

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, NOVEMBER 15, 2018

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2018-00159

For a declaratory judgment or, in the alternative,  
for approval and certification of electric facilities:  
Fork Union Substation and related Line Cut-In Project

ORDER FOR NOTICE AND COMMENT

On October 30, 2018, pursuant to Rule 100 C of the Virginia State Corporation Commission ("Commission") Rules of Practice and Procedure,<sup>1</sup> Virginia Electric and Power Company ("Dominion" or "Company") petitioned the Commission for a declaration as to whether the Company is required to amend or obtain certificates of public convenience and necessity ("CPCNs") pursuant to Chapter 10.1 of Title 56 of the Code of Virginia ("Code") for a certain project it plans to undertake on its transmission system in Virginia.<sup>2</sup> In the alternative, the Company seeks approval and amended certification of such project, pursuant to Code § 56-46.1 and the Utilities Facilities Act, Code § 56-265.1 *et seq.* (collectively, Dominion's filing is referred to herein as the "Application"). Concurrent with this filing, the Company filed a Motion for Interim Authority to Begin Substation Pre-Construction Activities, and for Expedited Consideration ("Motion for Interim Authority" or "Motion").

Specifically, Dominion seeks to construct a new substation located in Fluvanna County, Virginia, 1.5 miles from Bremono Power Station ("Fork Union Substation"); and, as part of this effort, cut in Bremono-Cunningham Line #5, Bremono-Sherwood Line #91, and Bremono

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<sup>1</sup> 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

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

Charlottesville Line #2028 ("Line Cut-In") into the proposed new Fork Union Substation (collectively, the "Project").<sup>3</sup> In total, according to Dominion, the proposed Project involves the removal of five transmission structures and the installation of 15 new transmission structures.<sup>4</sup> The heights of the five existing structures to be removed range from 50 to 88 feet, with an average height of 68 feet. The proposed structure heights range from 50 to 135 feet, with an average height of 84 feet.<sup>5</sup>

Collectively, the Line Cut-In entails a total increase of 0.2 mile of transmission line.<sup>6</sup> Lines #5, #91, and #2028, according to Dominion, are parallel transmission lines co-located in the same existing right-of-way.<sup>7</sup> The transmission lines originate adjacent to Bremono Power Station Units 3 and 4, and run along the same corridor for approximately 2.3 miles before splitting at a junction near Route 15.<sup>8</sup> The existing transmission corridor is adequate to construct the proposed Project.<sup>9</sup> The Fork Union Substation would be located entirely on Company-owned property.<sup>10</sup> Therefore, no new right-of-way is necessary for the proposed Project.<sup>11</sup>

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<sup>3</sup> *Id.* at 3.

<sup>4</sup> *See, e.g., id.* at 9, 16. The Company excludes backbone structures proposed to be installed in the substation from its total structure counts described in the Application. *See id.* at 3, n.4.

<sup>5</sup> *Id.* at 16.

<sup>6</sup> *Id.* at 3.

<sup>7</sup> *Id.* at 8.

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

<sup>9</sup> *Id.* at 10-11.

<sup>10</sup> *Id.* at 10.

<sup>11</sup> *Id.* at 11.

Dominion represents that the proposed Project is needed to resolve potential violations of North American Electric Reliability Corporation ("NERC") reliability standards related to the deactivation and cold storage of the Company's Bremono Power Station Units 3 and 4.<sup>12</sup> Specifically, according to Dominion, the proposed Project would address potential NERC violations by providing a long-term solution with the introduction of a new 115 kilovolt network source to serve the Gordonsville load area.<sup>13</sup> Dominion estimates the conceptual cost of the proposed Project to be approximately \$27.2 million, which includes \$5.4 million for transmission-related work and \$21.8 million for substation-related work (2018 dollars).<sup>14</sup>

Dominion seeks an in-service date for the proposed Project of November 30, 2019.<sup>15</sup> Dominion anticipates the proposed Project will take approximately nine months to construct after the Commission issues a final order.<sup>16</sup> Thus, Dominion seeks a final order no later than March 1, 2019, that either declares that the Project is an "ordinary extension[] or improvement[] in the usual course of business" under Code § 56-265.2 A.1 that does not require approval from the Commission, or in the alternative, approves the Project and grants the requested original or amended CPCNs, as needed.<sup>17</sup>

Concurrent with its Application, Dominion filed its Motion for Interim Authority. In its Motion for Interim Authority, Dominion seeks expedited approval to begin pre-construction

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<sup>12</sup> See, e.g., *id.* at 3-5.

