

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, APRIL 5, 2016

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APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE-2016-00011

For approval and certification of the  
South Abingdon 138 kV Extension  
Transmission Line Project  
under Title 56 of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On March 7, 2016, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") its application ("Application") for a certificate of public convenience and necessity to construct and operate electric transmission facilities in Washington County and the Town of Abingdon under § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, § 56-265.1 *et seq.*<sup>1</sup>

APCo proposes to construct, own, operate, and maintain the South Abingdon 138 kV Extension Transmission Line Project ("Project"). The Company states that the Project consists of the construction of a new 138 kV transmission line on new right-of-way ("ROW") approximately 3.8 miles long between a tap point on the Company's existing Saltville-Kingsport 138 kV transmission line (approximately one-third of a mile southwest of the Company's existing Abingdon Substation); a new South Abingdon Substation to be constructed on Vances Mill Road in Washington County; and associated improvements to be made at three existing substations in the Abingdon area, including buswork, switches, and related equipment.<sup>2</sup>

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<sup>1</sup> The Company filed direct testimony and other materials in support of its Application.

<sup>2</sup> Application at 1.

APCo estimates the Project will cost approximately \$30 million, and the Company will need approximately 12 months after entry of the Commission's final order for engineering, design, ROW acquisition, permitting, material procurement, and construction to place the Project in service.<sup>3</sup> APCo proposes an in-service date of December 1, 2017, and requests expedited consideration to the extent permitted by law.<sup>4</sup>

The Company states that the Project will maintain reliability for APCo's customers in the southern part of the Town of Abingdon and the adjacent areas of Washington County (the "Project area") in light of existing and projected load growth due to recent and planned residential, business/commercial, and medical development in the Project area, and the significant increase in winter peak load experienced in the Project area due to the extremely low temperatures of the winters of 2013-2014 and 2014-2015.<sup>5</sup>

The Application states that the proposed line will be a double circuit three-phase design with a nominal phase-to-phase voltage of 138 kV.<sup>6</sup> The Company states that it anticipates primarily using 138 kV double circuit steel monopoles with davit arms in connection with the construction of the Project.<sup>7</sup> The approximate heights of the monopole structures are anticipated to range from 80 to 125 feet. The Company states that H-frame structures may be necessary to lower the overall height of the line where it runs in close proximity to the Virginia Highland Airport. The height of the H-frame structures is anticipated to range from 60 to 80 feet, and may be required to be marked or lit depending on Federal Aviation Administration

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<sup>3</sup> Response to Guidelines at 16.

<sup>4</sup> Application at 3.

<sup>5</sup> *Id.* at 2.

<sup>6</sup> Direct Testimony of J. Kelly Bledsoe at 3.

<sup>7</sup> *Id.* at 4.

recommendations.<sup>8</sup> The Company states that a total of approximately 42 transmission line structures will be associated with the Project.<sup>9</sup>

The Application states that the 3.8 mile preferred route for the Project will require new ROW easements.<sup>10</sup> The Company proposes to construct the Project within 100-foot ROW to be located within a 500-foot corridor in order to have the flexibility to shift the centerline of the 100-foot ROW of the transmission line up to 200 feet in either direction from the centerline shown in the Application to address issues that become evident only after completion of final engineering, ground surveys, and interview of landowners.<sup>11</sup> The Company states that the ROW may need to be expanded to 125 feet in one limited area near the Virginia Highlands Airport.<sup>12</sup> The Company further states that the corridor width may need to be expanded to approximately 1,100 feet in two limited areas that require greater flexibility.<sup>13</sup>

As provided by § 62.1-44.15:21 D 2 of the Code, the Commission and the State Water Control Board ("Board") must consult on wetland impacts prior to the siting of electric utility facilities that require a certificate of public convenience and necessity. Acting on behalf of the Board, the Department of Environmental Quality ("DEQ") must prepare a Wetland Impacts Consultation on this Application, as is required by the Code and the Department of Environmental Quality - State Corporation Commission Memorandum of Agreement Regarding

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Response to Guidelines at 18.

<sup>11</sup> Direct Testimony of J. Kelly Bledsoe at 7.

<sup>12</sup> Response to Guidelines at 18.

<sup>13</sup> Direct Testimony of J. Kelly Bledsoe at 7-8.

