of this matter as the OCA has advocated for throughout this proceeding.

As discussed in these Exceptions, the OCA takes exception to many of the conclusions in the ID. One area of particular concern is the conclusion as to the retirement study issue. The ID concluded that the OCA only raised the retirement study for the first time in its main brief. ID at 33. This is inaccurate. Discovery responses provided by PPL to the OCA discussed the PJM

² *Application of Transource*, A-2017-2640195 at 55 (Order entered May 24, 2021), (Further, we concur with the ALJ’s determination that the scope of inquiry for determining ‘need’ is broad and includes consideration of many factors, including consideration of the specific facts presented and consideration of the potential future impact of the proposed project, within that same broad context, as discussed in the TrAILCo Case. See R.D. at 80).

process for completing a retirement study. Based on that information, OCA counsel presented a discovery response from PPL as a hearing exhibit and cross-examined PPL's witness at the hearing as to whether PPL had sought a retirement study from PJM. PPL's counsel was given the opportunity to redirect on that line of questioning (introduce evidence of its own) and chose not to do so. Accordingly, PPL was on notice prior to the briefing stage that the decision by PPL to not seek a retirement study from PJM was an issue.

In its Main Brief and the testimony of its witness Rao Konidena, the OCA described in detail the process that PJM uses to evaluate supplemental projects such as this one. The ID concluded that PJM's review of supplemental projects is not relevant. ID at 26. The OCA disagrees. It is important for the Commission to understand PJM's process for review of supplemental projects to recognize that it is not PJM's duty to protect the interests of Pennsylvania ratepayers nor is it PJM's duty to determine the best solution for Pennsylvania. Those responsibilities rest with the Commission.

As to the possible uses for Dynamic Line Rating (DLR) technology, the ID misses the point. The ID focuses on the "asset health" issue and how DLR is not a response to that. ID at 38. The OCA never suggested that installing DLR technology on PPL's deteriorating lattice structures would solve anything. PPL alleges that if the Stanton-Summit Line was out of service *and the next contingency occurred*, other transmission lines could overload. This is an important point. The Stanton-Summit Line contains *two* 230 kV transmission lines. Both of these lines would have to fail, and then another failure would have to occur on related equipment or lines before any customers would be at risk of losing service. Tr. at 32-33, 77. PPL is proceeding based not on a probabilistic basis here, as there is no evidence in the record to support the probability of these

events all happening in close succession, but rather on a deterministic basis that assumes a single outcome, here the failures just described, with no probability attached to that determination.

In the event that the Stanton-Summit line failed, and other lines were overloaded, DLR technology could aid in either reducing or eliminating those overloads. This is a scenario that PJM could model, through a retirement study, and evaluate what additional upgrades or upgrades would be needed to completely supplant the need for the Stanton-Summit Line. Unfortunately, the analysis of this issue in the ID follows PPL's narrow definition of need and the focus on "asset health" issues.

Lastly, the OCA takes exception to the ID's conclusions on the undergrounding issue. The ID concludes that undergrounding is more costly, more environmentally damaging, and would lead to more expensive maintenance and outage detection. ID at 43-44. PPL agrees that undergrounding is a solution. What the OCA seeks to understand is what the total cost of ownership is for ratepayers between underground and aerial facilities. Undergrounding is a proven technology. There are no transmission towers lining the streets of Harrisburg. Considering the costs of vegetation management, aerial surveys, storm damage and of course the lost economic production, lost wages, food spoilage, medical issues due to extreme weather events, the OCA's recommendation to order a complete study of the issue is reasonable.

Further, an underground option would most closely comply with the Environmental Rights Amendment. The ID notes some agreement with the OCA here, but then passes on the issue due to the upfront cost of undergrounding. ID at 61-62. To be clear, the OCA is not looking for more expensive options. As the Commission is well aware, consumer costs for transmission services continue to increase at a substantial pace. *See* OCA M.B. at 19-20. That said, the OCA questions

how a reasonable and prudent decision can be reached here when all of the relevant facts as to the total costs are unknown.

