

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 15, 2015 SCC-CLERK'S OFFICE
DOCUMENT CONTROL CENTER

APPLICATION OF

2015 JUN 15 A 9:20

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE-2014-00086

For approval and certification of electric transmission facilities for the Brambleton-Mosby 500 kV Transmission Line #546 pursuant to §§ 56-46.1 and 56-265.1 *et seq.* of the Code of Virginia

FINAL ORDER

On August 22, 2014, 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 ("Application") 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") to build, entirely within existing rights-of-way, a 500 kilovolt ("kV") Brambleton-Mosby Transmission Line #546 ("Line #546") in Loudoun County, and to perform associated work at the existing Mosby Switching Station and the Brambleton Substation ("Project").¹

According to the Company, the proposed approximately 5.2-mile Line #546 utilizes an existing 250-foot wide transmission right-of-way which is currently occupied by three transmission lines: 500 kV Line #558, approved for rebuild in Case No. PUE-2013-00110;² 230 kV Line #2045; and 230 kV Line #2094.³ In connection with the Project, the Company will

¹ Ex. 1 (Application) at 2.

² *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities for the Loudoun-Pleasant View 500 kV Transmission Line #558 Rebuild pursuant to §§ 56-46.1 and 56-265.1 et seq. of the Code of Virginia, Case No. PUE-2013-00110, Final Order (April 28, 2014).*

³ Ex. 6 (Direct Testimony of Stefan R. Brooks) at 3.

15062
0183

relocate the existing 230 kV Line #2094 to the Project's proposed structures as an under-build.⁴ The Company states that the Project will be built using new galvanized steel towers identical to those approved by the Commission in Case No. PUE-2013-00110.⁵

Dominion Virginia Power states that these changes are necessary because power flow studies conducted by the Company and PJM Interconnection, L.L.C., identified the need for the construction of the proposed Project to relieve violations of mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards by summer of 2018.⁶ The Company asserts that the Project is necessary to maintain the overall long-term reliability of its transmission system and that the failure to address these projected NERC violations could impact service reliability.⁷

The Company states that the in-service date for the proposed Project is June 1, 2018.⁸ According to Dominion Virginia Power, the estimated cost for the proposed Project is approximately \$27.3 million, of which approximately \$17.4 million would be spent on transmission line construction and approximately \$9.9 million would be spent on station work.⁹

On October 2, 2014, the Commission entered an Order for Notice and Comment in this proceeding that, among other things, docketed the case; directed the Company to provide public notice of the Application; granted an opportunity for interested persons to request a hearing on the Application; granted an opportunity for interested persons to comment on the Application or

⁴ Ex. 1 (Appendix to Application) at 2.

⁵ *Id.*

⁶ *Id.* at 3.

⁷ *Id.*

⁸ *Id.*

⁹ Ex. 4 (Direct Testimony of Robert J. Shevenock II) at 2.

participate in this proceeding; and directed the Commission Staff ("Staff") to investigate the Application and file a report thereon ("Staff Report").

On December 1, 2014, Mark Trostle, president of the Willowsford Homeowners Association, filed a letter requesting a hearing on the Application, stating that "the residents of the Willowsford Community, with homes immediately adjacent to the Brambleton Substation, have serious concerns about the health, safety and visual impacts of the proposed project."

On December 22, 2014, the Commission issued an Order Assigning Hearing Examiner and Scheduling Local Hearing ("Order"). The Order scheduled a local public hearing for January 27, 2015, in Leesburg, Virginia, to receive public comments. The Commission further ordered the Company to publish notice of the public hearing; assigned a Hearing Examiner to conduct all further proceedings in this matter; and established a modified procedural schedule.

After notice to Loudoun County and to the public, a local public hearing on the Application was conducted on January 27, 2015, in Leesburg, where a number of public witnesses testified.

On March 3, 2015, the Staff filed its Staff Report summarizing the results of its investigation of the Company's Application. The Staff concluded that the Company demonstrated the need for the proposed Project and that the Company considered four alternative solutions that were rejected because of technical challenges to implementation, greater impacts, higher estimated costs, or failure to provide the same benefits as the proposed Project.¹⁰ Staff did not oppose the Company's request that the Commission issue the necessary certificate of public convenience and necessity for the proposed Project.¹¹

¹⁰ Ex. 9 (Staff Report) at 9-13.

¹¹ *Id.* at 21.

On March 20, 2015, Staff and the Company filed a Joint Filing Addressing Additional Procedures ("Joint Filing"). In the Joint Filing, the Company and Staff agreed to the scope and components of the proposed facilities for which the Company seeks approval and further agreed that no additional hearing or procedures were necessary in advance of a Hearing Examiner's Report in this docket. Further, the Company and Staff agreed to the submission into the record, without cross-examination, of the Application, prefiled testimony, Staff Report, Comments of the Department of Environmental Quality ("DEQ Report"), and the proofs of notice.

By ruling dated March 30, 2015, the scope of the proposed Project was clarified and the Application, prefiled testimony, Staff Report, DEQ Report, and the proofs of notice were marked as exhibits and made a part of the record in this proceeding.

