

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION
REGULATORY OFFICE
CENTRAL OFFICE

AT RICHMOND, MARCH 25, 2014
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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE-2013-00118

For approval and certification of electric transmission facilities for the Dooms-Lexington 230 kV transmission line pursuant to §§ 56-46.1 and 56-265.1 *et seq.* of the Code of Virginia

ORDER

On November 7, 2013, 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 and supporting documents for approval and certification of electric transmission facilities pursuant to §§ 56-46.1 and 56-265.1 *et seq.* of the Code of Virginia ("Code"). The Company proposes to: (i) install, entirely within existing right-of-way, approximately 39.1 miles of 230 kilovolt ("kV") Dooms-Lexington Line #2168 between the Company's existing Dooms Switching Station ("Dooms Station") in Augusta County and its Lexington Switching Station ("Lexington Station") in Rockbridge County; and (ii) construct and install associated 230 kV facilities at the Dooms Station and Lexington Station (collectively, the "Project").

As proposed, the 230 kV Dooms-Lexington Line would be located on structures also used to support a rebuilt 500 kV Dooms-Lexington Line, Line #555, which was recently approved by the Commission in Case No. PUE-2012-00134.¹ As part of the Application to

¹ Appendix to the Application at 53; *Application of Virginia Electric and Power Company, 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*, Case No. PUE-2012-00134, Doc. Con. Cen. No. 130550199, Final Order (May 16, 2013).

construct the Project, Dominion Virginia Power proposes modified supporting structures to those proposed and approved in Case No. PUE-2012-00134.² Dominion Virginia Power states that it is attempting to coordinate the construction and installation of the Project with the Company's rebuild of the Doods-Lexington 500 kV Line #555. According to Dominion Virginia Power, coordinating construction of these two projects will reduce their costs and the impacts to the environment and landowners.³

On December 18, 2013, the Commission issued an Order for Notice and Comment that, among other things, docketed the Application; directed the Company to provide public notice of its Application; provided the opportunity for interested persons to become a respondent, file written comments, or request a hearing; directed the Commission's Staff ("Staff") to investigate the Application and present its findings in a report; and provided Dominion Virginia Power the opportunity to respond to the Staff report and any public comments or requests for hearing.

As noted in the Commission's Order for Notice and Comment, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review or to provide an update to the report filed in Case No. PUE-2012-00134, if necessary. Additionally, the Staff requested the DEQ's Office of Wetlands and Stream Protection ("OWSP") to provide a Wetland Impacts Consultation pursuant to § 62.1-44.15:21 D 2 of the Code. On January 10, 2014, the DEQ filed its report ("DEQ Report"), which included a Wetlands Impacts Consultation prepared by DEQ's OWSP.⁴

² Appendix to the Application at 53.

³ Direct Testimony of Stefan R. Brooks at 3.

⁴ The January 10, 2014 DEQ Report refers to information contained in the DEQ Report filed in Case No. PUE-2012-00134, which was also filed in the instant proceeding on November 25, 2013.

On February 4, 2014, Dominion Virginia Power filed proof of service and publication of notice of the Application. The Commission finds that notice of the Application was given as required by § 56-265.2 of the Code. In response to the notice, the Commission received no notices of participation and no requests for a hearing. One written comment, which addresses electromagnetic fields ("EMF"), was received.

On February 24, 2014, the Staff filed a Report summarizing the results of its investigation of the Application. The Staff Report concludes that the Company has reasonably demonstrated the need for the proposed Project and recommends that certificates of public convenience and necessity be issued authorizing the Project and the proposed modified structures.

On March 4, 2014, Dominion Virginia Power, by counsel, filed comments on the Staff Report, the DEQ Report, and the public comment.⁵

NOW THE COMMISSION, upon consideration of the Application and applicable statutes, finds that the public convenience and necessity require that the proposed Project be built as proposed in the Company's Application and that certificates of public convenience should be issued authorizing the Project, including the proposed modified structures.

Code of Virginia

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code. Section 56-265.2 A 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."

⁵ Due to winter weather, the Commission's Clerk's Office was closed on March 3, 2014, which was the date established by the Order for Notice and Comment for Dominion Virginia Power to file comments. The Company's March 4, 2014 comments were therefore timely filed pursuant to Rule 5 VAC 5-20-140 of the Commission's Rules of Practice and Procedure.