The OCA respectfully requests the Commission, as the ultimate finder of fact, to thoroughly review all of the evidence in this matter, grant these exceptions and reverse the ID and deny PPL's Application as it is currently proposed.

II. EXCEPTIONS

Exception 1: The ALJs Erred by Finding a Need for the Proposed Project. ID at 20-22, 51-52; OCA M.B. at 13-15, 27; OCA R.B. at 5, 13.

PPL has the burden to prove "need" for the proposed Project. The Pennsylvania Supreme Court has stated that the party with the burden of proof has a formidable task to show that the Commission may lawfully adopt its position. Even where a party has established a *prima facie* case, the party with the burden must establish "the elements of that cause of action to prevail, precluding all reasonable inferences to the contrary." *Burleson v. Pa. PUC*, 461 A.2d 1234, 1236 (Pa. 1983). Thus, PPL has an affirmative burden to establish the necessity and reasonableness of its request.³

Deputy Chief Administrative Law Judge Mark A. Hoyer and Administrative Law Judge Darlene Heep (ALJs) concluded that PPL satisfied the need requirement under 52 Pa. Code Section 57.76(a)(1). The ALJs found that the proposed Project addresses the asset health need in a cost-effective manner and also prevents reliability issues and potential violations of NERC Standard TPL-001 should the lines be out of service and the next contingency occurs. ID at 51-52.

The ALJs' singular focus on the "asset health" issue leads to conclusions and recommendations that are inconsistent with the evidence of record, or perhaps more appropriately

³ For a complete discussion as to the burden of proof in this matter see the OCA's Main Brief at pages 5-11.

the lack of evidence. There is no dispute that PPL's lattice structures, designed to last for 75 years, are now prematurely falling apart at only 2/3rds of their expected used and useful lifespan. OCA M.B. at 15-16. The "need" issue that must be determined is whether PPL's proposed project is a reasonable and prudent choice to address the needs of the bulk electric system in this area. PPL's entire case is built on the fact that the existing Stanton-Summit Line is not suitable for continued use. The OCA does not dispute that fact. PPL's proposal, however, assumes that the line must be rebuilt or replaced without first showing that the existing line is actually necessary, considering the "electric power needs of the public, the state of the available technology and the available alternatives." ID at 17. This is the need element that PPL has failed to establish, and thus has failed to carry its burden of proof as to its proposed project.

The following discussion of need is appropriate for consideration in this instant matter:

In assessing the public need for the Pennsylvania 502 Junction Facilities and the Prexy Facilities, it has become abundantly clear to us that "public need" is an amorphous concept. The inquiry to determine whether a public need for a transmission project exists depends on the specific facts presented regarding each project and upon the future impacts or consequences within a broad context. The impacts and consequences of approving the project and the impacts and consequences of not approving the project, both beneficial and adverse, must be weighed. The Commission must determine, for planning and policy purposes, whether a proposed transmission project is ultimately necessary or proper for the accommodation, convenience and safety of patrons, employees and the public.

In Re Application of TrAILCo, A-110172, Recommended Decision at 80-81 (issued Dec. 5, 2007).

The Commission should not view need within the narrow confines of only analyzing this case as to the "asset health" concerns advocated for by PPL. The analysis of public need should be viewed within a broad context, especially considering the future economic impacts or consequence

of analyzing need in as narrow of a way as the ID does here. As OCA witness Rao Konidena testified:

The Commission should note the implications of the CTOA [Consolidated Transmission Owner's Agreement] on Pennsylvania's consumers. If the Commission approves Stanton rebuild, there are 9 more rebuilds scheduled in the next 7 years. PPL has 15 scheduled transmission line rebuilds within the next 8 years (2023-2030) with a combined cost of (\$555- \$971 M³¹). That is approximately one transmission line rebuild per year at a cost range of (\$69 - \$121 M).

OCA St. 1 at 19. The question that must be answered in this and any future application is what the actual needs of the bulk electric system are, combined with the most reasonable and prudent course of action for consumers. The OCA submits that PPL did not provide sufficient information to address that question and did not meet its burden of proof. Put simply, the Commission needs more information and accordingly PPL's proposal here must be rejected.