<sup>13</sup> *Id.* at 8.

<sup>14</sup> *Id.* at 6.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* As referenced above, concurrent with its Application, Dominion filed a Motion for Interim Authority to commence pre-construction grading and site work for the new Fork Union Substation beginning November 15, 2018.

grading at the site of the proposed Fork Union Substation until the Commission has an opportunity to act on the Application. In support of its Motion, Dominion states that pre-construction grade work at the substation site is required to begin by November 15, 2018, to meet the anticipated in-service date.<sup>18</sup> Dominion recognizes in its Motion that if granted interim authority to begin this work, the Company "does so at its own risk with the knowledge that such activities will not deter the Commission from establishing conditions . . . which would require abandonment or alteration of any work undertaken in advance of [the Commission's final judgment]."<sup>19</sup> Dominion further states that it shared a copy of the Motion with the Commission Staff ("Staff") before filing.<sup>20</sup>

As provided by § 62.1-44.15:21 D 2 of the Code, the Commission and the State Water Control Board must consult on wetland impacts prior to the siting of electric utility facilities that require a CPCN. As required by Section 3 of the Department of Environmental Quality - State Corporation Commission Memorandum of Agreement Regarding Wetland Impacts Consultation, the Staff has advised the Department of Environmental Quality ("DEQ"), acting on behalf of the State Water Control Board, that the Company filed its Application and that consultation may be required.<sup>21</sup>

In addition to consultation on wetlands, § 56-46.1 G of the Code directs the Commission and DEQ to coordinate the environmental review of proposed electric facilities. Moreover,

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<sup>18</sup> Motion at 2.

<sup>19</sup> *Id.* at 3.

<sup>20</sup> *Id.*

<sup>21</sup> Letter from Alisson P. Klaiber, Esquire, State Corporation Commission, dated November 2, 2018, to David L. Davis, CPWD, PWS, Director, Office of Wetlands & Stream Protection, Department of Environmental Quality, filed in Case No. PUR-2018-00159.

§ 56-46.1 A of the Code provides for the Commission to receive and to consider reports on the proposed facilities from state environmental agencies. Accordingly, the Staff has requested DEQ to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review.<sup>22</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed, Dominion should provide public notice of the Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments and to request a hearing on the Application; interested persons should have an opportunity to participate in this proceeding as a respondent; and the Staff should be directed to investigate the Application and file a report containing its findings and recommendations thereon. We further find that a Hearing Examiner should be appointed to rule on any discovery issues that may arise over the course of this proceeding.

The Commission finds that the proposed Project is not an "ordinary extension[] or improvement[] in the usual course of business" and therefore requires a CPCN pursuant to Code § 56-46.1 and the Utilities Facilities Act, Code § 56-265.1 *et seq.* Our finding is strictly limited to the evidence in the Application, which includes, but is not limited to: (1) the proposed Project requires the installation of a new substation;<sup>23</sup> (2) the proposed Project requires the removal of five transmission structures and the installation of 15 new transmission structures;<sup>24</sup> and (3) such

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<sup>22</sup> Letter from Alisson P. Klaiber, Esquire, State Corporation Commission, dated November 2, 2018, to Bettina Rayfield, Department of Environmental Quality, filed in Case No. PUR-2018-00159.

<sup>23</sup> *See, e.g.*, Application at 3, 16.

<sup>24</sup> *See, e.g., id.* at 9, 16. The Company does not include backbone structures proposed to be installed in the substation for purposes of its total structure counts. *See id.* at 3, n.4.

structures are, on average, 20% taller than the existing structures.<sup>25</sup> We emphasize that our determination herein cannot be relied upon as precedent for any facility that a public utility may plan to construct in the future. The plain language of the Code requires that our determinations be made on a case-by-case basis. In accordance with the plain language of the statute, and based on the facts of this case, we find a CPCN is required for the proposed Project.

We grant Dominion's Motion for Interim Authority and request for expedited consideration. As we have stated in precedent and as Dominion recognizes, the Company undertakes the preliminary pre-construction efforts described in its Motion at its own risk prior to Commission consideration of the underlying Project.<sup>26</sup>

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2018-00159.
- (2) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on all discovery issues that arise over the course of this proceeding.
- (3) On or before December 4, 2018, the Company shall file testimony and an appendix in support of its Application. The Company's appendix shall comply with the "Guidelines for Transmission Line Applications Filed Under Title 56 of the Code." Each witness's testimony shall include a summary not to exceed one page.
- (4) A copy of the public version of the Application and supporting documents may be obtained by submitting a written request to counsel for the Company, David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219. If acceptable

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<sup>25</sup> See, e.g., *id.* at 16.