Consultation on Wetland Impacts.<sup>14</sup> The Commission Staff ("Staff") has requested the Office of Wetlands & Stream Protection of the DEQ to provide a Wetland Impacts Consultation for the proposed Project.<sup>15</sup>

As provided by §§ 10.1-1186.2:1 B and 56-46.1 A of the Code, the Commission and the DEQ must coordinate reviews of the environmental impact of proposed generating plants and associated facilities. Pursuant to the Code and the Department of Environmental Quality - State Corporation Commission Memorandum of Agreement Regarding Coordination of Reviews of the Environmental Impacts of Proposed Electric Generating Plants and Associated Facilities,<sup>16</sup> the Commission must receive and consider reports on the proposed facilities from state environmental agencies. Accordingly, the Staff has requested the DEQ to coordinate an environmental review of the proposed Project by the appropriate agencies and to provide a report on the review.<sup>17</sup>

NOW THE COMMISSION, upon consideration of the Application and applicable statutes, finds that this matter should be docketed; that APCo should give notice of its Application to interested persons and the public; that interested persons should have an opportunity to comment on the Application; and that the Staff should investigate the Application and file a report containing the Staff's findings and recommendations. We further find that

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<sup>14</sup> *In re Receiving comments on a draft memorandum of agreement between the State Water Control Board and the State Corporation Commission*, Case No. PUE-2003-00114, Order Distributing Memorandum of Agreement, 2003 S.C.C. Ann. Rept. 474 (July 30, 2003).

<sup>15</sup> Letter from Frederick D. Ochsenhirt, Esquire, State Corporation Commission, dated March 17, 2016, to David L. Davis, Department of Environmental Quality, filed in Case No. PUE-2016-00011.

<sup>16</sup> *In re Receiving comments on a draft memorandum of agreement between the Department of Environmental Quality and the State Corporation Commission*, Case No. PUE-2002-00315, Order Distributing Memorandum of Agreement, 2002 S.C.C. Ann. Rept. 559 (Aug. 14, 2002).

<sup>17</sup> Letter from Frederick D. Ochsenhirt, Esquire, State Corporation Commission, dated March 17, 2016, to Bettina Sullivan, Department of Environmental Quality, filed in Case No. PUE-2016-00011.

public hearings should be scheduled for the purpose of receiving testimony and evidence on the Application. Finally, we find that this matter should be assigned to a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE-2016-00011.

(2) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),<sup>18</sup> a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(3) A local public hearing shall be convened on June 27, 2016, at 6 p.m. at the Washington County Government Center Building, 1 Government Center Place, Suite A, Abingdon, Virginia 24210, to receive testimony on the Company's Application from public witnesses participating as provided by 5 VAC 5-20-80 C, *Public witnesses*, of the Rules of Practice.

(4) A public evidentiary hearing on the Application shall be convened at 10 a.m. on September 7, 2016, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness at this hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

(5) A copy of the Application may be obtained by submitting a written request to counsel for the Company, H. Allen Glover, Jr., Esquire, and George J.A. Clemo, Esquire, Woods Rogers

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<sup>18</sup> 5 VAC 5-20-10 *et seq.*

PLC, Wells Fargo Tower, Suite 1400, P.O. Box 14125, Roanoke, Virginia 24038-4125. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents also shall be available for interested persons to review in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

(6) On or before May 3, 2016, the Company shall cause to be sent by first class mail a copy of the notice and sketch map prescribed in Ordering Paragraph (7) to all owners, as of the date of this Order, of property within the corridor of the proposed line, as indicated on the map or sketch of the route filed with the Commission, which requirement shall be satisfied by mailing to such persons at such addresses as are indicated in the land books maintained by the commissioner of revenue, director of finance, treasurer or other officer of the county or municipality designated as provided by § 58.1-3100 *et seq.* of the Code.

