

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 16, 2013

STATE CORPORATION COMMISSION  
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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

FINAL ORDER

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 also proposes to construct and install associated facilities for the rebuilt 500 kV line at its Dooms and Lexington Substations.<sup>1</sup>

Line #555 was completed in 1966 as 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 galvanized steel lattice towers. The existing bundled conductors would be replaced with triple bundled conductors. According to the Company,

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<sup>1</sup> Application at 2. As part of the 500 kV Line #555 project, Dominion Virginia Power originally proposed to construct and install on the rebuilt supporting structures 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. By letter of April 3, 2013, filed with the Commission's Document Control Center, the Company withdrew its request for approval to install 230 kV conductors contemporaneously with the 500 kV conductors.

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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 existing 500 kV breakers that 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.<sup>2</sup>

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.<sup>3</sup>

On January 10, 2013, the Commission entered an Order for Notice and Comment that, among other things, docketed the Application, established a procedural schedule, provided interested persons the opportunity to become a respondent, file written comments, or request a hearing. On January 23, 2013, and March 5, 2013, Dominion Virginia Power filed proof of service and publication of notice of the Application. The Commission received no notices of participation as a respondent to the Application or requests for a hearing. One public comment was received.<sup>4</sup>

As noted in the Commission's Order for Notice and Comment, the Staff requested that the

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<sup>2</sup> Application at 4-5.

<sup>3</sup> *Id.* at 2-3.

<sup>4</sup> Mrs. Elizabeth W. Lewis, Lavorro Farm, Greensville, Virginia, addressed concerns about entry to her property and disruption and damage to cattle operations associated with maintenance of the existing line and anticipated construction. The Commission expects Dominion Virginia Power and its contractors to make all reasonable efforts to cooperate and, when possible, coordinate with landowners in the construction and maintenance of lines.

Department of Environmental Quality ("DEQ") coordinate a review of the Company's proposed project by state and local agencies and file a report on the review. On February 20, 2013, DEQ filed its report ("DEQ Report") with the Clerk of the Commission. The DEQ Report offered general recommendations for the Commission's consideration that may be in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following recommendations to Dominion Virginia Power regarding the Project. The Company should:

Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow the Department of Environmental Quality's (DEQ) recommendations to avoid and minimize impacts to wetlands and streams.

Follow DEQ's recommendations regarding air quality protection, as applicable.

Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable and follow DEQ's recommendations to manage waste, as applicable.

Coordinate with the Department of Conservation and Recreation (DCR) Division of Natural Heritage regarding its recommendations to protect significant habitat as well as for updates to the Biotics Data System database if a significant amount of time passes before the project is implemented.

Coordinate with the DCR Karst Program regarding its recommendations to protect karst features.

Coordinate with the Department of Game and Inland Fisheries regarding its recommendations for wildlife resource and protected species.

Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources.

Coordinate with the Department of Transportation regarding its recommendations on traffic flow and off-road bicycle facilities.

Coordinate with the Department of Aviation regarding its recommendation to notify the Federal Aviation Administration of the proposed construction.

Coordinate with the Department of Health regarding its recommendation to protect water supplies.

Follow the principles and practices of pollution prevention to the maximum extent practicable.

Limit the use of pesticides and herbicides to the extent practicable.<sup>5</sup>

On April 12, 2013, Staff filed its Prefiled Testimony and Staff Report summarizing the results of its investigation of the Company's Application. Staff concluded that the Company reasonably demonstrated the need for the proposed rebuild of the 500 kV Dooms-Lexington Line #555 and for the associated substation work. The Staff recommended that the Commission issue the necessary certificate of public convenience and necessity for the proposed project.<sup>6</sup>

Dominion Virginia Power filed on April 23, 2013, a letter with the Clerk of the Commission stating that it agrees with and supports the recommendations set forth in the Staff Report. The Company advised that it would file no additional comments.<sup>7</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require rebuilding the Dooms-Lexington 500 kV transmission line and performing the associated work at the Company's existing Dooms and Lexington Substations as proposed in the Company's Application. Further, the Commission

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<sup>5</sup> DEQ Report filed Feb. 20, 2013, in Case No. PUE-2012-00134, at 6-7 (cross-references omitted).