<sup>26</sup> See, e.g., Motion at 2-3.

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>.

(5) On or before December 11, 2018, the Company shall cause to be sent by first class mail a copy of the notice and sketch map prescribed in Ordering Paragraph (6) to all owners, as of the date of this Order, of property within the route of the Project. This requirement shall be satisfied by mailing the notice 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 Code § 58.1-3100 *et seq.*

(6) On or before December 11, 2018, the Company shall publish in two (2) successive weeks the following notice, and sketch map showing the location of the proposed Project, as shown in Attachment 26 of the Application, as display advertising (not classified) in newspapers of general circulation in Fluvanna County, Virginia:

NOTICE TO THE PUBLIC OF  
AN APPLICATION BY VIRGINIA ELECTRIC AND POWER  
COMPANY FOR APPROVAL AND CERTIFICATION OF  
ELECTRIC TRANSMISSION FACILITIES:  
FORK UNION SUBSTATION AND RELATED LINE CUT-IN  
PROJECT  
CASE NO. PUR-2018-00159

On October 30, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") seeking approval and amended certificates of public convenience and necessity ("CPCNs") pursuant to Code § 56-46.1 and the Utilities Facilities Act, Code § 56-265.1 *et seq.*

Specifically, through its Application, the Company seeks to construct a new substation located in Fluvanna County, Virginia, 1.5 miles from Bremono Power Station ("Fork Union Substation"); and, as part of this effort, cut in Bremono-Cunningham Line #5, Bremono-Sherwood Line #91, and Bremono Charlottesville Line #2028 into the proposed new Fork Union Substation (collectively, the "Project").

Dominion represents that the proposed Project is necessary to resolve potential violations of North American Electric Reliability Corporation ("NERC") reliability standards related to the deactivation and cold storage of the Company's Bremono Power Station Units 3 and 4. Specifically, according to Dominion, the proposed Project would address potential NERC violations by providing a long-term solution with the introduction of a new 115 kilovolt network source to serve the Gordonsville load area. Dominion estimates the conceptual cost of the proposed Project to be approximately \$27.2 million, which includes \$5.4 million for transmission-related work and \$21.8 million for substation-related work (2018 dollars).

The Company seeks an in-service date for the proposed Project of November 30, 2019. Dominion anticipates the proposed Project will take approximately nine months to construct after the Commission issues a final order. Thus, Dominion seeks a final order no later than March 1, 2019, which approves the Project and grants the requested CPCNs.

### **Description of the Proposed Project**

The Company proposes to construct a new Fork Union Substation on a 27-acre parcel owned by the Company in Fluvanna County, Virginia. The property is located approximately 0.7-mile south of the intersection of James Madison highway (Route 15) and Cedar Wood Lane. The parcel generally is located on and around an existing Company-owned 250-foot-wide right-of-way, where three existing transmission lines are located. The new Fork Union Substation would consist of typical substation equipment to include on 230/115 kilovolt, 224 megavolt-amperes power transformer and four backbone structures that range from 70 to 95 feet in height. To connect the three existing transmission lines to the proposed substation within the existing transmission right-of-way corridor, the removal of five structures and the installation of 15 new structures, for a net gain of 10 structures, would be required. All but four of these structures would be located on Company-owned property; the remaining four structures would be located within an existing transmission right-of-way corridor. The



five existing structures to be removed range in height from 50 to 88 feet, with an average height of 68 feet. The proposed structure heights range from 50 to 135 feet, with an average height of 84 feet.

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/pur/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.

Concurrent with its Application, Dominion filed a Motion for Interim Authority. In its Motion for Interim Authority, Dominion seeks expedited approval to begin pre-construction grading at the site of the proposed Fork Union Substation until the Commission has an opportunity to act on the Application. The Commission granted this Motion. However, the Company performs this work "at its own risk with the knowledge that such activities will 'not deter the Commission from establishing conditions . . . which would require abandonment or alteration of any work undertaken in advance of [the Commission's final judgment].'"

