

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 10, 2013

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE-2012-00134

For approval and certification of electric transmission facilities for the Dooms-Lexington 500 kV Transmission Line Rebuild pursuant to §§ 56-46.1 and 56-265.1 *et seq.* of the Code of Virginia

ORDER FOR NOTICE AND COMMENT

On November 19, 2012, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities under §§ 56-46.1 and 56-265.1 *et seq.* of the Code of Virginia ("Code") to rebuild, entirely within existing rights-of-way, its 500 kilovolt ("kV") Dooms-Lexington Line #555 ("Line #555"). Line #555 runs approximately 39.1 miles from the existing Dooms Substation in Augusta County to the Lexington Substation in Rockbridge County. The Company proposes to construct and install associated facilities for the rebuilt 500 kV line at its Dooms and Lexington Substations.¹

As part of the 500 kV Line #555 project, Dominion Virginia Power also proposes to construct and install the conductors for a future 230 kV transmission line between the Dooms and Lexington Substations. The 230 kV line would be completed and operated only after Commission approval at some future date.²

¹ Application at 2.

² *Id.* at 5.

The Company proposes to replace the existing Line #555 single-circuit 500 kV lattice towers with double-circuit 500/230 kV lattice towers. The towers would support the rebuilt 500 kV Line #555 and the unenergized conductors of a future 230 kV line between the Doods and Lexington Substations.³ The 230 kV conductors would not be energized unless authorized by the Commission in a separate proceeding.⁴

Under Dominion Virginia Power's current planning assumptions, a new 230 kV transmission line between the Lexington and Doods Substations will be needed by 2018, or earlier. According to the Company, the cost, time, and transmission line outages required for construction of a 230 kV Doods-Lexington line would be significantly reduced if some of the facilities could be constructed at the same time as the rebuilding of the 500 kV Line #555. In addition, the Company states that impacts on landowners and the environment could be reduced.⁵

Line #555 was completed in 1966. It is part of the first 500 kV transmission system built in North America. Dominion Virginia Power proposes to remove Line #555's existing weathering steel lattice towers and replace them with new galvanized steel lattice towers. The existing bundled conductors would be replaced with triple-bundled conductors. According to the Company, rebuilding Line #555 as proposed would increase the transfer capability of its portion of the line from 2913 megavolt amperes ("MVA") to 4330 MVA. At both the Lexington and Doods Substations, the Company proposes to replace the two existing 500 kV breakers that

³ *Id.* at 5; Appendix at 4, 33-43.

⁴ Application at 5; Appendix at 4.

⁵ Application at 5; Appendix at 4.

terminate Line #555 with higher capacity breakers and install associated equipment all within the existing substation fences in order to accommodate the terminations of the rebuilt Line #555.⁶

Dominion Virginia Power states that these changes are necessary because power flow studies that it conducted with PJM Interconnection, L.L.C., project that by June 1, 2016, Line #555 will violate mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards and that the failure to address these projected NERC violations could lead to service interruptions and could potentially damage Dominion Virginia Power's electrical facilities in this area.⁷

The Company states that the in-service date for the proposed rebuilt line is May 2016. The estimated cost is approximately \$103.4 million, of which approximately \$98.1 million would be spent on transmission line construction and approximately \$5.3 million would be spent on modifications at the Dooms and Lexington Substations.⁸

As required by §§ 15.2-2202 E and 56-46.1 B of the Code, an electric utility must give notice to affected localities of its intention to file an application for approval of a transmission line designed to operate, respectively, at 150 kV or more, or 138 kV or more. The Company notes that it advised Augusta and Rockbridge County officials of its proposed Application in advance of filing with the Commission.⁹

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 certificate of public convenience and necessity. Acting on behalf of the State Water

⁶ Application at 4-5.

⁷ *Id.* at 2-3.

⁸ *Id.* at 4.

⁹ Appendix at 69-70.

