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File #: 197389

February 22, 2024

**VIA EMAIL**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street, 2nd Floor North  
Harrisburg, PA 17105-3265

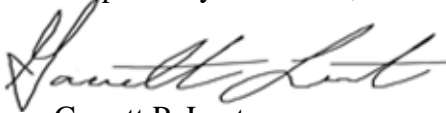
**Re: Letter Of Notification Of PPL Electric Utilities Corporation, Filed Pursuant To 52 Pa. Code Chapter 57 Subchapter G, For Approval To Rebuild The Existing Double-Circuit Stanton-Summit #3 And #4 230 kV Transmission Lines Connecting the Stanton 230 kV Substation And A Two-Pole Turn Structure That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

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Dear Secretary Chiavetta:

Enclosed for filing are the Replies of PPL Electric Utilities Corporation to the Office of Consumer Advocate's Exceptions in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Garrett P. Lent

GPL/dmc  
Attachment

cc: The Honorable Mark Hoyer (*via email; w/attachments*)  
The Honorable Darlene Heep (*via email; w/attachments*)  
Office of Special Assistants (*via email; w/attachments*)  
Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

**VIA E-MAIL ONLY**

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Date: February 22, 2024

  
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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 :

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**PPL ELECTRIC UTILITIES CORPORATION  
REPLIES TO EXCEPTIONS OF THE OFFICE OF CONSUMER ADVOCATE**

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Date: February 22, 2024

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## I. INTRODUCTION

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby files its Replies to the Exceptions of the Office of Consumer Advocate (“OCA”). In its Exceptions, the OCA argues that Deputy Chief Administrative Law Judge Mark A. Hoyer and Administrative Law Judge Darlene Heep (the “ALJs”) erred in their January 23, 2024 Initial Decision (the “ID”) by granting PPL Electric’s “Letter of Notification” or “LON.”<sup>1</sup> PPL Electric’s LON requested Pennsylvania Public Utility Commission (“Commission”) approval to rebuild the existing double-circuit Stanton-Summit #3 and #4 230 kilovolt (“kV”) Transmission Lines connecting the Stanton 230 kV Substation (“Stanton Substation”) and a two-pole turn structure (Structures 56275-N-47514(L)/56274-N47518(R)) located approximately 1.4 miles north of the Summit 230-69 kV Substation (“Summit Substation”) that are respectively located in Luzerne and Lackawanna Counties, Pennsylvania (the “Stanton-Summit Project” or “Project”).

In a well-reasoned ID, the ALJs correctly determined that the LON should be approved because PPL Electric demonstrated the Project satisfied the requirements of 52 Pa. Code § 56.76(a). *See* ID at 1, 44-52, 63-64. The crux of the OCA’s dispute is that it believes there is not a need for the Project under 52 Pa. Code § 57.76(a)(1). The OCA argues that this “case rests upon an unproven assumption – that the existing Stanton-Summit Line is needed...” OCA Exc. at 1. Contrary to the OCA’s attempt to dissemble the facts, the ID correctly concluded there is an undisputed need for the Project: the 46 existing COR-TEN® lattice towers at issue are the subject of asset health and public safety concerns that are being accelerated by increased incidences of

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<sup>1</sup> *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 (dated Dec. 27, 2022) (the “Letter of Notification” or “LON”).

pack-out rust. *See* ID at 1, 44-52. Relatedly, the existing line (and the proposed Project to rebuild it) are indisputably needed. PJM Interconnection, L.L.C. (“PJM”) requires transmission owners like PPL Electric to “operate and maintain its Transmission Facilities.” OCA Cross. Exh. 2. This requirement results in the foundational planning assuming that existing transmission lines will not be retired and, therefore, are needed. *Id.* Moreover, PPL Electric must maintain the Stanton-Summit #3 and #4 230 kV Transmission Lines in order to comply with the transmission planning and reliability standards of the North American Electric Reliability Corporation (“NERC”). ID at 52-52. If the Commission were to adopt the OCA’s position, PPL Electric would fail to comply with NERC’s requirements be subject to substantial fines and, possibly, other sanctions.<sup>2</sup>

The OCA relatedly continues to insinuate that PPL Electric did not consider any other alternatives to the Project. OCA Exc. at 2 (claiming that only “one alternative” was reviewed). This claim is simply false and alarming advocacy.

