

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 11, 2016

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CASE NO. PUE-2014-00025

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APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities for the Remington CT-Warrenton 230 kV Double Circuit Transmission Line, Vint Hill-Wheeler and Wheeler-Loudoun 230 kV Transmission Lines, 230 kV Vint Hill Switching Station, and 230 kV Wheeler Switching Station

FINAL ORDER

On March 31, 2014, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power," "DVP" or "Company") filed with the Virginia State Corporation Commission ("Commission") an application and supporting documents for a certificate of public convenience and necessity for a Remington CT-Warrenton 230 kilovolt ("kV") double circuit transmission line, Vint Hill-Wheeler and Wheeler-Loudoun 230 kV transmission lines, 230 kV Vint Hill Switching Station, and 230 kV Wheeler Switching Station (collectively, and as amended below, "Projects").

Subsequently, the Company filed supplemental direct testimony and a supplemental appendix (collectively, "Application"). Among other things, the supplemental appendix and supporting supplemental direct testimony provided a response to the suggestion of the Commission's Staff ("Staff") that the Company consider a variation of Option C, the Company's preferred alternative, for the proposed Vint Hill-Wheeler and Wheeler-Loudoun 230 kV Lines terminating at the existing Gainesville Substation rather than Loudoun Substation. The Company's supplemental filings of November 14, 2014, redefined the former Vint Hill-Wheeler and Wheeler-Loudoun 230 kV Lines to be the Vint Hill-Wheeler and Wheeler-Gainesville 230 kV Lines.

On May 29, 2014, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, assigned this case to a Hearing Examiner and directed the Company to publish notice of the proposed and alternative routes for the proposed Projects, including Option C, the Company's preferred alternative, and Option B, the Existing Corridor Rebuild Option. Although Option A was an alternative described in the Application, Dominion Virginia Power did not initially notice any proposed route for Option A because the Company deemed this option not viable.¹ Upon investigation, Staff discovered that viable routes may exist for Option A and, on March 19, 2015, filed a Motion requesting that the Hearing Examiner direct Dominion Virginia Power to publish alternative routes for Option A for the proposed Projects. On March 31, 2015, the Hearing Examiner granted Staff's March 19, 2015 Motion and directed that the Company publish routes for Option A. The Hearing Examiner also subsequently entered his April 9, 2015 Hearing Examiner's Ruling, which, in addition to requiring notice of Option A, provided for the filing of supplemental Staff testimony; set new dates for public evidentiary hearings on April 20, 2015 and August 4, 2015; and extended the time for any interested person to file a notice of participation or comments to May 21, 2015 and August 3, 2015, respectively. The Piedmont Environmental Council, Morris Farm LLP ("Morris Farm"), Brookside Development LLC and Brookside Homeowners Association ("Brookside"), Fauquier County

¹ Ex. 5 (Supplemental Appendix) at 25-26. Specifically, Option A constructs a local network consisting of three segments:

- Segment 1 Remington CT-Warrenton
- Segment 2 Warrenton-Wheeler
- Segment 3 Wheeler-Gainesville

Segment 1 of Option A is also used by Option C, so no further notice of this segment was necessary. Segment 3 of Option A is also used by Option B and Option C, so no further notice of this segment was necessary. However, Segment 2 of Option A, between Warrenton and Wheeler, was unique to Option A so would require notice. Without publication of Segment 2, Option A was not properly before the Commission in this proceeding.

Board of Supervisors ("Fauquier County"), Fauquier County Public Schools, Fauquier County Water and Sanitation Authority, and Eastern Fauquier Neighbors Against Option A ("EFN") filed notices of participation. Numerous comments were also submitted in this proceeding.

