

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 5, 2015

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2015 JUN -5 P 1:47

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY
d/b/a DOMINION VIRGINIA POWER

CASE NO. PUE-2012-00029

For approval and certification of electric facilities:
Surry-Skiffes Creek 500 kV Transmission Line,
Skiffes Creek-Wheaton 230 kV Transmission Line, and
Skiffes Creek 500 kV-230 kV-115 kV Switching Station

ORDER

On June 11, 2012, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification of an electric transmission project, or for approval and certification of an alternative transmission project ("Application"). In its Application, Dominion proposed to construct: (a) a new overhead 500 kilovolt ("kV") electric transmission line from the Company's existing 500 kV-230 kV Surry Switching Station in Surry County to a new 500 kV-230 kV-115 kV Skiffes Creek Switching Station in James City County ("Surry-Skiffes Creek Line"); (b) the Skiffes Creek Switching Station ("Skiffes Station"); (c) a new 230 kV line in the Counties of James City and York and the City of Newport News, from the proposed Skiffes Station to the Company's existing Wheaton Substation located in the City of Hampton ("Skiffes Creek-Wheaton Line"); and (d) additional facilities at the existing Surry Switching Station and Wheaton Substation.¹

On November 26, 2013, February 28, 2014, and April 10, 2014, the Commission issued orders in this proceeding that, among other things, granted the Company's Application and

¹ The Surry-Skiffes Creek Line, the Skiffes Station, the Skiffes Creek-Wheaton Line, and the additional proposed facilities are herein referred to collectively as the "Certificated Project."

approved certificates of public convenience and necessity for the Certificated Project, subject to the requirements set forth in such orders. In doing so, the Commission recognized that significant new electric infrastructure is needed to address violations of North American Electric Reliability Corporation reliability standards that are projected for Dominion's transmission system in the North Hampton Roads Area.²

Construction of this infrastructure, necessary to address the identified reliability risks, has not begun. Review of the Certificated Project by the U.S. Army Corps of Engineers ("Army Corps") remains ongoing. Additionally, the Commission's orders in this proceeding were affirmed in part, and reversed in part, by an Opinion of the Supreme Court of Virginia issued on April 16, 2015. The Supreme Court affirmed that the statutory requirements for the Certificated Project have been met or were otherwise uncontested (including but not limited to the demonstrated need and the approved route). The Court also held that the Skiffes Station is not encompassed within the term "transmission line" under Code § 56-46.1 F and, thus, is subject to local zoning regulations; by orders entered on May 15, 2015, the Court declined to reconsider its holding on this issue. The Court's mandate, issued on June 4, 2015, remanded this case to the Commission.

The evidence in this proceeding shows that the North Hampton Roads Area is in critical need of a significant electric system upgrade. The need is severe and fast approaching, and the reliability risks are far reaching. The facilities approved in this case, for which judicial review thereof has concluded, are needed to avoid violations of mandatory electric reliability standards approved under federal law to prevent: the loss of electric service to customers; transmission

² As used in this proceeding, the "North Hampton Roads Area" refers to: the counties of Charles City, James City, York, Essex, King William, King and Queen, Middlesex, Mathews, Gloucester, King George, Westmoreland, Northumberland, Richmond, and Lancaster; and the cities of Williamsburg, Yorktown, Newport News, Poquoson, Hampton, West Point, and Colonial Beach.

system overloads; and outages in the North Hampton Roads Area with cascading outages into northern Virginia, the City of Richmond, and North Carolina. Given the time required for the construction of significant electric infrastructure projects like the Certificated Project, and the magnitude of the projected reliability violations, the Commission directs Dominion to provide regular updates on the status of the Certificated Project, including but not necessarily limited to the Skiffes Station, the status of the Army Corps process, and the Company's plans for maintaining system reliability in the North Hampton Roads Area.

Accordingly, IT IS ORDERED THAT:

(1) On or before two weeks from the date of this Order, and every 21 days thereafter, Dominion shall file in this proceeding an update on the status of the Certificated Project, including but not necessarily limited to the Skiffes Station, the status of the Army Corps process, and the Company's plans for maintaining system reliability in the North Hampton Roads Area. Such updates shall be served on all parties to this proceeding and the Commission's Staff, pursuant to 5 VAC 5-20-140 of the Commission's Rules of Practice and Procedure.

(2) This case shall remain open.

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.