PPL Electric considered two other alternatives to the Project before filing the LON, and demonstrated that they (a) were not cost effective and (b) may not permanently resolve the subject asset health and public safety needs. PPL Electric MB at 31-34. PPL Electric also thoroughly evaluated each of the alternatives presented by OCA as a part of this proceeding. PPL Electric

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<sup>2</sup> The OCA’s own witness admitted that PPL Electric would be subject to fines for violating such standards. ID at 48-49. PPL Electric further submits that, to the extent that a Commission order would ultimately mandate PPL Electric to retire the Stanton-Summit #3 and #4 230 kV Transmission Lines in violation of federal transmission planning and reliability standards, PPL Electric reserves its right to seek recovery of the costs associated with these fines in its rates as they would be incurred due to the direct action of the Commission. The Sanction Guidelines of the NERC further confirm that monetary sanctions can be levied in excess of \$1 million per day per violation and that “[t]he imposition of sanctions is not limited to monetary Penalties. ... **Non-monetary sanctions may include limiting activities, functions, or operations, or placing the violator on a reliability watch list of significant violators.**” NERC Rules of Procedure, Appendix 4B, Sanction Guidelines of the North American Electric Reliability Corporation, Section 4, at 13, Effective Date January 19, 2021, *available at* [https://www.nerc.com/AboutNERC/RulesOfProcedure/Appendix\\_4B\\_effective%2020210119.pdf](https://www.nerc.com/AboutNERC/RulesOfProcedure/Appendix_4B_effective%2020210119.pdf) (emphasis added). The Commission should not take action that will conflict with its duty to work with NERC and PJM to ensure the continued provision of safe and reliable service. *Energy Conservation Council of Pa. v. Pa. PUC*, 995 A.2d 465, 486 (Pa. Cmwlth. 2010) (affirming that the Commission’s interpretation of 66 Pa.C.S. § 2805(a) requires it to work with NERC and regional coordinating councils, like PJM, to ensure the continued provision of adequate, safe and reliable electric service).

MB at 42-49. Every alternative presented by the OCA was demonstrated to be unreasonable compared to the Project on a number of grounds, including: failing to address the specific need driving this Project, total cost, incremental right-of-way (“ROW”) and environmental impacts, transmission system impacts, and violations of NERC transmission planning and reliability requirements. PPL Electric MB at 49-51; PPL Electric RB at 21. Indeed, the only alternative presented by the OCA that could both address the asset health and public safety need, and also comply with NERC transmission planning and reliability requirements, was the undergrounding alternative. However, this alternative is substantially more costly than the Project and would also result in incremental environmental impacts to complete and whenever maintenance of the lines would need to occur.

More specifically, PPL Electric showed that the dynamic line rating (“DLR”) alternative advanced by the OCA was not a reasonable alternative in the present circumstances. DLR does not address the asset health concern related to the prevalence of pack-out rust on the Stanton-Summit #3 and #4 230 kV Transmission Lines. PPL Electric MB at 44-45 (citing PPL Electric St. 2, at p. 12; PPL Electric St. 2-R, at p. 9). Moreover, DLR does not affect “the standard steady-state load-flow analysis because you can not rely on a possible increase in conductor rating due to DLR during an electrical system event.” PPL Electric MB at 45 (citing PPL Electric St. 2-R, at p. 9).

Similarly, PPL Electric also showed that the undergrounding alternative(s) advanced by the OCA were not reasonable in these circumstances. Specifically, undergrounding all or a portion of the Stanton-Summit #3 and #4 Transmission Lines (1) would be substantially more costly,<sup>3</sup> (2)

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<sup>3</sup> Indeed, it costs approximately \$14.8-\$24 million per mile to construct an underground a 69 kV transmission line, but approximately \$3-\$5 million per mile to construct an overhead 230 kV transmission line. PPL Electric St. 2 at 8.

would result in incremental ROW and environmental impacts, and (3) would increase the difficulty and expense of performing maintenance and addressing outages. PPL Electric MB at 47. While the OCA attempts to advance an argument under Article I, Section 27 of the Pennsylvania Constitution, *i.e.*, the Environmental Rights Amendment the (“ERA”), in the introduction of its Exceptions, it does not address this argument in Exception No. 5. PPL Electric further notes that the only evidence regarding environmental impacts of the Project, which were minimal, was presented by PPL Electric. PPL Electric MB at 54-59. On the other hand, the OCA’s environmental claims are bereft of support in the record. PPL Electric RB at 22-24. The Commission should find, as the ALJs correctly did, that PPL Electric has satisfied the requirements of 52 Pa. Code § 57.76(a)(3)-(4) by demonstrating the Project (a) complies with relevant statutes and regulations providing for the protection of the natural resources in Pennsylvania and (b) has minimum adverse environmental impacts relative to alternatives which will address the need driving the Project.

