

**TrAILCo Supplemental Rebuttal Statement No. 2-R-1
Witness: Lawrence A. Hozempa**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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|--|----------|-----------------------------|
| IN RE: APPLICATION OF TRANS-ALLEGHENY | : | |
| INTERSTATE LINE COMPANY FOR | : | |
| (I) A CERTIFICATE OF PUBLIC CONVENIENCE | : | |
| TO OFFER, RENDER, FURNISH AND/OR | : | |
| SUPPLY TRANSMISSION SERVICE IN THE | : | |
| COMMONWEALTH OF PENNSYLVANIA; | : | |
| (II) AUTHORIZATION AND CERTIFICATION | : | |
| TO LOCATE, CONSTRUCT, OPERATE AND | : | Docket Nos. A-110172 |
| MAINTAIN CERTAIN HIGH VOLTAGE ELECTRIC | : | A-110172F0002 |
| TRANSMISSION LINES AND RELATED ELECTRIC | : | A-110172F0003 |
| SUBSTATION FACILITIES; (III) AUTHORITY | : | A-110172F0004 |
| TO EXERCISE THE POWER OF EMINENT | : | G-00071229 |
| DOMAIN FOR THE CONSTRUCTION AND | : | |
| INSTALLATION OF AERIAL ELECTRIC | : | |
| TRANSMISSION FACILITIES ALONG THE | : | |
| PROPOSED TRANSMISSION LINE ROUTES | : | |
| IN PENNSYLVANIA; (IV) APPROVAL OF AN | : | |
| EXEMPTION FROM MUNICIPAL ZONING | : | |
| REGULATION WITH RESPECT TO THE | : | |
| CONSTRUCTION OF BUILDINGS; AND | : | |
| (V) APPROVAL OF CERTAIN RELATED | : | |
| AFFILIATED INTEREST ARRANGEMENTS | : | |

**SUPPLEMENTAL REBUTTAL TESTIMONY
OF LAWRENCE A. HOZEMPA**

Re: Reliability Need for Prexy Facilities

December 11, 2007

SUPPLEMENTAL REBUTTAL TESTIMONY OF LAWRENCE A. HOZEMPA

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Lawrence A. Hozempa and my business address is 800 Cabin Hill
3 Drive, Greensburg, Pennsylvania.

4

5 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

6 A. Yes. I have filed written Direct Testimony on behalf of Trans-Allegheny
7 Interstate Line Company ("TrAILCo"), which has been designated as TrAILCo
8 Statement No. 2, and Rebuttal Testimony which has been designated as TrAILCo
9 Statement No. 2-R.

10

11 Q. PLEASE DESCRIBE THE PURPOSE OF YOUR SUPPLEMENTAL
12 REBUTTAL TESTIMONY.

13 A. This Supplemental Rebuttal Testimony addresses Office of Consumer Advocate
14 ("OCA") witness Peter Lanzalotta's Prexy Facilities need analysis in OCA
15 Statement No.1.

16

17 Q. WILL THE USE OF VARIOUS TERMS IN YOUR REBUTTAL TESTIMONY
18 BE CONSISTENT WITH THE DEFINITIONS ASSIGNED TO THOSE TERMS
19 IN THE TABLE OF NOMENCLATURE ATTACHED TO TRAILCO
20 WITNESS FLITMAN'S DIRECT TESTIMONY AS TRAILCO EXHIBIT DEF-

21 1?

1 A. Yes. In addition, I may define other specific terms in my rebuttal.

2

3 Q. DO YOU HAVE ANY COMMENTS WITH RESPECT TO MR.
4 LANZALOTTA'S TESTIMONY THAT FOUR 138 KV LINES AND TWO
5 CAPACITORS WILL BE SUFFICIENT TO RESOLVE THE PROJECTED
6 RELIABILITY VIOLATIONS CITED IN TRAILCO EXHIBIT LAH-3?

7 A. Yes, I do. Let me emphasize that the reliability violations cited in TrAILCo
8 Exhibit LAH-3 are specific to the local 138 kV lines and substations in Greene,
9 Washington, and southern Allegheny Counties. They are the violations that are
10 the most severe, most localized to the Prexy Facilities, and will be most
11 effectively mitigated by the Prexy Facilities. There is an immediate need in the
12 Prexy area for reinforcement. As I have previously stated, low voltages have
13 been reported in this area for the past three summers without any contingencies in
14 the area.

15

16 An important point is that the Prexy Facilities will not only address the reliability
17 violations cited in TrAILCo Exhibit LAH-3, they will also have an impact on the
18 interconnected transmission system beyond the local area. Mr. Lanzalotta's
19 proposal lacks this quality, as manifested in shortcomings identified when
20 compared to the Prexy Facilities.

1 Q. WILL YOU CITE SOME EXAMPLES OF THE SHORTCOMINGS OF MR.
2 LANZALOTTA'S PROPOSAL IN COMPARISON TO THE PREXY
3 FACILITIES?

