

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 23, 2016

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APPLICATIONS OF

VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Poland Road 230 kV Double Circuit Transmission Line Loop and 230-34.5 kV Poland Road Substation

CASE NO. PUE-2015-00053

For approval and certification of electric transmission facilities: Yardley Ridge 230 kV Double Circuit Transmission Line Loop and 230 kV Yardley Ridge Switching Station

CASE NO. PUE-2015-00054

FINAL ORDER

On May 20, 2015, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") separate applications ("Applications") for certificates of public convenience and necessity for (i) the proposed Poland Road 230 kilovolt ("kV") double circuit transmission line loop and 230-34.5 kV Poland Road Substation ("Poland Road") and (ii) the proposed Yardley Ridge 230 kV double circuit transmission line loop and 230 kV Yardley Ridge Switching Station ("Yardley Ridge") (individually, "Project," and collectively, "Projects"). Dominion filed the Applications pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.* The Company filed direct testimony and other materials in support of its Applications.

The Commission issued separate Orders for Notice and Hearing ("Procedural Orders") in these proceedings that, among other things, docketed the Poland Road proceeding as Case No. PUE-2015-00053 and the Yardley Ridge proceeding as Case No. PUE-2015-00054; established procedural schedules for each proceeding; provided the opportunity for any interested person to comment or participate in these proceedings as a respondent; directed the Commission's Staff



("Staff") to investigate the Applications and file testimony and exhibits; provided the opportunity for the Company to file rebuttal testimony and exhibits; scheduled hearings for the receipt of public comment and evidence on the Applications; and assigned Hearing Examiners to conduct further proceedings in these matters.

The following parties filed notices of participation in the Poland Road proceeding: Jaders, L.C.; Elms at Arcola, L.C.; the Board of Supervisors of Loudoun County; Stone Ridge Association, Inc.; Stone Ridge Office Park, L.L.C.; Stone Ridge Village Center, L.L.C.; Stone Ridge Community Development, L.L.C.; Glascock Field at Stone Ridge, L.L.C.; South Riding Proprietary; John W. Albino; Brambleton Group, LLC ("Brambleton"); Creighton Road, LLC ("Creighton"); Farmer Meadows Family, LLC; Chantilly Crushed Stone, Inc.; Parcel I LLC, Parcel II LLC, and Parcel III LLC; Old Dominion Electric Cooperative ("ODEC"); Arcola LLC, f/k/a Arcola Limited Partnership; Arcola Retail Development, LLC; Shops at Arcola Center, LLC; Evergreen South Development, Limited Partnership f/k/a Evergreen Commerce Center LP; Loudoun Industrial Land Investments, LLC; Loudoun Self Storage Investment, LLC; and Kohler Chantilly III, LLC ("Kohler"). The following parties filed notices of participation in the Yardley Ridge proceeding: Kohler; Creighton; ODEC; and Brambleton.

The Commission convened public witness hearings on October 8, 27, and 29, 2015, November 10, 2015, February 2, 2016, and March 29, 2016. The Commission also received more than 2,000 public comments. On June 29, 2016, Hearing Examiner Michael D. Thomas conducted a hearing for the purpose of receiving evidence on the Applications offered by the Company, respondents, and the Staff.<sup>1</sup>

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<sup>1</sup> By Hearing Examiner's Ruling entered on March 21, 2016, the Yardley Ridge proceeding was administratively assigned to the Hearing Examiner hearing the Poland Road proceeding and the hearing on both cases was scheduled for June 29, 2016. The exhibits in each case were marked separately and are referred to herein as "Poland Road Ex." and "Yardley Ridge Ex.," respectively.

As noted in the Procedural Orders, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed Poland Road and Yardley Ridge Projects by the appropriate agencies and to provide reports on the review. On August 5, 2015, DEQ filed its reports on the Poland Road Project ("Poland Road DEQ Report") and the Yardley Ridge Project ("Yardley Ridge DEQ Report") with the Commission. Each report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law.

Specifically, the Poland Road DEQ Report contains the following summary of recommendations. The Company should:

- Conduct an on-site delineation of 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 DEQ's 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;
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage regarding its recommendations to conduct a survey as well as for updates to the Biotics Data System database;
- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations to protect wildlife resources;
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional consultation as necessary;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources;
- Contact the Department of Transportation regarding its recommendations on impacts to the transportation network;

- Coordinate with the Department of Health on the implementation of mitigation measures 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; and
- Coordinate with Loudoun County regarding its recommendations.<sup>2</sup>

The Yardley Ridge DEQ Report contains the following summary of recommendations.

The Company should:

- Conduct an on-site delineation of 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 DEQ's 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, as applicable;
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage regarding its recommendations to protect natural heritage resources as well as for updates to the Biotics Data System database if six months have passed before the project is implemented;
- Coordinate with the Department of Game and Inland Fisheries as necessary regarding its recommendations to minimize impacts to wildlife and natural resources;
- Coordinate with the Virginia Outdoors Foundation for further review if the project area changes or the project does not begin within 24 months of this review;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources;
- Contact the Department of Transportation regarding the ongoing Route 606 widening project;

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<sup>2</sup> Poland Road Ex. 38 (DEQ Report) at 6-7.

- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable; and
- Coordinate with Loudoun County regarding its recommendations.<sup>3</sup>

On May 25, 2016, the Staff filed testimony and exhibits in the Poland Road and Yardley Ridge proceedings summarizing the results of its investigation of Dominion's Applications.<sup>4</sup> The Staff concluded that Dominion had reasonably demonstrated the need for the Poland Road and Yardley Ridge Projects and made certain recommendations regarding routing.<sup>5</sup> On June 15, 2016, Dominion filed the rebuttal testimony of its witnesses. Among other things, the Company represented in its rebuttal testimony that it would comply with the DEQ's summary of recommendations in both the Poland Road and Yardley Ridge proceedings and would coordinate with agencies as appropriate.<sup>6</sup>

On June 28, 2016, Dominion and certain respondents<sup>7</sup> including the Loudoun County Board of Supervisors ("Stipulating Parties") filed a Stipulation and Recommendation ("June 28 Stipulation") in the Poland Road and Yardley Ridge proceedings, which resolved all outstanding issues in this proceeding and agreed to the routing of the Poland Road and Yardley Ridge Projects as set forth in the June 28 Stipulation, with one exception related to a segment referred

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<sup>3</sup> Yardley Ridge Ex. 18 (DEQ Report) at 6-7.

<sup>4</sup> Poland Road Ex. 37 (DeLeon Direct); Yardley Ridge Ex. 17 (Joshipura Direct).

<sup>5</sup> Poland Road Ex. 37 (DeLeon Direct) at 8, 27-32; Yardley Ridge Ex. 17 (Joshipura Direct) at 6, 20-26.

<sup>6</sup> Poland Road Ex. 44 (Saunders Rebuttal) at 3; Yardley Ridge Ex. 24 (Saunders Rebuttal) at 3.

<sup>7</sup> With the exception of John W. Albino ("Albino") and ODEC, the Stipulation was signed by all respondents in both the Poland Road and Yardley Ridge proceedings ("Stipulating Respondents"). Except for his notice of participation, Albino neither filed testimony nor participated in the evidentiary hearing; however, he did testify as a public witness. ODEC did not participate in the evidentiary hearing and did not oppose the Stipulation.

to as the Evergreen Mills Road Segment.<sup>8</sup> On July 20, 2016, the June 28 Stipulating Parties filed an Addendum and Modification to the June 28 Stipulation resolving the remaining routing issue by removing the Evergreen Mills Road Segment from the agreed-upon routing.<sup>9</sup> The Stipulation and Recommendation as modified by the Addendum and Modification ("July 20 Stipulation") was not opposed by any party or the Staff.

On July 28, 2016, the Hearing Examiner issued the Report of Michael D. Thomas, Hearing Examiner ("Report"). In the Report, the Hearing Examiner, among other things, summarized the record in this case and made certain findings and recommendations. In particular, the Hearing Examiner found the July 20 Stipulation to be fair, reasonable, and in the public interest and recommended that the Commission adopt the July 20 Stipulation.<sup>10</sup>

On August 4, 2016, Dominion and the Stipulating Respondents filed comments on the Report. On August 8, 2016, the Staff filed a letter indicating that it would not be filing comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the Company to construct the proposed Poland Road and Yardley Ridge Projects. The Commission agrees with the Hearing Examiner that the July 20 Stipulation is fair, reasonable and in the public interest and that a certificate of public convenience and necessity authorizing the Projects should be issued subject to certain findings and conditions contained herein.

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<sup>8</sup> Poland Road Ex. 46; Yardley Ridge Ex. 26 (Stipulation).

<sup>9</sup> Poland Road Ex. 58; Yardley Ridge Ex. 35 (Addendum and Modification of Stipulation and Recommendation).

<sup>10</sup> Report at 104.

Approval

The statutory scheme governing the Company's Applications is found in several chapters of Title 56 of the Code.

Code § 56-265.2 A 1 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."

Code § 56-46.1 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; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . 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.

Code § 56-46.1 B 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. Code § 56-46.1 C 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, Code § 56-259 C 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

The Commission finds that the Company's proposed Poland Road and Yardley Ridge Projects are needed. The need for the Projects is unchallenged. The record includes, among other things, that the Poland Road Project is needed to provide service to a customer at a new data center campus being developed.<sup>11</sup> In addition, the record shows that the Yardley Ridge Project is needed for Dominion to provide requested service to Northern Virginia Electric Cooperative associated with a new data center campus being developed.<sup>12</sup> The Projects are also needed to to maintain reliability of service to growing loads in each area.<sup>13</sup>

### Economic Development

The Commission finds that the proposed Poland Road and Yardley Ridge Projects will promote economic development in the Commonwealth of Virginia, including the area of the Poland Road and Yardley Ridge Projects, by serving an area that is rapidly growing including the additional load requirements associated with new data centers being developed.<sup>14</sup>

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<sup>11</sup> See, e.g., Poland Road Ex. 37 (DeLeon Direct) at 6-8; Poland Road Ex. 6 (Application, Appendix) at 1-34.