Exception 2: The ALJs Erred by Finding that PJM's Review of Supplemental Projects Is Not Relevant. ID at 22-26; OCA M.B. at 13-15; OCA R.B. at 8-9.

PJM's limited review and role concerning supplemental projects, such as the one proposed here by PPL, is relevant and should be considered by the Commission. The ALJs found that PJM's review of supplemental projects is not relevant in this case. ID at 26. The ID did, however, include this succinct description of the PJM process:

For supplemental projects, PJM does not evaluate potential alternatives. PJM does take note of the projected costs of supplemental projects but does not consider cost caps as part of its review process. In other words, according to OCA, PJM does not evaluate the "need" for supplemental projects as PJM is only concerned as to whether the rebuild will harm the reliability of the transmission system.

Although PJM does not directly offer comments or suggestions as to supplemental projects that are brought before it for review, PJM does host a Transmission Expansion Advisory Committee (TEAC) that has the ability to review projects and provide comments and/or alternatives. There are several opportunities for TEAC members to review and comment. No alternatives or comments were made regarding the Project during TEAC review.

ID at 23 (citations omitted). After noting that PPL’s project received no comments or potential alternatives at the TEAC meetings, the ALJs nevertheless concluded that this information is not relevant and what is relevant in this case is that PPL Electric establishes a need for the Project pursuant to Commission regulations and applicable law. ID at 26.

What PJM does and does not do as to supplemental projects was thoroughly explained in Mr. Konidena’s testimony. OCA St. 1 at 11-19. It is important for the Commission to understand that review process to recognize that process is very limited. The Commission should not proceed under the mistaken assumption that PPL’s project was “vetted” by PJM. The record shows that PPL’s project was presented to PJM’s TEAC and no comments were received and no alternatives were suggested. OCA M.B. at 14; Tr. at 37. In fact, the six previous projects that PPL submitted to the TEAC based on pack rust issues also received no comments. OCA M.B. at 14-15; Tr. at 37-39.

PJM does not evaluate the “need” for supplemental projects as PJM is only concerned as to whether the rebuild will harm the reliability of the transmission system. OCA M.B. at 13-14. In other words, PJM simply does not provide a need determination. PJM does not analyze the situation and search for alternative solutions. PJM also does not attempt to discern what may be in the best interest of Pennsylvania ratepayers.⁴ To be clear, and contrary to some of PPL’s assertions,⁵ the OCA is not attempting to change the PJM process in this proceeding. PJM has a very limited role to play in supplemental project citing, and it is important for the Commission to recognize that fact in order to avoid any narrow analysis as to the potential needs of the bulk electric system here in Pennsylvania.

⁴ OCA witness Konidena testified that PJM’s process as to supplemental projects is limited to conducting a “do no harm” study. OCA St. 1 at 11-19.

⁵ PPL M.B. at 36.

Exception 3: The ALJs Erred by Finding that a Line Retirement Study is not Necessary. ID at 26-33; OCA M.B. at 15-20; OCA R.B. at 6-8.

The ALJs concluded that a Line Retirement Study “is not a necessary prerequisite to consideration of the Project proposed by PPL Electric.” ID at 33. The ALJs noted that the OCA did not propose this option during discovery, in testimony or at the evidentiary hearing. As such, PPL was precluded from addressing this option during its presentation of evidence in this case. Finally, the ALJs concluded that the Stanton-Summit Line is required to avoid violations of NERC transmission planning standards that require PPL Electric to study and plan its transmission system. *Id.*

The ID errs in several respects. First, the OCA questioned PPL in discovery as to the evaluation of potential alternatives to replacing the Stanton-Summit Line and utilized the response in cross examination. The response to the OCA’s Set III-1 question, in relevant part, was entered into the record and provided the following:

Additionally, the Consolidated Transmission Owners Agreement (“CTOA”) with PJM requires transmission owners to “operate and maintain its Transmission Facilities”. PJM’s planning assumptions include that transmission facilities will not be retired without PJM study and review. In order for PPL Electric to retire a transmission line it would first have to provide PJM advance notice so that PJM could study the impact of the retirement. Retiring a 230 kV transmission line, like the Stanton-Summit 230 #3 and #4 Transmission Lines may have the cumulative effect of negatively impacting the reliability, efficiency, safety, resilience and security of the transmission system. That cumulative negative impact could also drive the need for additional facilities to be constructed to compensate for those removed, including greenfield installations.