The Department of Environmental Quality ("DEQ") issued two reports addressing environmental impacts in this case. The first was dated June 18, 2014 ("2014 DEQ Report"),² and the second was dated June 18, 2015 ("2015 DEQ Report").³

The DEQ had several recommendations for the Commission's consideration in addition to requirements of federal, state, or local law or regulations in its reports. Both reports also made the following summary recommendations:

- 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 DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable and follow DEQ's recommendation to investigate waste site information, 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;
- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations to protect wildlife resources. (The 2014 DEQ Report also noted state-listed endangered mussels);

² Ex. 39.

³ Ex. 40.

- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional consultation as necessary. (The 2014 DEQ Report noted the protection of an open space easement);
- Coordinate with the Department of Forestry on its recommendation to protect forest 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 recommendations on impacts to the transportation network. (The 2014 DEQ Report noted coordination with VDOT residencies);
- 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 Prince William County regarding its recommendations.⁴

In addition to these summary recommendations, the 2014 DEQ Report also recommended that the Company coordinate with the Department of Health regarding its recommendation to protect water supplies.⁵

Public evidentiary hearings in this case were held August 20, 2014, September 30, 2014, April 20, 2015, and August 4, 5 and 10, 2015, during which public witnesses were permitted to testify. On October 1, 2015, Dominion Virginia Power, Piedmont Environmental Council, Brookside, Fauquier County, Fauquier County Public Schools, Fauquier County Water and Sanitation Authority, EFN and the Staff filed post-hearing briefs.

⁴ Ex. 39 at 7-8; Ex. 40 at 6-7.

⁵ Ex. 39 at 8.

On November 20, 2015, the Hearing Examiner issued the Report of Alexander F. Skirpan, Jr., Senior Hearing Examiner ("Report"). In the Report, the Hearing Examiner, among other things, summarized the record in this case and made the following findings and recommendations:

- The Company's proposed Projects best meet the needs identified in this proceeding concerning loading at the Warrenton Substation and loading at the Gainesville Substation;
- Construction of the proposed Projects is required by the public convenience and necessity for the reasons discussed herein;
- The Company's proposed Option C, following Route C-1.1c, will reasonably minimize adverse impact on the scenic assets, historic districts, and environment of the area concerned;
- Existing rights-of-way cannot adequately serve all of the needs of the Company; and
- Recommendations contained in the DEQ Report, should be adopted by the Commission as conditions of approval.⁶

On December 10, 2015, Piedmont Environmental Council filed comments on the Report. On December 18, 2015, Dominion Virginia Power, Fauquier County Public Schools, Fauquier County Water and Sanitation Authority, Brookside, EFN, and Morris Farm filed comments on the Report.

On November 23, 2015, after the deadline for notices of participation and public comments had passed in this proceeding, Prince William County Board of Supervisors filed

⁶ Report at 121.

comments and requested that its comments be made part of the record. On December 2, 2015, Morris Farm filed a response in support of Prince William County Board of Supervisors' request. On December 10, 2015, Dominion Virginia Power filed a Motion to Strike Morris Farm's December 2, 2015 response. On December 14, 2015, Morris Farm filed a reply to Dominion Virginia Power's December 10, 2015 Motion.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require the Remington CT-Warrenton 230 kV double circuit transmission line, Vint Hill-Wheeler and Wheeler-Gainesville 230 kV Lines, 230 kV Vint Hill Switching Station, and 230 kV Wheeler Switching Station be constructed as proposed by Dominion Virginia Power along Route C-1.1c and that certificates of public convenience and necessity should be issued authorizing the Projects.