The OCA’s claims regarding its retirement study proposal advanced in its Main Brief are also incorrect. Even if the OCA did request the Commission to order a line retirement study prior to its Main Brief, and it did not, this proposal is obviated by undisputed facts. First, retirement of the line would violate the planning requirements of NERC Standard TPL-001. Second, PPL Electric presented undisputed evidence that, if it were to remove the Stanton-Summit #3 and #4 Transmission Lines from service, there would be an immediate adverse impact on power flow on the grid from the west to the east of the transmission grid. PPL Electric RB at 6. The existing lines are clearly needed.

Furthermore, the OCA’s concerns regarding the process used by PJM to evaluate “Supplemental Projects” such as the Stanton-Summit Project are also misplaced. OCA Exc. at 3.

PPL Electric fully explained that the OCA's recommendations and the relief it seeks with respect to the PJM Supplemental Projects review process are not appropriate for the instant proceeding. PPL Electric MB at 36-40. PPL Electric has complied with both PJM's and the Commission's processes with respect to the Project.

Once it is acknowledged that (a) there are undisputed needs for the Project, (b) the Stanton-Summit #3 and #4 230 kV Transmission Lines are needed to continue to comply with NERC planning and reliability standards, and (c) PPL Electric thoroughly analyzed a number of alternatives to the Project, the OCA's claims regarding an "electrification revolution" and building the "grid of the future" in this case ring hollow. PPL Electric recognizes the need to implement innovative and cost-effective approaches to solve electrification challenges and bolster the reliability of the transmission grid, and it regularly considers such approaches as it did in this case. However, the alternatives advanced by the OCA are not feasible and/or reasonable under the circumstances presented in this case.

For the reasons explained below, and those set forth in PPL Electric's testimony, Briefs and the well-reasoned ALJs' ID, the Stanton-Summit Project should be approved. Therefore, the Commission should deny the OCA's Exceptions in their entirety.

## II. REPLY TO EXCEPTIONS

### A. REPLY TO OCA EXCEPTION NO. 1 – THE ALJS CORRECTLY CONCLUDED THAT PPL ELECTRIC DEMONSTRATED THERE IS A NEED FOR THE PROJECT PURSUANT TO 52 PA. CODE § 57.76(A)(1). ID AT 20-22, 44-52, 63; PPL ELECTRIC MB AT 19-51; PPL ELECTRIC RB AT 4-22.

The OCA is correct that PPL Electric “has the burden to prove ‘[a] need’ for the proposed Project.”<sup>4</sup> OCA Exc. at 5. However, the OCA’s continued attempts to ignore that there is an undisputed need for Project should be rejected for several reasons.

First, and foremost, the OCA did not dispute that there is a significant asset health and public safety need driving the Project. PPL Electric MB at 24-29, 35-36; PPL Electric RB at 4-5, 19-21. As it succinctly stated in its Exceptions, “... the existing Stanton-Summit Line is not suitable for continued use. The OCA does not dispute that fact.” OCA Exc. at 6. The ID correctly recognized this undisputed fact. ID at 21, 45.

Second, and relatedly, the OCA’s arguments regarding need are undermined by the plain language of 52 Pa. Code § 57.76(a)(1). PPL Electric MB at 6-9, 40-42. Section 57.76(a)(1) of the Commission regulations requires an electric utility to demonstrate “there is a need for [the proposed HV line].” 52 Pa. Code § 57.76(a)(1) (emphasis added). “A” need is an indefinite article, meaning that it lacks specificity for the proceeding noun, *i.e.*, “need”; conversely, “the” is a definite article, meaning that the proceeding noun, *i.e.*, “need,” would be specific. PPL Electric MB at 41-42. The OCA’s argument that PPL Electric has not satisfied 52 Pa. Code § 57.76(a)(1), is directly contradicted by the plain language of this regulation and concession that there is “a need” for the Project.

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<sup>4</sup> OCA omitted the operative article in its quotation. Section 57.76(a)(1) specifically requires an electric utility to demonstrate “there is a need for [the proposed HV line].” 52 Pa. Code § 57.76(a)(1) (emphasis added).

Third, the OCA’s arguments are not supported by, and are contrary to, binding appellate precedent. PPL Electric MB at 6-9; PPL Electric RB at 13. Through its arguments in this case, the OCA argues that PPL Electric has not shown a need for the Project because it has not shown the Stanton-Summit #3 and #4 230 kV Transmission Lines must remain in service. This is argument advances the same “absolute necessity” standard that was rejected by the Commonwealth Court of Pennsylvania in *Hess v. PUC*, 107 A.3d 246, 260 (Pa. Cmwlth. 2014), *appeal denied*, 632 Pa. 678, 117 A.3d 1282 (Pa. 2015). *Hess* emphatically rejected the proposition that a utility must demonstrate an HV transmission line project is “absolutely required.”<sup>5</sup> The ID correctly applied this case precedent and rejected OCA’s arguments to the contrary. *See* ID at 32-33.