OCA Cross Exh. 2. Based on this response, the OCA identified the response at the evidentiary hearing as OCA Cross Exhibit 2, and cross-examined PPL witness Lookup as to whether PPL had asked PJM to perform a retirement study for the Stanton-Summit Line. OCA M.B. at 16-17; Tr. at 34-36. Mr. Lookup confirmed that even though PPL had been studying this pack rust issue for 10 years, PJM was never asked to perform a retirement study. *Id.* The fact that PPL had never asked

PJM to conduct a retirement study was evidence submitted during cross-examination of PPL witness Lookup at the evidentiary hearing. PPL's counsel had the opportunity to redirect on that issue and chose not to. Tr. at 51-53. The ALJs' conclusion in the ID that the OCA never raised this issue until the briefing stage is inaccurate. ID at 33.

Second, the OCA excepts to the ALJs' conclusion that "We are also in agreement with PPL Electric that the Stanton-Summit Line lines are required to avoid violations of NERC transmission planning standards that require PPL Electric to study and plan its transmission system." I.D. at 33. However, the evidence does not support this conclusion, and PPL has not submitted any studies to definitively show what would happen in the event of a complete failure of the line. OCA R.B. at 7.

As the record evidence provides, and PPL's own witnesses confirmed, the existing line could completely fail and no outages would occur and no customers would lose service. OCA M.B. at 17-18. Further, only after the existing twin-circuit line failed and then the "next contingency" occurred, would there be a possibility of overloads. Tr. at 32-34. PPL has provided no evidence in this proceeding as to the probability of such events occurring. OCA M.B. at 19. Similar concerns about speculative occurrences led the Commission to reject a previous PPL LON filing. *See Letter of Notification of PPL, A-2017-2635709* (Order entered Aug. 3, 2018) (*2018 PPL LON*). *See also*, OCA M.B. at 18-19.

The record is clear that even though PPL identified this pack rust issue at least 10 years ago, and there is a process at PJM to gauge the effects on the grid of possibly retiring a transmission line, PPL never sought that review or analysis from PJM. Tr. at 34-36. In fact, as shown above, the record evidence in this case provides that it would have been prudent for PPL to explore this option, as the Stanton-Summit Line could lose both of the 230 kV lines and no system

overloads would occur, and no customers would experience an outage. Tr. at 77. At the hearing, PPL witness Mr. Smodis confirmed that both lines could fail and no overloads would occur. *Id.*

At any time during this ten-year period that PPL was studying the pack rust issue, PJM could have performed a retirement study. PJM would model the system with the Stanton-Summit Line out of service and then model the next contingency to see where possible overloads existed. From there, alternatives could be reviewed to determine what upgrade or upgrades might be needed if the Stanton-Summit line was removed from the grid. *See* OCA Cross Exh. 2. This is the information that the Commission should have to make a reasoned decision in this matter.

In the *2018 PPL LON* case, the Commission rejected a PPL LON filing and expressed some of the same concerns that are present in this matter. Specifically, the Commission held:

Under the Commission's siting regulations at 52 Pa. Code § 57.71 *et seq.*, the Company must establish a clear need for the Project. PPL Electric has not adequately proven the need for this project. Specifically, the Company has not established a reasonable likelihood that the alleged events leading to an outage event are likely to occur, nor has it demonstrated that *the proposed solution is an efficient and cost-effective choice relative to other alternatives.*

2018 PPL LON at 6 (emphasis added, footnotes omitted). As the record here shows, the Stanton-Summit Line could be completely removed from service and no overloads would occur, and no customers would lose service. OCA M.B. at 17-18. It would take the next "contingency", or loss of other transmission assets for any potential loss of load. Tr. at 32-34. Here, as in the *2018 PPL LON* case, PPL has provided no evidence to show whether it is a reasonable probability that the Stanton-Summit Line would completely fail and at the same time a contingency event would occur that *could* lead to overloads on other transmission facilities. Tr. at 32-34.