Copies of the public version of the Application and documents filed in this case also 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:

Dominion Energy Virginia  
Attention: John Mulligan  
10900 Nuckols Road  
Glen Allen, Virginia 23060  
[www.dominionenergy.com/forkunion](http://www.dominionenergy.com/forkunion)

Copies of the public version of the Application may be obtained by submitting a written request to counsel for the Company, David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Any person or entity may participate as a respondent in this proceeding by filing, on or before January 8, 2019, a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of the notice of participation as a respondent also shall be sent to counsel for the Company 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. All filings shall refer to Case No. PUR-2018-00159.

On or before January 8, 2019, any interested person wishing to comment on the Company's Application shall file written comments on the Application with the Clerk of the Commission at the address set forth above. Any interested person desiring to file comments electronically may do so on or before January 8, 2018, by following the instructions 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. PUR-2018-00159.

On or before January 8, 2019, any interested person may request a hearing in this matter by filing an original and fifteen (15) copies of a request for hearing. Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be addressed adequately without a hearing. All such requests for hearing shall be filed with the Clerk of the Commission at the address set forth above, or filed electronically by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. Copies of any such filings shall refer to Case No. PUR-2018-00159.

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

All documents filed in the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and Format*, of the Commission's Rules of Practice.

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 by the Clerk of the Commission at the address set forth above.

VIRGINIA ELECTRIC AND POWER COMPANY

(7) On or before December 11, 2018, the Company shall serve a copy of this Order for Notice and Comment on the following officials, to the extent the position exists in Fluvanna County: the chairman of the board of supervisors; the mayor or manager (or equivalent official); and the county, city, or town attorney. Service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.<sup>27</sup>

(8) On or before January 8, 2019, the Company shall file the proof of the notice and service required by Ordering Paragraphs (6) and (7), 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.

(9) On or before January 8, 2019, the Company shall file with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) a certificate of mailing of the notice to owners of property prescribed by Ordering Paragraph (5). The certificate shall not

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<sup>27</sup> Service may also be made electronically if a locality has submitted a written request to the Company for electronic service, pursuant to the Commission's April 19, 2016 Order in Case No. PUE-2016-00039. *See Petition of Virginia Electric and Power Company, For a continuing waiver of 20 VAC-5-201-10 J of the Rules Governing Utility Rate Applications and Annual Informational Filings to permit electronic service to local officials upon request*, Case No. PUE-2016-00039, Doc. Con. Cen. No. 160420194, Order (Apr. 19, 2016).

include the names and addresses of the owners of property served, but the Company shall maintain a record of this information.

(10) On or before January 8, 2019, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (8). Any interested person desiring to submit comments electronically may do so on or before January 8, 2019, 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. PUR-2018-00159.

(11) Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before January 8, 2019. 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 (8), and the respondent shall serve a copy of the notice of participation on counsel to the Company at the address in Ordering Paragraph (4). 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. PUR-2018-00159.

(12) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon such respondent a copy of this Order for Notice and Comment, a

copy of the public version of the Application, and all materials filed by the Company with the Commission unless these materials already have been provided to the respondent.

(13) On or before January 8, 2019, any interested person may file a written request for hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (8), and a copy of the request for hearing also shall be sent to counsel to the Company at the address in Ordering Paragraph (4). Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be addressed adequately without a hearing. All requests for hearing shall refer to Case No. PUR-2018-00159.

(14) The Staff shall investigate the Application. On or before January 29, 2019, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of a Staff Report containing its findings and recommendations. The Staff shall serve a copy thereof on counsel to the Company and all respondents.

(15) On or before February 12, 2019, the Company may file with the Clerk of the Commission and serve on the Staff and all parties any response in rebuttal to the Staff Report and any comments filed by interested persons in this proceeding.

(16) All documents filed in the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and Format*, of the Commission's Rules of Practice.

(17) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: Responses and objections to written interrogatories and requests for production of documents shall be served within three (3) calendar days after receipt of the same. In addition to the service requirements of Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and*

*things*, 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 Staff.<sup>28</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:

David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219; Vishwa B. Link, Esquire, Jennifer D. Valaika, Esquire, and Timothy D. Patterson, McGuireWoods LLP, Gateway Plaza, 800 E. Canal Street, Richmond, Virginia 23219; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 North 9th Street, 8th Floor, Richmond, Virginia 23219. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

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<sup>28</sup> The assigned Staff attorney is identified on the Commission's website, <http://www.scc.virginia.gov/case>, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2018-00159, in the appropriate box.