Control Board, the Department of Environmental Quality 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 Consultation on Wetland Impacts ("Wetland Impacts Memorandum").¹⁰ The Office of Wetlands & Stream Protection, Department of Environmental Quality, has provided to the Commission's Staff ("Staff") a Wetland Impacts Consultation for this transmission project.¹¹ It was noted in the Wetland Impacts Consultation that it appeared that wetlands would be impacted by the project. Recommendations were included.¹²

Section 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. In addition to the consultation on wetlands, the Staff has requested the Department of Environmental Quality to coordinate an environmental review of this Application by the appropriate agencies and to provide a report on the review.¹³

NOW THE COMMISSION, upon consideration of the Application and applicable statutes, finds that this matter should be docketed and the Company should give notice of its Application to interested persons and the public. The Commission further finds that, as required by § 62.1-44.15:21 D 2 and related provisions of the Code and the Wetland Impacts Memorandum, consultation on wetland impacts has concluded and the Department of Environmental Quality has commenced its coordinated environmental review. The Commission

¹⁰ *In the Matter of 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).

¹¹ Letter from Michelle Henicheck, Department of Environmental Quality, dated Nov. 7, 2012, to John Bailey, Dominion Virginia Power, filed in Case No. PUE-2012-00134.

¹² *Id.*

¹³ Letter from Bryan D. Stogdale, Esquire, State Corporation Commission, dated Nov. 27, 2012, to Richard Weeks, Chief Deputy Director, Department of Environmental Quality, filed in Case No. PUE-2012-00134.

will accept comments on the Application and will consider requests for a hearing on the Application. We also direct Staff to investigate the Application and present its findings in a report.

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, this matter is docketed as Case No. PUE-2012-00134 and all associated papers shall be filed therein.

(2) As provided by § 12.1-31 of the Code and the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-120, *Procedure before hearing examiners*, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(3) On or before March 18, 2013, any interested person may file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to submit comments electronically may do so on or before March 18, 2013, 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-2012-00134.

(4) Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before March 18, 2013. 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, and the respondent simultaneously shall serve a copy of the notice of participation

on counsel to the Company, Lisa S. Booth, Assistant General Counsel, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia, 23219, and Stephen H. Watts II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219. 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-2012-00134.

(5) 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 Comment, 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.

(6) On or before March 18, 2013, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and the interested person simultaneously shall serve a copy of the hearing request on counsel to the Company, Lisa S. Booth, Assistant General Counsel, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219, and Stephen H. Watts II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219. All requests for a hearing shall refer to Case No. PUE-2012-00134.

(7) As provided by 5 VAC 5-20-80 D, *Commission staff*, of the Rules of Practice, the Staff shall participate in this proceeding and conduct an investigation on the Company's Application. On or before April 12, 2013, the Staff shall file with the Clerk of the Commission its report and exhibits regarding its investigation of the Application.

(8) On or before April 26, 2013, Dominion Virginia Power may file with the Clerk of the Commission an original and fifteen (15) copies of any comments on the Staff Report, comments from interested persons, and requests for hearing that were filed with the Commission. If not filed electronically, such comments shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (3).

(9) 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: answers to interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, 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 attorney¹⁴ if the interrogatory or request for production is directed to the Staff.

(10) On or before January 31, 2013, the Company shall serve a copy of this Order and the sketch map of the proposed route appearing at page 93 of the Appendix on the chairmen of the boards of supervisors of Augusta and Rockbridge Counties. Service shall be made by first class mail or delivery to the customary place of business of the person served.

¹⁴ The assigned Staff attorney is identified on the Commission website, <http://www.scc.virginia.gov/case>, by clicking "Case Search" and entering the case number, PUE-2012-00134, in the appropriate box.

(11) On or before February 18, 2013, the Company shall cause to be sent by first class mail a copy of the notice and sketch map prescribed in Ordering Paragraph (12) below to all owners, as of the date of this Order, of property within the route of the line affected by this Application. 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 § 58.1-3100 of the Code.

(12) On or before February 18, 2013, the Company shall publish in two (2) successive weeks the following notice, and the sketch map of the proposed route appearing at page 93 of the Appendix as display advertising (not classified) in a newspaper or newspapers of general circulation in Augusta and Rockbridge Counties:

NOTICE TO THE PUBLIC OF AN APPLICATION
BY VIRGINIA ELECTRIC AND POWER COMPANY,
FOR APPROVAL AND CERTIFICATION OF
ELECTRIC TRANSMISSION FACILITIES FOR THE
DOOMS-LEXINGTON 500 KV
TRANSMISSION LINE REBUILD
CASE NO. PUE-2012-00134

On November 19, 2012, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities to rebuild, entirely within existing right-of-way, its 500 kilovolt ("kV") Dooms-Lexington Line #555 ("Line #555"). Line #555 runs approximately 39.1 miles from the existing Dooms Substation in Augusta County to the Lexington Substation in Rockbridge County. The Company proposes to construct and install associated facilities for the rebuilt 500 kV line at its Dooms and Lexington Substations.

