

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 22, 2014

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE-2014-00047

For approval and certification of electric  
transmission facilities: Cunningham-Elmont 500 kV  
Transmission Line Rebuild

ORDER

On July 22, 2014, the Virginia Electric and Power Company ("Dominion Virginia Power" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification of electric transmission facilities in connection with the proposed rebuild of the Cunningham-Elmont Line #553, pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, § 56-265.1 *et seq.* of the Code ("Application"). The Company filed direct testimony and other materials in support of its Application.

Specifically, Dominion Virginia Power proposes to (i) replace, entirely within existing rights-of-way, approximately 51 miles of the Company's existing 500 kilovolt Cunningham-Elmont Line #553 in Fluvanna, Goochland, Hanover, Henrico, and Louisa Counties between the Company's existing Cunningham Switching Station in Fluvanna County ("Cunningham Station") and its existing Elmont Substation in Hanover County; and (ii) construct and install associated facilities at the Company's Cunningham Station and Elmont Substation (together, "Rebuild Project").<sup>1</sup>

Dominion Virginia Power states that the Cunningham-Elmont Line is a critical component of the electric transmission grid that serves Virginia, Maryland, West Virginia, the

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

District of Columbia and beyond.<sup>2</sup> The Company states that the proposed Rebuild Project is necessary to ensure the Company can continue to provide reliable electric service consistent with mandatory North American Electric Reliability Corporation Reliability Standards for transmission facilities and the Company's transmission planning criteria.<sup>3</sup> In addition, Dominion Virginia Power states that the Cunningham-Elmont Line #553 steel tower structures have experienced inherent corrosion and deterioration requiring extensive repairs, including replacement of tower members.<sup>4</sup> The Company states that the proposed Rebuild Project provides the benefit of replacing aging transmission facilities, and failure to address significant inherent corrosion and deterioration associated with COR-TEN® weathering steel lattice towers could potentially limit the Company's ability to maintain reliable transmission service to its customers.<sup>5</sup>

In its Application, Dominion Virginia Power advises that the in-service date for the proposed Rebuild Project is June 2018, and that the Company will need approximately 12 months for construction of the Rebuild Project as well as 16 months for engineering, material procurement and construction permitting.<sup>6</sup> The estimated cost of the Rebuild Project is approximately \$106.1 million.<sup>7</sup>

On August 27, 2014, the Commission issued an Order for Notice and Comment ("Procedural Order") in this proceeding that, among other things, docketed the case; directed the Company to provide notice of its Application; granted an opportunity for interested persons to

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<sup>2</sup> *Id.*

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

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.* at 2-3.

<sup>6</sup> *Id.* at 4; Appendix at 14.

<sup>7</sup> Application at 4.

request a hearing on the Application; granted an opportunity for interested persons to comment on the Application or participate in this proceeding; and directed the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report"). One person filed comments on the Application. No one filed a notice of participation in this proceeding and no one requested a hearing.

As noted in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate a review of the Company's proposed Rebuild Project by state and local agencies and to file a report on the review. On October 16, 2014, the DEQ filed its report ("DEQ Report") with the Clerk of the Commission. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Recommendations to Dominion Virginia Power regarding the Rebuild Project. The Company should:

- Conduct an on-site delineation of all wetlands and stream crossings within the Rebuild 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 ("DCR") 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 has passed before the Rebuild Project is implemented;

- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations to protect state-listed endangered mussels and wildlife resources;
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation to protect open space easements;
- Coordinate with the DCR Division of Planning and Recreational Resources to protect scenic resources;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources;
- Contact the Virginia Department of Transportation ("VDOT") regarding its recommendation to coordinate with VDOT offices prior to construction;
- Follow the principles and practices of pollution prevention to the maximum extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.<sup>8</sup>

On November 20, 2014, Staff filed its Staff Report summarizing the results of its investigation of the Company's Application. Staff concluded that the Company had reasonably demonstrated the need for the Rebuild Project and recommended that the Commission issue the requested Certificate of Public Convenience and Necessity.<sup>9</sup> On December 4, 2014, Dominion Virginia Power filed a letter indicating that it agrees with and supports the conclusions and recommendations in the Staff Report and, therefore, would not be filing any additional comments on the Staff Report. Dominion Virginia Power also stated that it agrees with and supports the items identified in the DEQ Report Summary of Recommendations and, therefore, would not file any additional comments on the DEQ Report either.

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<sup>8</sup> DEQ Report at 6-7.

<sup>9</sup> Staff Report at 10.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Rebuild Project as proposed in the Company's Application. Further, the Commission finds that it should issue Certificates of Public Convenience and Necessity authorizing the Rebuild 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 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; 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.