Absent a retirement review from PJM, PPL has failed to prove that there is a need for this Project. A retirement review from PJM would show what reinforcements or additions to the grid, if any, would be required should the Stanton-Summit Line be retired. Without this

information for comparison to PPL's proposal here, the Commission should reverse the Initial Decision of the ALJs and reject this LON.

Exception 4: The ALJs Erred by Finding that DLR Technology is not an Appropriate Methodology. ID at 33-38; OCA M.B. at 20-23; OCA R.B. at 10-11.

The ALJs agreed with PPL in that the DLR option is not an appropriate alternative given the asset health need for the rebuild Project, specifically as follows:

The undersigned agree with PPL Electric's position with respect to DLR and a DLR study. PPL Electric addressed OCA's DLR study option as well as its retirement study option in this proceeding (the retirement study option was addressed in PPL Electric's Reply Brief since it was first raised by OCA in its Main Brief) and these options are not appropriate here given the asset health need identified by PPL Electric for the rebuild Project.

ID at 38. It is clear from this statement in the ID that the ALJs are viewing this matter within the narrow construct of "asset health" that PPL has advocated for. This proceeding is not about an asset health issue; instead, this proceeding should be focused on whether PPL's proposal to rebuild a transmission line is, in the first instance, necessary and in the best interest of ratepayers, and if not, what alternatives may be available. The use of DLR technology could be an aid in that analysis. The OCA did not suggest that installing DLR equipment on the existing Stanton-Summit Line was either an option or alternative, as the ID appears to suggest.

OCA witness Konidena testified as follows:

As the data request shows, DLR was installed on Juniata and Susquehanna lines to address network congestion. In addition to reduced transmission congestion, DLRs provide increased transfer capacity and resiliency benefits, and PPL does not need to schedule an outage on existing transmission lines to install sensors, unlike transmission options discussed below. Hence if PPL deployed DLRs on existing transmission lines, some of the lines listed in Table 1 (Summary of PPL Rebuilds) could be loaded much lighter to the point that they might not be needed. Thus, before approving this project, or as a condition of approval if the Commission determined that the rebuild is needed, the PUC should require PPL to provide a complete study on how the use of DLR technology may impact the need for the planned rebuilds of PPL's 230kV system.

OCA St. 1 at 26.

PPL is familiar with DLR technology and has deployed it on parts of its system. OCA St. 1 at 26; OCA M.B. at 20-23. At the evidentiary hearing, PPL witness Szmodis verified that PPL deployed DLR technology at a cost of \$250,000 that avoided the need for a \$50 million transmission line rebuild. Tr. at 74-76. The OCA's recommendation is that before PPL continues on a complete rebuild of its 230 kV network, including the Stanton-Summit Line, at the cost of hundreds of millions of dollars (see OCA St. 1, Table 1 at 19-20), the Commission should order PPL to conduct a thorough study on the use of DLR technology and how that technology may impact the need for this and/or future rebuilds. As previously discussed, a PJM retirement study could pinpoint transmission lines that may be overloaded by modelling the removal of the Stanton-Summit Line and then adding in the next contingency. Once identified, those lines could be modelled with the appropriate DLR technology to gauge the effects.

As discussed above, the Commission's review of the need component is far reaching and should result in a searching inquiry. The OCA submits that the ALJs focused too narrowly on PPL's asset health issue. The ALJs' conclusions on the use of DLR technology as a useful tool in this matter are misplaced.

Exception 5: The ALJs Erred by Finding that Undergrounding is not a Viable Alternative. ID at 39-44; OCA M.B. at 23-27; OCA R.B. at 11-12.

PPL has asserted that rebuilding the Stanton-Summit transmission line is needed due to asset health concerns. The OCA contends that undergrounding the Stanton-Summit line could be a reasonable alternative once the total costs of aerial and underground are analyzed. As OCA Witness Konidena pointed out, undergrounding should be evaluated as an option to ascertain if

overall asset health is improved for the duration of the project, especially considering the effects of increasingly severe weather. OCA St. 1 at 31-33.