Prince William County Board of Supervisors' request for consideration of its November 23, 2015 comments is denied.⁷

Per the Commission's Rules of Practice and Procedure and consistent with our rulings in previous Commission orders on the subject, the Motion for consideration of Prince William County Board of Supervisors' comments out-of-time is denied, and Prince William County

⁷ See, e.g., our similar rulings in *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, Application of Virginia Electric and Power Company for approval and certification of electric facilities: Waxpool 230 kV Double Circuit Transmission Line, Brambleton-BECO 230 kV Transmission Line and 230-34.5 kV Waxpool Station*, Case No. PUE-2011-00129, 2012 S.C.C. Ann. Rept. 353, Final Order (Dec. 28, 2012); *Application of Appalachian Power Company, For a Certificate of Public Convenience and Necessity Authorizing Operation of the Falling Branch-Merrimac 138 kV Transmission Line*, Case No. PUE-2012-00007, 2012 S.C.C. Ann. Rept. 380, Order (Dec. 21, 2012); and *Application of Green Energy Partners/Stonewall LLC, For a certificate of public convenience and necessity for a 750 MW electric generating facility in Loudoun County*, Case No. PUE-2013-00104, 2014 S.C.C. Ann. Rept. 309, Final Order (May 13, 2014).

Board of Supervisors may not otherwise participate in this proceeding or be considered a party to the proceeding.⁸

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code of Virginia ("Code").

Section 56-265.2 A of the Code provides that "it shall be unlawful for any public utility to construct, enlarge or acquire, . . . 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.⁹ 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

⁸ In addition, Rule 5 VAC 5-20-10, *Applicability*, of the Rules of Practice and Procedure states in relevant part that: "When necessary to serve the ends of justice in a particular case, the [C]ommission may grant, upon motion or its own initiative, a waiver or modification of any of the provisions of these rules, except 5 VAC 5-20-220, under terms and conditions and to the extent it deems appropriate." Based on the circumstances in this case, we do not find that waiver or modification is appropriate in order to accept late filed comments submitted after all of the hearings in this matter, after the filing of post-hearing briefs, and after submission of the Hearing Examiner's Report. We likewise decline to consider new evidence submitted after the close of the record, which was included in Morris Farm's response to Prince William County Board of Supervisor's comments. However, even if we had considered such additional evidence or Prince William County Board of Supervisors' comments, our findings in this Final Order would remain the same.

⁹ Subsection D of the statute provides that "[a]s used in this section, unless the context requires a different meaning: 'Environment' or 'environmental' shall be deemed to include in meaning 'historic,' as well as a consideration of the probable effects of the line on the health and safety of the persons in the area concerned."

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, in part, that:

As 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. . . . In making the determinations about need, corridor or route, and method of installation, the Commission shall verify the applicant's load flow modeling, contingency analyses, and reliability needs presented to justify the new line and its proposed method of installation. . . . Additionally, the Commission shall consider, upon the request of the governing body of any county or municipality in which the line is proposed to be constructed, (a) the costs and economic benefits likely to result from requiring the underground placement of the line and (b) any potential impediments to timely construction of the line.

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." 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

The need for a transmission solution is unchallenged.¹⁰ The Company's proposed electrical solution, Option C, and an alternative electrical solution, Option B, were originally noticed to the public by the Company. The Staff requested that a third electrical solution,

¹⁰ See, e.g., Report at 98 citing DVP Brief at 12, EFN Brief at 3, Staff Brief at 5, and Piedmont Environmental Council Brief at 4.

Option A, be noticed to the public so that the record could be augmented by a viable alternative the Staff considered to be electrically superior.

We agree with the Hearing Examiner that Option B is not viable.¹¹ The record in this proceeding provides significant evidence and analysis of the comparative benefits of the two viable alternatives, Option A and Option C. After careful consideration of both viable electrical options, we agree with the Hearing Examiner that the Company's proposed Projects best address the concerns identified in this proceeding.¹²

Route

As discussed above, the Hearing Examiner — after a detailed and thorough analysis — recommended Route C-1.1c. Specifically, the Hearing Examiner noted that "all of the witnesses addressing routing issues sponsored by participants, including Staff witness McCoy, agree that Option C is the least impacting alignment."¹³ After considering the options presented in the proceeding, we agree with the Hearing Examiner that Route C-1.1c is preferable to the proposed alternatives and satisfies the applicable statutory requirements.¹⁴

Economic Development and Service Reliability

The evidence in this proceeding supports that the area to be served by the proposed Projects is dynamic and growing economically.¹⁵ We find that by assuring flexibility for future transmission projects, which the evidence supports is necessary to maintain the reliability of the

¹¹ See, e.g., Report at 100.