Fourth, even assuming that the OCA’s argument that PPL Electric must demonstrate the existing Stanton-Summit #3 and #4 230 kV Transmission Lines are needed in order to demonstrate there is a need for the proposed Project is correct, PPL Electric has shown these lines are needed. These transmission lines are required to prevent violations of NERC reliability standards and maintain reliable transmission service during planned and unplanned outages. PPL Electric MB at 29-31; PPL Electric RB at 19-21. As succinctly conceded by the OCA’s witness at hearing:

Q. [ATTORNEY LENT] And transmission owners must also keep their assets in good condition to comply with NERC standards?

A. [OCA WITNESS KONIDENA] Yes.

...

Q. [ATTORNEY LENT] If a transmission owner did not comply with NERC standards, would you consider that good utility practice?

A. [OCA WITNESS MR. KONIDENA] If a transmission owner does not comply with the NERC standards, is it good utility

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<sup>5</sup> PPL Electric RB at 13 (citing *Hess*, 107 A.3d at 260 (rejecting the “absolute necessity standard”)).

practice? No, because there will be fines.

Tr. 113-114 (emphasis added) (quoted in PPL Electric MB at 30). The OCA's own cross-examination exhibits further reveal that "the Consolidated Transmission Owners Agreement ('CTOA') with PJM requires transmission owners to 'operate and maintain its Transmission Facilities.'" OCA Cross Exh. 2 (emphasis added). Indeed, all existing transmission lines are included in PJM's models and assumed to be in service for purposes of evaluating the transmission grid. As this line is used and in service, and is needed for PPL Electric to continue to comply with NERC standards, the Company has demonstrated that maintaining the Stanton-Summit #3 and #4 230 kV Transmission Lines is necessary.

Contrary to the OCA's claims, there is ample record evidence, much of which that is either (1) undisputed or (2) admitted to and/or corroborated by the OCA's expert witness and exhibits, to support the ID's finding that there is a need for the Project. Therefore, the Commission should approve the LON and deny the OCA's Exception No. 1.

**B. REPLY TO OCA EXCEPTION NO. 2 – THE ALJS CORRECTLY CONCLUDED THAT OCA'S CONCERNS REGARDING PJM'S REVIEW OF SUPPLEMENTAL PROJECTS WERE NOT RELEVANT TO THE COMMISSION'S REVIEW OF THE NEED FOR THE PROJECT PURSUANT TO 52 PA. CODE § 57.76(A)(1). ID AT 22-26, 44-52; PPL ELECTRIC MB AT 36-40; PPL ELECTRIC RB AT 8-9.**

The OCA continues to broadly challenge PJM's Supplemental Projects review process, as a part of this singular LON proceeding in Exception No. 2. This exception should also be denied.

The crux of OCA's Exception No. 2 is that "[t]he ALJs found that PJM's review of supplement projects is not relevant in this case." OCA Exc. at 7 (citing ID at 26). The OCA then insinuates without support that the ALJs and/or the Commission may "proceed under the mistaken assumption that PPL's project was 'vetted' by PJM." OCA Exc. at 8. However, the OCA conveniently omits the entirety of the ALJs' reasoning, which explained:

The undersigned agree with PPL Electric regarding OCA's argument raising concerns in this proceeding about the PJM supplemental project review process. OCA submits that it is important for the Commission to have a clear understanding of what PJM does and does not do as to supplemental projects in order to ensure that PPL Electric's proposed Project is appropriately considered within the rubric of Pennsylvania laws, Commission regulations and past decisions. OCA M.B., p. 15. PJM's review of supplemental projects is not relevant here. What is relevant is that PPL Electric establishes a need for the Project pursuant to Commission regulations and applicable law.

ID at 26 (emphasis added). In so explaining, the ALJs appropriately distinguished between the roles of PJM and the Commission with respect to the siting and construction of HV transmission lines. With respect to the latter, they correctly concluded that PPL Electric is required to establish "a need for the Project pursuant to Commission regulations and applicable law." *Id.* (emphasis added). The ALJs did not simply assume there was a need for the Project based upon PJM's Supplement Project review process. Rather, the ALJs correctly found that PPL Electric demonstrated there is a need for the Project, consistent with the Commission's regulations and applicable law, and did so based upon record evidence. ID at 20-22. For this reason alone, OCA Exception No. 2 should be summarily denied.