4 A. Yes. In 2005, Allegheny Power completed an East Central Area Reliability
5 Coordination Agreement ("ECAR") peer review assessment for the year 2009. In
6 this assessment several NERC Category C contingencies on the 138 kV system in
7 northern West Virginia caused voltage violations. Mr. Lanzalotta's proposal
8 improved the voltage in this area slightly less than 1%, not enough to mitigate the
9 violations. The Prexy Facilities improve the voltage in this area over 4%,
10 eliminating the violation.

11

12 In response to WPPII Interrogatory Set I, No. 6, TrAILCo provided the '2011
13 Summer Mid-Term Assessment of Transmission System Performance & 2016
14 Summer Long-Term High Level Overview' performed by Transmission Planning
15 at Allegheny Power in November 2006. The 2011 load flow model used in the
16 assessment did not have the Prexy Facilities in the model. The 2016 load flow
17 model used in the assessment did have the Prexy Facilities in the model. The
18 number of reliability violations resolved by installation of the Prexy Facilities is
19 significant, including overloads of 500/138 kV transformers.

20

21 In this assessment there are several NERC Category C contingencies that caused
22 reliability violations in 2011 that the Prexy Facilities will resolve. I reviewed
23 three of these contingencies comparing Mr. Lanzalotta's proposal against the

1 Prexy Facilities. Mr. Lanzalotta's proposal reduced loading on the lines and
2 500/138 kV transformers of concern about 1% and improved the voltage at
3 transmission buses of concern slightly less than 1%. On the other hand, the Prexy
4 Facilities reduced loading on lines of concern about 3%, loading on 500/138 kV
5 transformers of concern almost 15%, and improved the voltage at transmission
6 buses of concern between 2-5%.

7
8 Mr. Lanzalotta's proposal does marginally resolve the local reliability violations
9 in 2009, but his proposal is not as robust as the Prexy Facilities in resolving other
10 reliability violations in the years beyond 2009, and those outside the local area. It
11 does not seem prudent to spend a significant amount of resources on a short-term
12 fix just to delay what is the best overall solution to a myriad of problems looming
13 several years in the future.

14
15 Q. ARE THERE ANY OTHER SHORTCOMINGS TO MR. LANZALOTTA'S
16 PROPOSAL?

17 A. The solution itself is acceptable, but it is a narrow view. We approach our system
18 assessments from a wider view. As we determine reliability violations and
19 constraints on the system, we also determine an initial "fix" or solution for each
20 problem. However, once all of the violations and constraints are determined, all
21 of the initial solutions are reviewed from a more global perspective to evaluate if
22 there is a more efficient single solution to address multiple violations. Using this

1 approach we are often able to determine a solution that is more robust and will
2 provide more enduring results.

3
4 This is the case with Mr. Lanzalotta's proposal. His proposal will require the
5 construction of multiple 138 kV lines over long distances in several different
6 areas and the installation of multiple capacitor banks at multiple substations just
7 to address the immediate local needs.

8
9 The Prexy Facilities will provide a solution that will not only address the
10 immediate local needs, but will meet the local needs for years to come and will
11 also mitigate transmission reliability violations outside the local area.

12

13 Q. WILL YOU DESCRIBE THE FACILITIES PROPOSED BY MR.
14 LANZALOTTA?

15 A. Yes. Mr. Lanzalotta proposes construction of four 138 kV lines and installation
16 of two 44 MVAR capacitors. The installation of capacitors at Bethel Park and
17 Smith Substation are feasible, however, the lines present some other challenges.

18

19 The first line will need to be constructed from the Wylie Ridge Substation in
20 Weirton, WV to Cecil Substation in Hendersonville, PA. This line will be
21 approximately 28 miles in length. This line will require rebuilding nearly 26
22 miles of single-circuit 138 kV line. Also, approximately 2.5 miles will require
23 construction on new right-of-way.

1 The second line will need to be constructed from the Cecil Substation in
2 Hendersonville, PA to Peters Substation in McMurray, PA. This line will require
3 rebuilding nearly 5 miles of single-circuit 138 kV line. Also, approximately 2.0
4 miles will require construction on new right-of-way.

5
6 The third line will need to be constructed from the Peters Substation in
7 McMurray, PA to the Charleroi Substation in Fallowfield Township, Pa. This
8 line will require rebuilding nearly 11 miles of single-circuit 138 kV line. Also,
9 approximately 2.0 miles will require construction on new right-of-way and
10 approximately 2.0 miles of construction on the same right-of-way acquired for the
11 second line.

12
13 The fourth line will need to be constructed from Cecil Substation in
14 Hendersonville, PA to Gordon Substation in Wolfdale, PA. This line will require
15 rebuilding nearly 14 miles of single-circuit 138 kV line.

16
17 All together, over 63 miles of 138 kV line will need to be constructed and nearly
18 seven miles will require new right-of-way. Mr. Lanzalotta makes it sound rather
19 simple, but the construction of these lines will require reconstruction of over 55
20 miles of 138 kV line. In addition, taking these lines out-of-service for
21 reconstruction will cause operational difficulties and will most likely be limited to
22 off-peak times of the year, extending the construction time.

1 Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL REBUTTAL
2 TESTIMONY?

3 A. Yes. However, I reserve the right to file such additional testimony as may be
4 necessary or appropriate.