(7) On or before May 3, 2016, the Company shall publish in two (2) successive weeks the sketch map of the proposed route, as shown in Exhibit 2 of the Response to Guidelines contained in the Application, and the following notice as display advertising (not classified) in a newspaper or newspapers of general circulation in every county or municipality through which the proposed Project is proposed to be built:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
APPALACHIAN POWER COMPANY  
FOR APPROVAL AND CERTIFICATION OF ELECTRIC  
TRANSMISSION FACILITIES IN WASHINGTON COUNTY  
AND THE TOWN OF ABINGDON  
CASE NO. PUE-2016-00011

On March 7, 2016, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") its application ("Application") for a certificate of public convenience and necessity to construct and operate electric transmission facilities in Washington County and the Town of Abingdon under § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, § 56-265.1 *et seq.*

APCo proposes to construct, own, operate, and maintain the South Abingdon 138 kV Extension Transmission Line Project ("Project"). The Company states that the Project consists of the construction of a new 138 kV transmission line on new right-of-way ("ROW") approximately 3.8 miles long between a tap point on the Company's existing Saltville-Kingsport 138 kV transmission line (approximately one-third of a mile southwest of the Company's existing Abingdon Substation); a new South Abingdon Substation to be constructed on Vances Mill Road in Washington County; and associated improvements to be made at three existing substations in the Abingdon area, including buswork, switches, and related equipment.

APCo estimates the Project will cost approximately \$30 million, and the Company will need approximately 12 months after entry of the Commission's final order for engineering, design, ROW acquisition, permitting, material procurement, and construction to place the Project in service. APCo proposes an in-service date of December 1, 2017, and requests expedited consideration to the extent permitted by law.

The Company states that the Project will maintain reliability for APCo's customers in the southern part of the Town of Abingdon and the adjacent areas of Washington County (the "Project area") in light of existing and projected load growth due to recent and planned residential, business/commercial, and medical development in the Project area, and the significant increase in winter peak load experienced in the Project area due to the extremely low temperatures of the winters of 2013-2014 and 2014-2015.

The Application states that the proposed line will be a double circuit three-phase design with a nominal phase-to-phase voltage of 138 kV. The Company states that it anticipates primarily using 138 kV double circuit steel monopoles with davit arms in connection with the construction of the Project. The approximate heights of the monopole structures are anticipated to range from 80 to 125 feet. The Company states that H-frame

structures may be necessary to lower the overall height of the line where it runs in close proximity to the Virginia Highland Airport. The height of the H-frame structures is anticipated to range from 60 to 80 feet, and may be required to be marked or lit depending on Federal Aviation Administration recommendations. The Company states that a total of approximately 42 transmission line structures will be associated with the Project.

The Application states that the 3.8 mile preferred route for the Project will require new ROW easements. The Company proposes to construct the Project within a 100-foot ROW to be located within a 500-foot corridor in order to have the flexibility to shift the centerline of the 100-foot ROW of the transmission line up to 200 feet in either direction from the centerline shown in the Application to address issues that become evident only after completion of final engineering, ground surveys, and interview of landowners. The Company states that the ROW may need to be expanded to 125 feet in one limited area near the Virginia Highlands Airport. The Company further states that the corridor width may need to be expanded to approximately 1,100 feet in two limited areas that require greater flexibility.

### **Route for Proposed Project**

The proposed approximately 3.8 mile transmission line route begins at APCo's existing Saltville-Kingsport 138 kV transmission line and connects to this existing line at a tap point to be located between existing structures No. 87 and 88, located in Washington County approximately 0.25 mile southwest of US Route 19/Alternative 58 and approximately 0.5 miles north of the Town of Abingdon. The proposed route starts southeast for 0.25 mile, turns southwestward for 0.3 mile across an open field and spans Woodland Hills Road approximately 0.2 mile east of Abingdon Elementary School. The route continues southward, crosses Wyndale Road, runs adjacent to the Town of Abingdon boundary through mostly pasture fields for 0.6 mile and enters the Town of Abingdon just southeast of the Washington County Fairgrounds. Turning southeastward, the route continues adjacent to Pioneer Chevrolet, crosses US Route 11/Main Street, spans Old Jonesboro Road about 0.5 mile west of the Virginia Highlands Community College, spans I-81 just east of Exit 14, continues across a wooded area, and exits the Town of Abingdon after 1.2 miles.

The proposed route re-enters Washington County, turns eastward for 0.75 mile crossing an open field and spanning Stone Mill Road. Turning southward, the route runs adjacent to the western boundary of the Abingdon Quarry property for approximately 0.2 mile, turns eastward and parallel to Vances Mill Road for 0.4 mile, turns southward, spans Vances Mill Road, and enters the proposed South Abingdon Substation located at 21488 Vances Mill Road (the former site of the Abingdon Stockyard Exchange.)

All distances and directions are approximate. A sketch map of the proposed route accompanies this notice. A more detailed map of the proposed route may be viewed on the Commission's website:  
<http://www.scc.virginia.gov/pue/elec/transline.aspx>.