The remainder of the OCA's arguments regarding the PJM Supplemental Project review process were fully addressed in PPL Electric's testimony and Briefs. Indeed: (1) the OCA's own witness conceded that a request for the Commission to seek to change PJM's process with respect to its evaluation of Supplemental Projects "would be beyond the scope of this proceeding" (PPL Electric MB at 36 (citing Tr. 98); PPL Electric RB at 8); (2) none of the OCA's concerns related to the PJM Supplemental Project process are unique to this LON, and are already the subject of an Advanced Notice of Proposed Rulemaking at FERC (PPL Electric MB at 36-37); (3) the OCA's proposal for the Commission to apply a "heightened level of scrutiny" to Supplemental Projects approved by PJM would constitute improper rulemaking (PPL Electric MB at 37-39); and (4)

PJM's processes does in fact benefit ratepayers, as admitted by the OCA's witness (PPL Electric MB at 39-40). It is also clear that PPL Electric has complied with both PJM's and the Commission's existing processes with respect to each entity's review of the Project. PPL Electric RB at 8.

Finally, it cannot be disputed that PPL Electric considered alternatives to the Project. PPL Electric did so before it filed the LON. PPL Electric MB at 31-35. It also did so during the course of this proceeding, in response to the OCA's discovery requests and the proposals advanced in the OCA's testimony. PPL Electric MB at 50-51. The ALJs correctly concluded PPL Electric had thoroughly reviewed each alternative, and demonstrated the Project was reasonable. *See* ID at 20-22, 48-52.

For these reasons, the Commission should approve the LON and deny the OCA's Exception No. 2.

**C. REPLY TO OCA EXCEPTION NO. 3 – THE ALJS CORRECTLY CONCLUDED THAT A LINE RETIREMENT STUDY IS NOT REQUIRED TO DEMONSTRATE THAT THERE IS A NEED FOR THE PROJECT UNDER 52 PA. CODE § 57.76(A)(1). ID AT 26-33, 44-52; PPL ELECTRIC RB AT 10-13, 23-24.**

The OCA further claims that the ID erred by concluding that a retirement study was neither a “necessary prerequisite to consideration of the Project proposed by PPL Electric” nor justified in this case. OCA Exc. at 9. In support of its Exception No. 3, the OCA raises several arguments, each of which was fully addressed by PPL Electric and correctly rejected by the ID.

First, the OCA takes issue with the ID's conclusion that the OCA did not propose the Commission should require PPL Electric to ask PJM to conduct a line retirement study for the Stanton Summit #3 and #4 230 kV Transmission Lines. OCA Exc. at 9-10. The OCA asserts that it “questioned PPL in discovery as to the evaluation of potential alternatives” and asked PPL

Electric’s witness whether a line retirement study of the Stanton Summit #3 and #4 230 kV Transmission Lines had been performed. OCA Exc. at 9-10.

However, the ALJs correctly determined that the OCA had not proposed that a line retirement study should occur until its Main Brief. ID at 33. Indeed, the OCA’s Exceptions do not identify any point prior to its Main Brief where it proposed the Commission should order a line retirement study to occur as specific relief in this matter. It did not request this relief in its protest.<sup>6</sup> It did not request this relief in its prehearing memorandum.<sup>7</sup> It did not request this relief in its testimony.<sup>8</sup> It did not even request this relief in the cited discovery response,<sup>9</sup> and it did not request this relief as a part of its cross examination of PPL Electric’s witnesses.<sup>10</sup> The fact that no line retirement study had occurred—and is indeed not required to occur for PJM or the Commission to approve the Project—is not the same as proposing that PPL Electric should be required to seek the completion of such a study by PJM as a condition of approval of this Project. The ALJs correctly recognized as much.

Second, the OCA takes issue with the ID’s conclusion that no line retirement study was required because PPL Electric demonstrated “the Stanton-Summit Lines are required to avoid violations of NERC transmission planning standards that require PPL Electric to study and plan its transmission system.” OCA Exc. at 10 (citing ID at 33). Contrary to the OCA’s claims, PPL Electric presented undisputed record evidence that any retirement of the existing Stanton-Summit #3 and #4 230 kV Transmission Lines would result in violations of NERC requirements.<sup>11</sup> Indeed,

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<sup>6</sup> Protest of the Office of Consumer Advocate, Docket No. A-2022-3037374 (dated Feb. 8, 2023), *available at* <https://www.puc.pa.gov/pcdocs/1773427.pdf>; *see also* PPL Electric RB at 10.

<sup>7</sup> Prehearing Memorandum of the Office of Consumer Advocate, Docket No. A-2022-3037374 (dated April 12, 2023), *available at* <https://www.puc.pa.gov/pcdocs/1780980.pdf>; *see also* PPL Electric RB at 10.

