



Heather Shirley Smith  
Deputy General Counsel

Duke Energy  
40 W. Broad Street  
Suite 690  
Greenville, SC 29601

o: 864.370.5045  
f: 864.370.5183

heather.smith@duke-energy.com

August 21, 2015

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd, Chief Clerk/Administrator  
Public Service Commission of South Carolina  
Synergy Business Park, Saluda Building  
101 Executive Center Drive  
Columbia, SC 29210

**Re: Background Information Relevant to the Commission's August 27<sup>th</sup> Public Hearing on Duke Energy's Foothills Transmission and Substation Project - 45-Mile Transmission Line Between Asheville, N.C., Power Plant and New Substation Near Campobello, S.C.**

Dear Ms. Boyd:

Duke Energy Corporation (the "Company") submits this letter to inform the Public Service Commission of South Carolina ("Commission") of the Company's plans to file, in late 2015 or early 2016, an application under the Utility Facility Siting and Environmental Protection Act, S.C. Code of Laws, §§ 58-33-10 *et seq.* (the "Siting Act"). The application will be submitted to seek approval of the Company's plans, once finalized, to build its Foothills Transmission Line and an associated substation. The purpose of this letter is also to notify the Commission of the Company's activities relating to developing those plans. We are aware of the great interest that has been expressed by our neighbors and customers in the potentially affected communities, the statements that have been filed with the Commission, and the Commission's plans to hold a night hearing on the matter on August 27 at Landrum High School. We hope that this letter will give the Commission background information that will be helpful as it receives statements from the public on August 27, and reviews statements formally filed by individuals. As we have gathered public input to inform our route analysis, described in more detail below, we are aware that public interest has grown over development in this area of South Carolina. To that end, we offer the following information:

**Description of the Project:** The Foothills Transmission project is part of the Company's environmental compliance and modernization strategy for its facilities in the western Carolinas. The transmission line will be approximately 45 miles long and will connect a planned substation to be located near Campobello, S.C., with a planned 650 megawatt natural gas-fired combined cycle power plant to be built in Asheville, N.C. The transmission line will be a 230 kilovolt (kV)

double-circuit line that will potentially cross parts of Greenville and Spartanburg counties in South Carolina, and Polk, Henderson and Buncombe counties in North Carolina. Information about possible routes under consideration is available on the Company's website at: <https://www.duke-energy.com/western-carolinas-modernization/foothills.asp>.

**Analysis to Date:** As described on the above referenced webpage, the Company has identified a number of different possible routes for the transmission line. It is currently evaluating the different routes and receiving information from the public and landowners regarding the suitability of the different routes. As part of our comprehensive transmission siting process, we have asked for and received more than 4,000 comments to date which are being used to inform our analysis. This level of public engagement is exactly what we need to make sure that we are selecting the best possible route for the public interest. We have heard about historic sites, new and planned development, environmental sensitivities, and details about the economy of the area that will all inform our analysis through the end of September. In fact, we have found the public comments so helpful that the period for input from the public has been extended through August 31, 2015, to help ensure that interested parties have an opportunity to educate the Company on what may not immediately be apparent from our research and to gain information to assist with the line selection process. The intent of the Company is to be as thorough as possible in soliciting input in order to pick the best possible route with the least impact, in accordance with statutory and Commission requirements.

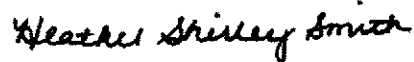
**Timeline of Decision:** The Company has revised the timeline for making a final decision on the appropriate transmission line route. Because of the intense interest in the potentially affected communities the Company increased its resources on the project and shortened the duration for making the decision, without sacrificing the need for thoroughness. The Company now expects to make the route selection decision and announce it publicly in early October versus the end of the year. It will then spend the next several weeks developing its Siting Act application to be submitted to this Commission. The Company expects that filing will be made by January 2016. That filing will seek the approval of the Commission for the substation and the transmission line, and will contain the material required by the Siting Act. The Company cannot proceed with construction of the line or the substation without the approval of the Commission. Additional approval for the North Carolina portion of the project will be required from the North Carolina Utilities Commission.

**August 27, 2015:** The Company appreciates the Commission's desire to hear public statements from concerned and potentially affected customers, and Duke Energy employees will be in attendance listening and learning from the statements shared in Campobello on August 27. Those employees will include people directly involved in the site selection process. The Company expects the statements from the public will be helpful as it evaluates the different possible routes for the transmission line and we appreciate the opportunity to hear from more members of the public. Please note, however, the Company does not plan to have any speakers at this hearing, but will instead provide testimony and witnesses for questioning once the application is filed and the formal proceeding commences.

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Please let me know of any questions regarding this matter and I hope the information in this letter is helpful to the Commission as it prepares for the August 27 night hearing at Landrum High School.

Sincerely,



Heather Shirley Smith  
Deputy General Counsel

cc: Jeffrey M. Nelson, Esquire, SC Office of Regulatory Staff (via email)  
Shannon F. Bobertz, Esquire, SC Department of Natural Resources (via email)  
Van Whitehead, Esquire, Department of Natural Resources (via email)