The Commission may consider a route not significantly different from the route described in this notice without additional notice to the public.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings in Abingdon and Richmond, Virginia. A local public hearing will be convened on June 27, 2016, at 6 p.m. at the Washington County Government Center Building, 1 Government Center Place, Suite A, Abingdon, Virginia 24210, for the sole purpose of receiving testimony of public witnesses. The public hearing will resume on September 7, 2016, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony from members of the public and evidence related to the Application from the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

Copies of the Application and documents filed in this case are available for interested persons to review in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website:  
<http://www.scc.virginia.gov/case>.

Copies of the Application and other supporting materials also may be inspected during regular business hours at the following location:

Washington County Public Library  
205 Oak Hill Street  
Abingdon, Virginia 24210  
Phone: (276) 676-6233

Interested persons also may obtain a copy of the Application by submitting a written request to counsel for the Company, H. Allen Glover, Jr., Esquire, and George J.A. Clemo, Esquire, Woods Rogers PLC, Wells Fargo Tower, Suite 1400, P.O. Box 14125, Roanoke, Virginia 24038-4125. If acceptable to the requesting party, the Company may provide the documents by electronic means.

On or before August 30, 2016, interested persons may file written comments on APCo's Application with Joel H. Peck, Clerk, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to submit comments electronically may do so on or before August 30, 2016, by following the instructions found on the Commission's website, <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUE-2016-00011.

Any person or entity may participate as a respondent in this proceeding by filing, on or before June 6, 2016, a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be filed with the Clerk of the Commission at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUE-2016-00011.

A copy of any written comments and notices of participation simultaneously shall be sent to counsel for the Company at the address set forth above.

The Commission's Rules of Practice may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address set forth above.

APPALACHIAN POWER COMPANY

(8) On or before May 3, 2016, the Company shall serve a copy of this Order on the chairman of the board of supervisors or mayor of every county, city, and town through which the proposed Project is to be built. Service shall be made by first class mail or delivery to the customary place of business or residence of the person served.

(9) On or before May 24, 2016, the Company shall file proof of the notice and service required by Ordering Paragraphs (7) and (8), including the name, title and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(10) On or before May 24, 2016, the Company shall file a certificate of the mailing of notice to owners of property prescribed by Ordering Paragraph (6) with the Clerk of the Commission at the address set forth in Ordering Paragraph (9). The certificate shall not include the names and addresses of the owners of property served, but the Company shall maintain a record of such information.

(11) On or before August 30, 2016, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (9). Any interested person desiring to submit comments electronically may do so on or before August 30, 2016, by following the instructions found on the Commission's website:

<http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All correspondence and comments shall refer to Case No. PUE-2016-00011.

(12) On or before June 6, 2016, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (9), and the respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address in Ordering Paragraph (5). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUE-2016-00011.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the Application and all materials filed by the Company with the Commission, unless these materials have already been provided to the respondent.

(14) On or before July 7, 2016, each respondent may file with the Clerk of the Commission at the address set forth in Paragraph (9) and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed

electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission. In all filings, the respondent shall comply with the Commission's Rules of Practice, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; 5 VAC 5-20-150, *Copies and format*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUE-2016-00011.

(15) The Staff shall investigate the Application. On or before July 21, 2016, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to the Company and all respondents.

(16) On or before August 16, 2016, the Company shall file with the Clerk of the Commission: (a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company shall serve a copy on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (9).

(17) The Company and respondents shall respond to written interrogatories and requests for production of documents within seven (7) calendar days after receipt of the same. In addition to the service requirements of Rule 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request

for production is directed to the Staff.<sup>19</sup> Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) This matter is continued.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

George J.A. Clemo, Esquire, and H. Allen Glover, Jr., Esquire, Woods Rogers PLC, Wells Fargo Tower, Suite 1400, 10 South Jefferson Street, P.O. Box 14125, Roanoke, Virginia 24038-4125; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 900 East Main Street, Second Floor, Richmond, Virginia 23219. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Energy Regulation and Utility Accounting and Finance.

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<sup>19</sup> The assigned Staff attorney is identified on the Commission website, <http://www.scc.virginia.gov/case>, by clicking "Docket Search," then "Search Cases" and entering the case number, PUE-2016-00011, in the appropriate box.