<sup>8</sup> OCA St. 1 at 29; *see also* PPL Electric RB at 10.

<sup>9</sup> OCA Cross Exh. 2; *see also* PPL Electric RB at 10

<sup>10</sup> Tr. 34-36; *see also* PPL Electric RB at 10.

<sup>11</sup> PPL Electric MB at 29-31 PPL Electric RB at 5-6, 10-11; *see also* PPL Electric St. 2-R at 13-14, OCA Cross Exh. 1, and OCA Cross Exh. 2.

the OCA's own witness confirmed that not complying with NERC standards was "not good utility practice" and would result in PPL Electric being fined.<sup>12</sup>

Third, the OCA asserts that the existing Stanton Summit #3 and #4 230 kV Transmission Lines "could completely fail and no outages would occur and no customers would lose service." OCA Exc. at 10. This assertion misses the mark. As explained in PPL Electric's Reply Brief:

PPL Electric has not contended that a failure of the Stanton-Summit #3 and #4 230 kV Transmission Lines alone would result in a loss of service to customers. Rather, these lines are required to avoid violations of NERC transmission planning standards that require PPL Electric to study and plan its transmission system. These planning standards require PPL Electric to plan for scenarios where aspects of the bulk transmission system are taken out of service (e.g., for maintenance) to ensure that the loss of other facilities does not result in disruptions on the transmission grid. By arguing that these lines can be taken out of service and that these lines are not needed because loss of them alone would not result in a loss of service, the OCA essentially argues that PPL Electric should violate NERC Standard TPL-001 and be fined for doing so.

PPL Electric RB at 11 (emphasis in original). Any proposal that would result in the Commission requiring a public utility to violate federal law, knowing the utility would be fined and possibly subject to further sanctions for doing so,<sup>13</sup> is patently absurd.

Fourth, the OCA cites Commission's Order entered August 3, 2018 at "*Letter of Notification of PPL Electric Utilities, for Approval to Rebuild the Existing Breinigsville-Alburtis 500 kV Transmission Line in Lower Macungie and Upper Macungie Townships, Lehigh County, Pennsylvania,*" Docket No. A-2017-2635709 (the "2018 PPL LON"), and argues this case is analogous. OCA Exc. at 11. The ID analyzed and correctly addressed this argument. ID at 31-32. As explained in PPL Electric's Reply Brief, the chief problem with the OCA's reliance on the

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<sup>12</sup> Tr. 113-114 (OCA witness Mr. Konidena admitting that it would not be good utility practice for an electric utility to violate NERC standards "because there will be fines."); *see also* PPL Electric MB, at 30.

<sup>13</sup> *See* footnote 2*supra*.

2018 PPL LON order is that, in this order, the Commission made clear that consideration of alternatives is conducted under 52 Pa. Code § 57.76(a)(4).<sup>14</sup> However, the OCA has made abundantly clear in its testimony and its Briefs that it is not addressing 52 Pa. Code § 57.76(a)(4).<sup>15</sup> The OCA also continues to avoid the subsequent procedural history of the 2018 PPL LON, which ultimately led to a determination that there was a need for the subject HV transmission line without a retirement study being required.<sup>16</sup>

In this regard, the OCA is attempting to resurrect the “absolute necessity” standard that was rejected by the Commonwealth Court of Pennsylvania in *Hess*. Notably, while the OCA relied upon *Hess* in tandem with the 2018 PPL LON to advance its request that the Commission order a line retirement study in its Main Brief,<sup>17</sup> the OCA does not reference *Hess* in its Exceptions. As explained in PPL Electric’s Reply Brief, the Commonwealth Court emphatically rejected the assertion that a utility must demonstrate an HV transmission line project is “absolutely required.”<sup>18</sup> The ID correctly applied this principle, and rejected the OCA’s attempts to resurrect this standard through its requested line retirement study. *See* ID at 32-33.

Fifth, the OCA insinuates that “[a]t any time” during the ten year period that PPL Electric discovered and studied the pack rust issue afflicting its COR-TEN® lattice towers, “PJM could have performed a retirement study.”<sup>19</sup> This assertion disregards the fact that PPL Electric extensively analyzed the prevalence of pack-out rust in COR-TEN® lattice towers, and the impacts of pack-out rust on the health of these assets. PPL Electric MB at 25-29 (explaining the analyses performed by and for PPL Electric regarding this issue, which are fully detailed in PPL Electric

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<sup>14</sup> PPL Electric RB at 11-12.

<sup>15</sup> PPL Electric MB at 18-19, 57-59; PPL Electric RB at 12, 24.

<sup>16</sup> PPL Electric RB at 12-13.