The Company proposes to replace the existing Line #555 single-circuit 500 kV lattice towers with double-circuit 500/230 kV lattice towers. The towers would support the rebuilt 500 kV Line

#555 and a future 230 kV line between the Dooms and Lexington Substations. The conductors for the 230 kV line would be installed, but not energized. The 230 kV line would be completed after Commission approval at some future date. The Company states that the in-service date for the proposed rebuilt line is May 2016.

A detailed description of the proposed routing is printed below:

The route for the Rebuild Project is approximately 39.1 miles long and is entirely within an existing transmission line corridor. The route originates at the existing Dooms Substation and initially heads west and northwest for approximately 3.6 miles, crossing Rte. 865 (Rockfish Road). The route then turns and runs in a generally southwest direction for approximately 6.4 miles, crossing Rte. 254 (Hermitage Road), Rte. 250 (Jefferson Highway), and Rte. 285 (Tinkling Springs Road) before reaching U.S. Interstate 64. The route crosses the interstate and continues to the southwest for another 18.7 miles, crossing Rte. 654 (White Hill Road), U.S. Interstate 64/81, Route 11 (Lee Jackson Highway), Rte. 701 (Howardsville Road), and Rte. 620 (Newport Road) before reaching the Augusta/Rockbridge County line. Upon entering Rockbridge County, the route continues running southwest for approximately 10.4 miles, crossing Rte. 252 (Brownsburg Turnpike) and Rte. 39 (Maury River Road), to its terminus at the existing Lexington Substation.

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 Company's Application and supporting materials, Commission orders, and all documents filed in Case No. PUE-2012-00134 may be inspected in the Commission's

Document Control Center, Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, during Commission business hours. The Application and supporting materials, the unofficial text of the Commission's orders, and other documents may be viewed at 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 locations:

Dominion Virginia Power
OJRP 12th Floor
701 East Cary Street
Richmond, Virginia 23219
Attn: John B. Bailey

County of Rockbridge
Department of Community Review
Rockbridge County Administration Building
150 South Main Street
Lexington, Virginia 24450
Attn: Sam Crickenberger

County of Augusta
Department of Community Development
18 Government Center Lane
Verona, Virginia 24482
Attn: Timothy Fitzgerald

On or before March 18, 2013, any interested person may file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Compact disks or any other form of electronic storage medium may not be filed with written comments. Interested persons desiring to submit comments electronically may do so on or before March 18, 2013, by following the instructions found on the Commission's website, <http://www.scc.virginia.gov/case>. All comments shall refer to Case No. PUE-2012-00134.

Any person or entity may participate as a respondent in this proceeding by filing, on or before, March 18, 2013, 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, and the respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company, Lisa S. Booth, Assistant General Counsel, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia, 23219, and Stephen H. Watts II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure, 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 Commission's Rules of Practice and Procedure. All filings shall refer to Case No. PUE-2012-00134.

On or before March 18, 2013, any interested person may file a written request for a hearing. If not filed electronically, an original and fifteen (15) copies of the hearing request shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and the interested person shall simultaneously serve a copy of the hearing request on counsel to the Company at the address set forth above. All requests for a hearing shall refer to Case No. PUE-2012-00134.

VIRGINIA ELECTRIC AND POWER COMPANY

(13) On or before February 8, 2013, the Company shall file with the Clerk of Commission a certificate of the mailing of notice prescribed by Ordering Paragraph (10). The certificate shall include the name and address of the official(s) served.

(14) On or before March 20, 2013, the Company shall file with the Clerk of the Commission a certificate of the mailing of notice to owners of property prescribed by Ordering Paragraph (11). The certificate shall not include the names and addresses of the owners of property served, but the Company shall maintain a record of this information.

(15) On or before March 20, 2013, the Company shall file with the Clerk of the Commission proof of the newspaper publication directed by Ordering Paragraph (12).

(16) This matter is continued generally.

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

Lisa S. Booth, Esquire, and Charlotte P. McAfee, Esquire, Dominion Resources Services, Inc., 120 Tredegar Street, Richmond, Virginia, 23219, and Stephen H. Watts II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219. A copy also shall be delivered to the Commission's Office of General Counsel and Division of Energy Regulation.