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

We find that the Company's proposed Rebuild Project is needed. No party has challenged the need for the proposed Rebuild Project. The record reflects that completing the Rebuild Project would replace an aging transmission line that is nearing the end of its expected service life and maintain reliability of the grid.<sup>10</sup> We find that the proposed Rebuild Project will meet the Company's long-term transmission reliability needs effectively.<sup>11</sup>

#### Economic Development

We find that the proposed Rebuild Project will promote economic development in the area of the Rebuild Project as well as in the Commonwealth of Virginia by assuring continued reliable bulk electric power delivery to the region and thereby maintaining the reliability of the electric transmission system.<sup>12</sup>

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<sup>10</sup> See, e.g., Staff Report at 7.

<sup>11</sup> See, e.g., Application at 2; Prefiled Direct Testimony of Peter Nedwick at 4-6; Staff Report at 5-8, 10.

<sup>12</sup> See, e.g., Staff Report at 8.

### Routing and Right-of-Way

The Company did not consider any routing alternatives for its proposed Rebuild Project because, if approved, the rebuilt line would be located entirely within existing right-of-way.<sup>13</sup>

Dominion Virginia Power was not required to demonstrate that existing rights-of-way could not adequately serve its needs in accordance with § 56-46.1 C of the Code. Similarly, § 56-259 C of the Code is inapplicable to this proceeding because the Company seeks no additional easements associated with the Rebuild Project.<sup>14</sup>

### Scenic Assets and Historic Districts

We find that the Rebuild Project will have a minimal impact on scenic assets and historic districts consistent with § 56-46.1 B of the Code. Due to the fact that the Rebuild Project will be located within existing right-of-way, adverse impacts on scenic assets and historic districts in the region will be minimized as required by § 56-46.1 B of the Code.<sup>15</sup>

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the proposed Rebuild 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 Rebuild Project by state agencies concerned with environmental protection.

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<sup>13</sup> See, e.g., Prefiled Direct Testimony of Greg Baka at 4; Appendix at 33; Staff Report at 3.

<sup>14</sup> See, e.g., Prefiled Direct Testimony of Greg Baka at 3; Appendix at 30.

<sup>15</sup> See, e.g., Prefiled Direct Testimony of Greg Baka at 3-4, 5-8; Appendix at 66-67, 69.

We find that there are no adverse environmental impacts that would prevent the construction or operation of the proposed Rebuild Project.<sup>16</sup> The DEQ Report supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts, provided that the Company complies with the recommendations set forth in the DEQ Report.<sup>17</sup> We therefore find that, as a condition to our approval herein, Dominion Virginia Power must comply with all of the DEQ's recommendations as provided in the DEQ Report.

Accordingly, IT IS ORDERED THAT:

(1) Dominion Virginia Power is authorized to construct and operate the Rebuild Project, as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for Certificates of Public Convenience and Necessity to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following Certificates of Public Convenience and Necessity to Dominion Virginia Power:

Certificate No. ET-81j, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Fluvanna County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2014-00047, cancels Certificate No. ET-81i, issued to Virginia Electric and Power Company in Case No. PUE-2011-00094 on January 24, 2012.

Certificate No. ET-114f, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Goochland County,

<sup>16</sup> *See, e.g.*, Prefiled Direct Testimony of Greg Baka at 3-8; Appendix at 49-51.

<sup>17</sup> The DEQ recommendations are set forth above and discussed in the DEQ Report.

all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2014-00047, cancels Certificate No. ET-114e, issued to Virginia Electric and Power Company in Case No. PUE-1995-00088 on September 5, 1996.

Certificate No. ET-85l, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Hanover County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2014-00047, cancels Certificate No. ET-85k, issued to Virginia Electric and Power Company in Case No. PUE-2011-00082 on February 24, 2012.

Certificate No. ET-86q, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Henrico County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2014-00047, cancels Certificate No. ET-86p, issued to Virginia Electric and Power Company in Case No. PUE-2011-00082 on February 24, 2012.

Certificate No. ET-117l, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Louisa County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2014-00047, cancels Certificate No. ET-117k, issued to Virginia Electric and Power Company in Case No. PUE-1992-00046 on February 17, 1993.

(4) The Commission's Division of Energy Regulation forthwith shall provide the Company copies of the Certificates of Public Convenience and Necessity issued in Ordering Paragraph (3) with the detailed map attached.

(5) The Rebuild Project approved herein must be constructed and in service by June 2018. The Company, however, 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:  
Charlotte P. McAfee, Esquire, Dominion Resources Services, Inc., 120 Tredegar Street,  
Richmond, Virginia 23219; Kristian M. Dahl, Esquire, McGuireWoods LLP, One James Center,  
901 East Cary Street, Richmond, Virginia 23219; 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. A copy also shall be delivered to the  
Commission's Office of General Counsel and Division of Energy Regulation.