<sup>17</sup> OCA MB at 27.

<sup>18</sup> PPL Electric RB at 13 (citing *Hess*, 107 A.3d at 260 (rejecting the “absolute necessity standard”)).

<sup>19</sup> OCA MB at 11.

Exhibit JBL-1). Relatedly, the OCA's arguments ignore the fact that the Commission previously approved 6 other HV transmission line filings made by PPL Electric to address increased incidences of pack-rust across its system, without requiring that a retirement study be conducted. PPL Electric MB at 8, n.25 (citing relevant prior Commission approvals); *see also* PPL Electric St. 2-R at 9. PPL Electric's careful analysis of increased incidences of pack-rust demonstrates that it acted reasonably and prudently in developing proposed rebuild solutions across its system.

Contrary to the OCA's claims, the ID correctly concluded that a line retirement study is not required to approve this Project and is not necessary to demonstrate that there is a need for this Project. Therefore, the Commission should approve the LON and deny OCA's Exception No. 3.

**D. REPLY TO OCA EXCEPTION NO. 4 – THE ALJS CORRECTLY DETERMINED THAT PPL ELECTRIC ANALYZED DLR AS A POSSIBLE ALTERNATIVE TO THE PROJECT, AND DETERMINED THAT IT WAS NOT A REASONABLE ALTERNATIVE TO THE PROJECT. ID AT 33-38, 44-52; PPL ELECTRIC MB AT 44-45, 49-51; PPL ELECTRIC RB AT 14-16, 23-24.**

The OCA also takes issue with the ALJs' conclusion that DLR is not an appropriate alternative with respect to the Stanton-Summit Project. OCA Exc. at 12. The OCA continues to argue that "[t]his proceeding is not about an asset health issue." OCA Exc. at 12. It also claims that the ID seems to suggest that the DLR alternative the OCA proposed did not involve installing DLR on the existing Stanton-Summit #3 and #4 230 kV Transmission Lines. OCA Exc. at 12-13. Finally, the OCA asserts that PPL Electric's familiarity and history of deploying DLR means that it should be considered as an alternative. OCA Exc. at 13. None of these arguments justify overturning or modifying the ID.

The OCA's primary position that "[t]his proceeding is not about an asset health issue," OCA Exc. at 12, is bizarre. Indeed, the OCA has never disputed that an asset health and public safety issue exists with respect to the prevalence of pack-rust in the existing COR-TEN® lattice

towers. PPL Electric MB at 35-36; PPL Electric RB at 4. OCA also admits that “there is a need to do something about [it].” *See* OCA Exc. at 2 (emphasis added). For an applicant to satisfy 52 Pa. Code § 57.76(a)(1), they must demonstrate that “there is a need for [the proposed HV line].” 52 Pa. Code § 57.76(a)(1) (emphasis added). Having admitted that the subject towers face significant issues and that there is “a need” to do something about it, the OCA’s attempt to reframe what this proceeding is about should be rejected by the Commission, as it was by the ID. *See* ID at 44-46.

Furthermore, the OCA’s positions regarding the appropriateness of DLR as an alternative to the proposed Project also fail.<sup>20</sup> While PPL Electric recognizes that value of DLR technology in avoiding specific congestion needs on the transmission system, and has successfully implemented DLR to address such needs, this technology does not address the specific need that is driving the Stanton-Summit Project. PPL Electric MB at 44-45; PPL Electric RB at 14-16. Contrary to the OCA’s assertion, the ID recognized OCA’s arguments regarding DLR, and correctly concluded that (1) “DLR is a potential solution to transmission congestion” (ID at 36), (2) “the primary drivers for the Project are asset health and public safety concerns” (ID at 36-37), and (3) DLR was not appropriate in these circumstances (ID at 38). The ALJs also analyzed the cost of the Project, relative to alternatives that would also directly address the asset health and safety issues, and concluded the Project was the most cost effective. ID at 51-52.

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<sup>20</sup> OCA also appears to raise by implication, the same argument that the Project is not “absolutely necessary.” *See* OCA Exc. at 13 (arguing “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.”). PPL Electric addressed this argument in its Reply to Exception Nos. 1 and 3, above, and incorporates those arguments with respect to Exception No. 4 as well.

The OCA's claims that the ID "focused too narrowly" on the undisputed asset health and public safety need that is driving the Project are simply incorrect and should be rejected. Therefore, the Commission should deny Exception No. 4 and adopt the ID without modification.