On May 1, 2015, the Report of Howard P. Anderson, Jr., Hearing Examiner, ("Hearing Examiner's Report" or "Report") was filed. The Report sets forth the procedural history of the case; summarizes the record; analyzes the evidence and issues in this proceeding; sets forth findings and recommendations; and advises the case participants of their opportunity to file responses. The Hearing Examiner recommended that the Commission grant the Application, with certain conditions.

On May 19, 2015, the Company, by letter, advised that the Company agrees with and supports the conclusion and recommendations in the Hearing Examiner's Report and requested that the Commission issue a final order granting approval and certification of the Project.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require the construction of a 500 kV Brambleton-Mosby Transmission Line #546 in Loudoun County, and associated work at the

existing Mosby Switching Station and the Brambleton Substation, and that a certificate of public convenience and necessity should be issued authorizing the Project.¹²

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."

¹² The scope of the Project approved is as agreed by the Company and Staff and more fully described in the Hearing Examiner's March 30, 2015 Ruling.

The Commission also must 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 agree with the Hearing Examiner that the Company has sufficiently demonstrated need for the Project. The evidence supports a finding that the proposed Project will address load growth in the region, reduce projected heavy contingency loading, reinforce the existing network, and improve operational flexibility.¹³

Economic Development and Service Reliability

We agree with the Hearing Examiner that the proposed facilities will have a positive impact on economic development in the Loudoun County area and will have a positive impact on Virginia's economy by facilitating reliable electric service.¹⁴

Routing and Right-of-Way

The Company did not consider any routing alternatives for its proposed transmission lines because, if approved, the lines would be located entirely on existing right-of-way. Thus, Dominion Virginia Power was not required, in accordance with § 56-46.1 of the Code, to demonstrate that existing rights-of-way could not adequately serve its needs. Similarly,

¹³ Report at 14.

¹⁴ *Id.* at 15.

§ 56-259 C of the Code is inapplicable to this proceeding because the Company seeks no additional easements associated with the Project.

Scenic Assets and Historic Districts

We find the 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 proposed Project will be located in existing rights-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.

Environmental Impact

Sections 56-46.1 A and B of the Code require the Commission 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 impact. Section 56-46.1 A of the Code 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. The Hearing Examiner addressed the Virginia Department of Environmental Quality's ("DEQ") coordinated review of the Application by state and local agencies and the DEQ Report admitted as Exhibit 8.¹⁵

The DEQ Report summarized the recommendations as follows:

Conduct an on-site delineation of all wetlands and streams within the project area with verification by the U.S. Army Corps of Engineers (Corps), 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.

¹⁵ *Id.* at 6-8; 15.

Obtain additional information on [Resource Conservation and Recovery Act] hazardous waste facilities identified in the project area.

Research DEQ's Petroleum Contamination (PC) case files to identify petroleum releases to establish the location, nature, and extent of any petroleum releases.

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 for updates to the Biotics Data System database (if the scope of the project changes or six months passes before the project is implemented).

Coordinate with the Department of Historic Resources regarding recommendations to complete the *Pre-Application Analysis*; to evaluate identified resources for listing in the Virginia Landmarks Register and National Register of Historic Places; and to avoid, minimize, or mitigate for adverse impacts to [Virginia Landmarks Register]- and [National Register of Historic Places]-eligible resources.

Coordinate with Federal Aviation Administration as recommended by the Virginia Department of Aviation to prevent potential hazards to aviation and impacts to airport development.

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

Limit the use of pesticides and herbicides to the extent practicable.¹⁶

We find that there are no adverse environmental impacts that would prevent the construction or operation of the proposed Project. 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. We therefore find that, as a condition of our approval herein, Dominion Virginia Power must comply with all

¹⁶ *Id.* at 7-8.

of the DEQ's recommendations as provided in the DEQ Report, with the exception of recommendation (10) of the DEQ's Office of Wetlands and Stream Protection ("OWSP"). We agree with the Hearing Examiner that the recommendations contained in the DEQ Report are, with the exception of OWSP recommendation (10), reasonable and should be implemented by the Company.¹⁷ With regard to recommendation (10) of OWSP, we agree with the Hearing Examiner that the Company should not be required to adhere to undefined time-of-year restrictions on its construction.

Accordingly, IT IS ORDERED THAT:

(1) The Company is authorized to construct and operate the proposed 500 kV Brambleton-Mosby Transmission Line #546 in Loudoun County on the route proposed in the Company's Application subject to the findings and conditions imposed herein. The Company is also authorized to perform necessary construction at its existing Mosby Switching Station and Brambleton Substation.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's Application for a certificate of public convenience and necessity to construct and operate a second 500 kV Brambleton-Mosby Transmission Line #546 is granted, as provided for herein, and subject to the requirements set forth in this Final Order.

(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 certificate of public convenience and necessity:

Certificate No. ET-91y, which authorizes Virginia Electric and Power Company 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 No. PUE-2014-00086,

¹⁷ *Id.* at 15.

cancels Certificate No. ET-91x, issued to Virginia Electric and Power Company on April 28, 2014, in Case No. PUE-2013-00110.

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

(5) The transmission line and associated substation work approved herein must be constructed and in service by June 1, 2018; 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 of active cases 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; Stephen H. Watts, II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219; and John A. Pirko, Esquire, LeClairRyan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. A copy also shall be delivered to the Commission's Office of General Counsel and Division of Energy Regulation.