<sup>6</sup> Prefiled Staff Testimony on the Virginia Electric and Power Company Dooms-Lexington 500 kV Transmission Line Rebuild in August and Rockbridge Counties, Staff Report at 9, filed Apr. 12, 2013, in Case No. PUE-2012-00134

<sup>7</sup> Letter of April 23, 2013, from Charlotte P. McAfee, Esq., Dominion Resources Services, Inc., to Joel H. Peck, Clerk, State Corporation Commission, filed in Case No. PUE-2012-00134.

finds that certificates of public convenience and necessity should be issued authorizing the project.

### Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code. Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege." Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that: "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the

public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Need and Service Reliability

We find that the Company's load growth forecasts support the need for the project. The need for the project to resolve projected violations of NERC Standards has not been questioned. Thus, the uncontroverted evidence in this case indicates that the proposed rebuild is necessary to ensure that reliable service is maintained. We therefore find that the proposed rebuild of the Dooms- Lexington Line #555 will effectively meet the Company's long-term transmission reliability needs.

#### Economic Development

We find that the proposed project will promote economic development in the Commonwealth of Virginia by maintaining the operational reliability of the transmission line and, in turn, continuing to ensure the delivery of sufficient supplies of electrical power. As an added benefit, the project will increase the transmission capacity for west-to-east power flows, thereby further supporting economic development in the area.

#### Routing and Right-of-Way

The Company did not consider any routing alternatives for its proposed transmission line since, if approved, the line would be located entirely in existing rights-of-way. Thus, Dominion Virginia Power was not required, in accordance with § 56-46.1 C of the Code, to demonstrate that existing rights-of-way could not adequately serve its needs. Similarly, § 56-259 C of the Code is inapplicable to this proceeding because the Company seeks no additional easements associated with the proposed project.

### Scenic Assets and Historic Districts

We find that the proposed project will have a minimal impact on scenic assets and historic districts consistent with § 56-46.1 B of the Code. As is discussed previously, the proposed rebuilt line will be located in existing rights-of-way. Due to the fact that the proposed project will be constructed along the same route as the existing line, adverse impacts on scenic assets and historic districts in the region will be minimized as required by § 56-46.1 B of the Code.

### Environmental Impact

Under § 56-46.1 A and B of the Code, the Commission is required to consider the proposed project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the proposed project by state agencies concerned with environmental protection. We find that there are no adverse environmental impacts that would prevent the construction or operation of the proposed project. The DEQ Report, as well as the DEQ Supplement prepared by the Company as part of its Application, supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts, provided that the Company complies with the recommendations of state environmental agencies.<sup>8</sup> We therefore find that, as a condition to our approval herein, the Company must comply with all of the recommendations as provided in the DEQ Report.

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<sup>8</sup> The recommendations are listed above and are discussed in the DEQ Report.

We further find that the proposed project does not represent a hazard to human health or safety. There is no evidence in this case that the project represents a public health or safety hazard.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's Application for approval and for a certificate of public convenience and necessity to rebuild and operate the Dooms-Lexington 500 kV Transmission Line, Line #555 and to build and install facilities at the Dooms and Lexington Substations, is granted, as provided for herein, and subject to the requirements set forth in this Final Order.

(2) The Company is authorized to construct and operate the Dooms-Lexington 500 kV Transmission Line, Line #555, and to construct related facilities at the Dooms and Lexington Substations as set forth in the Company's Application.

(3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 *et seq.*) of Title 56 of the Code, the Company is issued the following certificates of public convenience and necessity:

Certificate No. ET-64v, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Augusta County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2012-00134, cancels Certificate No. ET-64u issued to Virginia Electric and Power Company in Case No. PUE-2011-00039 on January 25, 2012.

Certificate No. ET-107j, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Rockbridge County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2012-00134, cancels Certificate No. ET-107i issued to Virginia Electric and Power Company in Case No. PUE-2012-00046 on September 7, 2012.

(4) The Commission's Division of Energy Regulation forthwith shall provide the Company copies of the certificates issued in Ordering Paragraph (3) with the detailed maps attached.

(5) The transmission line and associated substation work approved herein must be constructed and in service by June 1, 2016, provided, however, the Company is granted leave to apply for an extension for good cause shown.

(6) As there is nothing further to come before the Commission, this matter is dismissed from the Commission's docket and shall be placed in closed status in the records maintained by the Clerk of the Commission.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Lisa S. Booth, Assistant General Counsel, Dominion Resources Services, Inc., 120 Tredegar Street, Riverside 2, Richmond, Virginia 23219-4306, and Stephen H. Watts, II, Esquire, McGuireWoods, LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030. A copy also shall be delivered to the Commission's Office of General Counsel and Division of Energy Regulation.