**E. REPLY TO OCA EXCEPTION NO. 5 – THE ALJS CORRECTLY DETERMINED THAT UNDERGROUNDING ALL, OR A PORTION OF, THE EXISTING STANTON-SUMMIT #3 AND #4 230 KV TRANSMISSION LINES WAS NOT A REASONABLE ALTERNATIVE TO THE PROJECT. ID AT 39-44; PPL ELECTRIC MB AT 46-47, 50-51; PPL ELECTRIC RB AT 17-19, 23-24.**

The OCA continues to assert "undergrounding should be evaluated as an option" and that undergrounding "could be a reasonable alternative once the total costs of aerial and underground are analyzed." OCA Exc. at 13 (emphasis added). Based on its claims of that underground could be a reasonable alternative, the OCA takes issue with the ALJs' conclusion that undergrounding was not a reasonable alternative due to the higher costs, incremental ROW and environmental impacts, and increased difficulty and expense in performing maintenance. OCA Exc. at 14 (citing ID at 43-44). The OCA also claims that the ALJs should have directed PPL Electric to study "the consumer costs of outages" due to above-ground facilities. OCA Exc. at 14. None of these arguments justify overturning or modifying the ID.

As an initial matter, The OCA's arguments are based on its false claim that an undergrounding alternative to the Project was not evaluated. *See* OCA Exc. at 13. PPL Electric analyzed this alternative during this proceeding. PPL Electric MB at 46-47; PPL Electric RB at 17-19.

The OCA's claims regarding about undergrounding are based on its speculation that it "might be" or "could be" a reasonable alternative. *See* OCA Exc. at 13-14. The OCA must speculate as to what "might be" or "could be" because it presented no evidence regarding the costs

or benefits (from a reliability or environmental impact perspective) of this option. PPL Electric MB at 43-44, 46-47; PPL Electric RB at 17-19.

Indeed, the only evidence of record presented regarding the costs of an underground alternative was presented by PPL Electric. As explained in the Company's Briefs, and by its witnesses, this option is substantially more costly than the proposed Project: it costs approximately \$14.8-\$24 million per mile to construct an underground a 69 kV transmission line, but approximately \$3-\$5 million per mile to construct an overhead 230 kV transmission line. PPL Electric MB at 47 (citing PPL Electric St. 2 at 8); PPL Electric RB at 18 (citing the same). OCA witness Mr. Konidena further admitted that if an alternative to a transmission line rebuild was more expensive than the rebuild itself, it would be less reasonable than the rebuild. PPL Electric MB at 43 (citing Tr. 114). Based on this record evidence, the ALJs correctly rejected the proposed undergrounding alternative in these circumstances. ID at 43-44.

The OCA further argues that "underground facilities are less likely to suffer outages from extreme weather events." OCA Exc. at 15. PPL Electric acknowledges that this may be the case. However, the cost of undergrounding these 230 kV lines, combined with the undisputed incremental environmental impacts and increased maintenance costs that would result from undergrounding, outweigh the OCA's arguments. On the balance of these considerations, the ALJs correctly rejected the OCA's proposals. ID at 43-44.

Finally, PPL Electric notes that the OCA presents no further argument in Exception No. 5 regarding the ERA claim it introduces in the "Introduction" to its Exceptions. Contrary to its speculation that undergrounding could reduce environmental impacts, the only evidence regarding environmental impacts of the Project, which were minimal, was presented by PPL Electric. PPL Electric MB at 54-59. The OCA's environmental claims are simply bereft of support in the record,

and insufficient to rebut the evidence presented by PPL Electric that the Project complies with 52 Pa. Code § 57.76(a)(3)-(4). PPL Electric RB at 22-24.

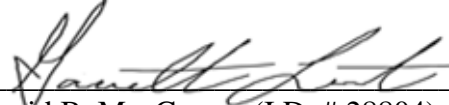
Therefore, the Commission should adopt the well-reasoned analysis of the ERA and the requirements of 52 Pa. Code § 57.76(a)(3)-(4). The ALJs correctly analyzed PPL Electric's undisputed evidence regarding its compliance with applicable environmental statutes and regulations, and concluded that the Project satisfied 52 Pa. Code § 57.76(a)(3). ID at 53-61. Similarly, the ALJs credited the Company's uncontested analysis of the potential environmental impacts of the Project relative to reasonable alternatives, and correctly concluded that the Project satisfied 52 Pa. Code § 57.76(a)(4).

For these reasons, and the reasons set forth in PPL Electric's Briefs, the ID correctly concluded that the underground alternative proposed by the OCA should be rejected. The Commission should deny Exception No. 5 and adopt the ID without modification.

**III. CONCLUSION**

WHEREFORE, for the foregoing reasons, and those set forth in the Initial Decision and PPL Electric's Main and Reply Briefs, the Exceptions of the OCA should be denied.

Respectfully submitted,



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