<sup>12</sup> See, e.g., Yardley Ridge Ex. 17 (Joshipura Direct) at 4-6; Yardley Ridge Ex. 3 (Application, Appendix) at 1-40.

<sup>13</sup> See, e.g., Poland Road Ex. 37 (DeLeon Direct) at 7; Poland Road Ex. 6 (Application, Appendix) at 1; Yardley Ridge Ex. 3 (Application, Appendix) at 1.

<sup>14</sup> See, e.g., Poland Road Ex. 37 (DeLeon Direct) at 33; Poland Road Ex. 7 (Gill Direct) at 8; Yardley Ridge Ex. 17 (Joshipura Direct) at 26; Yardley Ridge Ex. 4 (Gill Direct) at 11.



### Routing and Right-of-Way

The record supports a determination that the route set forth in the Stipulation best meets the criteria set forth in the Code. While both the Poland Road and Yardley Ridge Projects require new right-of-way, as noted by the Hearing Examiner, the stipulated route is the least costly and least impacting route under consideration.<sup>15</sup> As recognized by the Hearing Examiner, the record reflects that: (i) except for forest clearing due to the undeveloped nature of the right-of-way needed through Metropolitan Washington Airports Authority property, the stipulated route has lower potential impacts in nearly every evaluation category, such as impacts to scenic assets, historic resources, the environment, and the local community; (ii) the stipulated route routes the Poland Road Project away from StoneSprings Hospital; and (iii) the stipulated route preserves the Route 50 Gateway and the economic engine it represents for Loudoun County.<sup>16</sup>

### Scenic Assets and Historic Districts

We agree with the Hearing Examiner that the stipulated route will reasonably minimize adverse impact on the scenic assets and historic resources consistent with Code § 56-46.1 B.<sup>17</sup>

### Environmental Impact

Pursuant to Code § 56-46.1 A and B, the Commission is required to consider the proposed Poland Road and Yardley Ridge Projects' 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

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<sup>15</sup> Report at 99.

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

<sup>17</sup> *Id.*

reports that relate to the proposed Projects by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the proposed Poland Road and Yardley Ridge Projects. The DEQ Reports support a finding that the Poland Road and Yardley Ridge Projects reasonably minimize adverse environmental impacts, provided that the Company complies with the recommendations set forth in the DEQ Reports.<sup>18</sup> We therefore find that, as a condition to our approval herein, Dominion must comply with all of DEQ's recommendations as provided in the Poland Road and Yardley Ridge DEQ Reports. Further, Dominion should be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Poland Road and Yardley Ridge Projects.

Accordingly, IT IS ORDERED THAT:

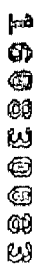
(1) In accordance with the findings made herein, the Stipulation and Recommendation, as modified by the Addendum and Modification, is adopted, and the terms are incorporated herein.

(2) Dominion is authorized to construct and operate the Poland Road and Yardley Ridge Projects, as set forth in the Stipulation and Recommendation, as modified by the Addendum and Modification, subject to the findings and conditions imposed herein.

(3) Pursuant to Code §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the Poland Road and Yardley Ridge Projects is granted as provided for herein, subject to the requirements set forth herein.

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<sup>18</sup> The DEQ recommendations are set forth above and discussed in the Poland Road and Yardley Ridge DEQ Reports.



(4) Pursuant to the Utility Facilities Act, Code § 56-265.1 *et seq.*, the Commission issues the following certificate of public convenience and necessity to Dominion:

Certificate No. ET-91aa, which authorizes Dominion under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case Nos. PUE-2015-00053 and PUE-2015-00054; and cancels Certificate No. ET-91z, issued to Dominion on September 30, 2015, in Case No. PUE-2014-00115.

(5) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Energy Regulation three copies of an appropriate map for the Poland Road and Yardley Ridge Projects that show the routing of the transmission lines approved herein in addition to the facilities shown on the map for cancelled Certificate No. ET-91z.

(6) Upon receiving the map directed in Ordering Paragraph (5), the Commission's Division of Energy Regulation forthwith shall provide the Company copies of the certificate of public convenience and necessity issued in Ordering Paragraph (4) with the map attached.

(7) The Projects approved herein must be constructed and in service by June 30, 2018. The Company, however, is granted leave to apply for an extension for good cause shown.

(8) As there is nothing further to come before the Commission, these matters are dismissed and the papers filed therein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission, c/o Document Control Center, 1300 East Main Street, First Floor, Tyler Building, Richmond, Virginia 23219. A copy also shall be sent to the Commission's Office of General Counsel and Divisions of Energy Regulation and Utility Accounting and Finance.