¹² See, e.g., *id.* at 98-109, 121.

¹³ Report at 121; *see also, e.g.*, Tr. at 605.

¹⁴ See, e.g., Report at 109-121.

¹⁵ See, e.g., Tr. at 656-58.

local and system networks, the proposed Projects (Option C) benefit economic development in the area.¹⁶

Scenic Assets, Historic Districts, and the Environment

We agree with the Hearing Examiner that "following Route C-1.1c will reasonably minimize adverse impact on the scenic assets, historic resources and the environment of the area concerned" consistent with § 56-46.1 B of the Code.¹⁷

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 2014 DEQ Report and 2015 DEQ Report, taken as a whole, support a finding that Option C has less adverse impacts on cultural and environmental resources than Option A.¹⁸ We find that the Company shall comply with the recommendations contained in the DEQ Reports as conditions for approval of the proposed Projects along Route C-1.1c.

Accordingly, IT IS ORDERED THAT:

(1) The Company is authorized to construct and operate the proposed Remington CT-Warrenton 230 kV double circuit transmission line, Vint Hill-Wheeler and Wheeler-Gainesville 230 kV Lines, 230 kV Vint Hill Switching Station, and 230 kV Wheeler

¹⁶ See, e.g., Report at 100-109; Ex. 20; Ex. 49; Staff Brief at 9-10; DVP Brief at 21-30, 43-45; EFN Brief at 19-20.

¹⁷ Report at 121; see also, e.g., Report at 109-121.

¹⁸ Ex. 39; Ex. 40.

Switching Station as proposed in the Company's 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 Application for certificates of public convenience and necessity to construct and operate the proposed Projects 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 certificates of public convenience and necessity:

Certificate No. ET-80p, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Fauquier County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2014-00025, cancels Certificate No. ET-80o, issued to Virginia Electric and Power Company in Case No. PUE-2009-00050 on March 10, 2010.

Certificate No. ET-105ac, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Prince William County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2014-00025, cancels Certificate No. ET-105ab, issued to Virginia Electric and Power Company in Case No. PUE-2012-00065 on April 17, 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 transmission line and associated substation work approved herein shall be constructed and in service by July 1, 2017; however, the Company is granted leave to apply for an extension for good cause shown.

(6) The November 23, 2015 Motion for consideration of Prince William County Board of Supervisors' comments is denied.

(7) The December 10, 2015 Motion to Strike the response of Morris Farm is granted.

(8) 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., 120 Tredegar Street, Richmond, Virginia 23219; Vishwa B. Link, Esquire, and Jennifer D. Valaika, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; Timothy E. Biller, Esquire, and Richard D. Gary, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219; D. Alexy, Partner, Morris Farm LLP, 14458 Broadwinged Drive, Gainesville, Virginia 20155; Diana E. Norris, Esquire, and Robert G. Marmet, Esquire, Piedmont Environmental Council, P.O. Box 460, Warrenton, Virginia 20188; Kevin J. Burke, Esquire, Fauquier County Attorney, 10 Hotel Street, Suite 206, Warrenton, Virginia 20186; Andrews R. McRoberts, Esquire, and Nicole S. Cheuk, Esquire, SandsAnderson, 1111 East Main Street, Suite 2400, P.O. Box 1998, Richmond, Virginia 23218; Cliona M. Robb, Esquire, Michael J. Quinan, Esquire, and James G. Ritter, Esquire, Christian & Barton LLP, 909 East Main Street, Suite 1200, Richmond, Virginia 23219; Merle W. Fallon, Esquire, 110 Main Street, Warrenton, Virginia 20186; and C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 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.