The ALJs concluded that the undergrounding option would not be a viable alternative in this case because PPL established that undergrounding (1) is substantially more costly, (2) would result in incremental ROW and environmental impacts, and (3) would increase the difficulty and expense of performing maintenance and addressing outages. ID at 43-44. The ALJs also rejected the OCA's proposal that PPL should be required to provide a study as to the consumer costs of outages due to the above-ground facilities. *Id.*

According to OCA Witness Konidena, there are two reasons why undergrounding of the Stanton – Summit Line might be a better long-term option for consumers. First, with undergrounding, there is no possible rusting issue that PPL experienced with the overhead transmission lines. OCA St. 1 at 31. As PPL explained, “Under normal circumstances, underground transmission lines do not face rusting issues. This is due to the underground transmission lines not being exposed to weather elements.” OCA St. 1 at 31; PPL response to OCA III-2. PPL noted that the existing Stanton - Summit Line experienced the COR-TEN rust issue, reducing the asset life from 75 to 45 years. OCA St. 1 at 31. Second, undergrounding ensures that the transmission investment is not exposed to weather elements, possibly increasing the life of the asset. OCA St. 1 at 31. PPL stated that due to recent weather patterns and storms experienced over the past 20 years, the overhead transmission towers are exposed to extreme precipitation and wind events. OCA St. 1 at 31-32. More specifically, in the LON, PPL explains, “Furthermore, as the topic of severe weather patterns becomes increasingly relevant, there is a need to consider how changing weather patterns will impact the reliability of the existing COR-TEN® lattice structures. Over the last 20 years, PPL Electric has seen a trend of increasing

storms per year within the PPL Electric service territory. With each storm comes more exposure to extreme precipitation and wind events.” LON at 9.

Notwithstanding PPL’s opposition to undergrounding, the record is clear that PPL agrees underground facilities are less likely to suffer outages from extreme weather events. Tr. at 60-61. Further, PPL raised the issue of the ever-increasing threat of extreme weather and the affect that weather could have on above-ground facilities. LON at 9. In the OCA’s view, it seems unreasonable to compare only the upfront costs of building a transmission line, when the total cost of ownership to ratepayers has not been studied, and is thus unknown.

As OCA witness Konidena testified:

While it is true that initial estimates of undergrounding are higher compared to the overhead transmission lines, PPL should look at the overall cost of undergrounding, including but not limited to the customer interruption costs due to repeated weather related forced outages. Specifically, PPL should evaluate the total costs of ownership as it applies to the ratepayers who would be paying for this Project and are served by PPL’s transmission system. According to the National Centers for Environmental Information, part of the National Oceanic and Atmospheric Administration (“NOAA”), Pennsylvania experienced 24 Severe Storms in the past 5 years (2018-2023) with a total disaster cost of \$2.0 - \$5.0 Billion. PPL stated it experienced "27 sustained outages" on the 230 kV system in the last 5 years. There are undoubtedly economic costs that ratepayers must absorb when there is a power outage, such as lost business productivity, work hours, and many other costs that go beyond just looking at the construction costs alone.

OCA St. 1 at 32 (footnotes omitted).

In sum, the Commission cannot fairly compare the underground option without knowing the total long-term costs of ownership to ratepayers, as OCA witness Konidena testified. The OCA submits that should the Commission find that the Stanton-Summit Line is needed, PPL should be required to provide a study as to the total costs of above ground transmission facilities versus underground transmission facilities in order for the Commission to make a fair evaluation of undergrounding as a reasonable alternative. PPL has not conducted a study comparing the total

costs of ownership for aerial versus underground transmission facilities. Tr. at 58-59; OCA M.B. at 25-26.

III. CONCLUSION

Based on the foregoing and for the reasons articulated in the OCA's Main and Reply Briefs, the OCA respectfully requests that the Commission grant the OCA's Exceptions and deny PPL's Application.

Respectfully Submitted,

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