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 the Commission to 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." Additionally, § 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

The Commission finds that the Project is needed to ensure reliability. The Company's uncontested testimony and exhibits identify a projected loss of load at the Lexington Station that exceeds the threshold established by the Company's transmission planning criteria under system

conditions in which transformer outages occur at the Lexington Station.⁶ Staff verified Dominion Virginia Power's power flow studies identifying this system need and concluded that the Company demonstrated a need for the Project.⁷

Economic Development

The Commission finds that the Project will support economic development in the Commonwealth. The Project will allow continued reliable electric service in the area of the Lexington Substation, including in the Counties of Augusta and Rockbridge.⁸

Routing and Right-of-Way

Dominion Virginia Power has adequately considered existing rights-of-way. The proposed transmission line will be constructed entirely within existing right-of-way, with 230 kV conductors that will be located on the same structures as the 500 kV Doods-Lexington Line, which the Commission recently approved to be rebuilt.⁹

Scenic Assets, Historic Districts and the Environment

The Commission finds that the route chosen for the proposed Project reasonably minimizes adverse impact on the scenic assets, historic districts, and environment in the area of the Project. The Project approved herein involves only limited incremental impacts and modifications to the structures previously authorized for rebuilding the 500 kV Doods-Lexington Line in an existing right-of-way, which we find to be reasonable.¹⁰

⁶ Appendix to the Application at 2-3; Direct Testimony of David C. Witt at 3-8.

⁷ Staff Report of Neil Joshipura at 3-4, 11.

⁸ *Id.* at 10.

⁹ *Id.* at 5. As part of the proposed Project, the lattice structures for the existing 500 kV Doods-Lexington Line will be replaced with new double circuit lattice structures to support the rebuilt 500 kV Doods-Lexington Line approved in Case No. PUE-2012-00134 and the 230 kV line approved herein. Direct Testimony of Stefan R. Brooks at 3-4.

¹⁰ Direct Testimony of Stefan R. Brooks at 5; Direct Testimony of Robert J. Shevenock II at 3-4.

Coordinating construction of the Project as part of the Company's rebuilding of the 500 kV Dooms-Lexington Line will also reduce impacts to the environment and landowners, among other benefits.¹¹ Additionally, the filings in this case regarding EMF do not support a finding that the Project represents a public health or safety hazard.¹²

DEQ coordinated an environmental review of the proposed Project and, based on this review, offered a number of recommendations. Specifically, 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 [DEQ] recommendations to avoid and minimize impacts to wetlands and streams (Environmental Impacts and Mitigation, item 1(c), pages 10 - 11).

Follow DEQ's recommendations regarding air quality protection, as applicable (Environmental Impacts and Mitigation, item 4(d), page 15).

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 (Environmental Impacts and Mitigation, item 5(c), page 16).

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 (Environmental Impacts and Mitigation, item 6(e), page 20).

Coordinate with the DCR Karst Program regarding its recommendations to protect karst features (Environmental Impacts and Mitigation, item 6(e), page 20).

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

¹¹ Direct Testimony of Stefan R. Brooks at 3.

¹² Direct Testimony of Robert J. Shevenock II at 6-7; Appendix to the Application at 78-85.

species (Environmental Impacts and Mitigation, item 8(c), pages 21-22).

Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources (Environmental Impacts and Mitigation, item 12(d), page 27).

Coordinate with the Department of Transportation regarding its recommendations on traffic flow and off-road bicycle facilities (Environmental Impacts and Mitigation, item 13(b), page 27).

Coordinate with the Department of Aviation regarding its recommendation to notify the Federal Aviation Administration of the proposed construction (Environmental Impacts and Mitigation, item 14(c), page 28).

Coordinate with the Department of Health regarding its recommendation to protect water supplies (Environmental Impacts and Mitigation, item 15(c), page 28).

Follow the principles and practices of pollution prevention to the maximum extent practicable (Environmental Impacts and Mitigation, item 16, page 29).

Limit the use of pesticides and herbicides to the extent practicable (Environmental Impacts and Mitigation, item 17, page 29).¹³

The Commission directs Dominion Virginia Power to follow the DEQ recommendations to the extent practicable.¹⁴

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Application for approval and for certificates of public convenience and necessity is granted, as provided herein and subject to the requirements set forth in this Order.

¹³ DEQ Report at 6-7.

¹⁴ The Commission does not direct the Company to grant rights for public access and use across the privately-owned properties along the existing right-of-way. See Dominion Virginia Power's March 4, 2014 Comments at 3.

(2) Dominion Virginia Power is authorized to construct and operate the proposed Project.

(3) Pursuant to the Utility Facilities Act, Dominion Virginia Power is issued the following certificates of public convenience and necessity:

Certificate No. ET-64w, 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-2013-00118, cancels Certificate No. ET-64v, issued to Virginia Electric and Power Company in Case No. PUE-2012-00134 on May 16, 2013.

Certificate No. ET-107k, 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-2013-00118, cancels Certificate No. ET-107j, issued to Virginia Electric and Power Company in Case No. PUE-2012-00134 on May 16, 2013.

(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 construction approved herein must be completed and in service by June 1, 2016, provided, however, that 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, and the papers filed herein shall be placed in the file for ended causes.

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., Law Department, 120 Tredegar Street, Richmond, Virginia 23219; Vishwa B. Link, Esquire,

McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030;
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;
and a copy also shall be delivered to the Commission's Office of General Counsel and Division
of Energy Regulation.

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