

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 28, 2014

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2014 APR 28 A 9:26

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE-2013-00110

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

FINAL ORDER

On October 15, 2013, 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 rebuild, entirely within existing rights-of-way, its 500 kilovolt ("kV") Loudoun-Pleasant View Line #558 ("Line #558") in Loudoun County ("Rebuild Project"). Prior to the Rebuild Project, the Company will split Line #558 at Brambleton Station, creating the 500 kV Brambleton-Pleasant View Line #558, and the 500 kV Brambleton-Loudoun Line #590.<sup>1</sup> Thus, at the time of the Rebuild Project, #558 and #590 will be the associated line numbers. The Rebuild Project also includes associated modifications at the Company's Loudoun Substation.<sup>2</sup>

Dominion Virginia Power maintains that these changes are necessary because contingency power flow studies it conducted along with PJM Interconnection, L.L.C., forecast that Line #558 will violate mandatory North American Electric Reliability Corporation

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

<sup>2</sup>*Id.* at 4.

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("NERC") Reliability Standards in the summer of 2016.<sup>3</sup> The Company asserts that failure to address these projected NERC violations could lead to service interruptions and could potentially damage its electrical facilities in the area of the Rebuild Project.<sup>4</sup>

The Company states that the in-service date for the proposed Rebuild Project is June 1, 2016.<sup>5</sup> According to Dominion Virginia Power, the estimated cost for the proposed Rebuild Project is approximately \$31.3 million, of which approximately \$28.9 million would be spent on transmission line construction and approximately \$2.4 million would be spent on modifications at the Loudoun Substation.<sup>6</sup>

On November 21, 2013, 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 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 participate in this proceeding; and directed the Commission Staff ("Staff") to investigate the Application and file a report thereon ("Staff Report"). The Commission received several public comments on the Application. No one filed a notice of participation in this proceeding, and there were no requests for a hearing.

As noted in the Procedural Order, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate a review of the proposed Rebuild Project by state and local agencies and to file a report on the review. DEQ filed its report ("DEQ Report") on January 13, 2014. The DEQ Report provides 13 general recommendations for the Commission's

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

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

<sup>5</sup> *Id.* at 4.

<sup>6</sup> *Id.*

consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following 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 the 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 manage waste sites, as applicable;
- Coordinate with the Department of Conservation and Recreation ("DCR") Division of Natural Heritage regarding its recommendations to protect rare diabase glades as well as for updates to the Biotics Data System database if a significant amount of time passes before the Rebuild Project is implemented;
- Coordinate with the Department of Mines, Minerals and Energy regarding the quarry located in the vicinity of the Rebuild Project site, as necessary;
- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations to protect state-listed threatened mussels and wildlife resources;
- Coordinate with the DCR Division of Planning and Recreational Resources regarding its recommendation to preserve the scenic quality of Goose Creek;
- Coordinate with the Department of Forestry to ensure the conservation of forestland, as applicable and as stated in the Company's December [18], 2013, letter;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources;
- Coordinate with the Department of Aviation regarding its recommendation to protect airspace near airports;
- Coordinate with the Department of Health regarding its recommendation 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>7</sup>

Pursuant to the Procedural Order, on February 26, 2014, Staff filed its Staff Report summarizing the results of its investigation of the Company's Application. In the Staff Report, the Staff concluded that the Company sufficiently demonstrated the need for the proposed Rebuild Project as based on identified potential violations of reliability planning standards.<sup>8</sup>

On March 5, 2014, Dominion Virginia Power filed comments ("Comments") with the Clerk of the Commission stating that the Company supports the recommendations set forth in the Staff Report concerning the need for the Rebuild Project. In addition, the Company provided two clarifications to the Staff Report. First, the Company indicates in its Comments that the correct designations for the new 500 kV lines are as follows: 500 kV Brambleton-Goose Creek Line #558 and 500 kV Brambleton-Mosby Line #590.<sup>9</sup> Second, the Company maintains that the 230 kV circuit rearrangements (which the Staff Report referred to as proposed 230 kV line relocations and the Comments referred to as "rearrangement of existing 230 kV lines" done as "operating adjustments") should "be included within the category of 'ordinary extensions or improvements in the usual course of business' for which Va. Code § 56-265.2 A does not require Commission approval."<sup>10</sup>

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

<sup>8</sup> Staff Report at 17.

<sup>9</sup> Comments at 3.

<sup>10</sup> Staff Report at 7; Comments at 3-4.

In its Comments, the Company indicated that it had no objections to the summary of recommendations in the DEQ Report. In addition, the Company indicated it would continue to adhere to vegetation and erosion management policies and to coordinate with Loudoun County.<sup>11</sup>

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 its Application and that the Commission should issue a certificate 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

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<sup>11</sup> Comments at 4. The Company explained that it had submitted a response to the recommendations of Loudoun County, which is included as the last page of the DEQ Report.

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 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 and Service Reliability

We find that the Company's load growth forecasts support the need for the Rebuild Project. The need for the Rebuild Project has not been questioned.<sup>12</sup> Thus, the uncontroverted evidence in this case indicates that the proposed construction is necessary to ensure that reliable service is maintained.<sup>13</sup> We therefore find that the proposed Rebuild Project will meet the Company's long-term transmission reliability needs effectively.

#### 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 rights-of-way.<sup>14</sup> Thus,

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<sup>12</sup> See, e.g., Staff Report 12-14, 17; Comments at 2.

<sup>13</sup> See, e.g., Transmission Appendix at 1-18; Prefiled Direct Testimony of Peter Nedwick at 7-10; Staff Report at 12-14.

<sup>14</sup> Prefiled Direct Testimony of Stefan R. Brooks at 3.

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

### 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 maintaining the reliability of the electric transmission system and, in turn, continuing to provide for the delivery of sufficient supplies of electrical power.<sup>15</sup>

### Scenic Assets, Historic Districts, and Existing Rights-of-Way

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 proposed Rebuild 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.<sup>16</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 impact. 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.

We find that there are no adverse environmental impacts that would prevent the construction or operation of the proposed Rebuild Project. The DEQ Report supports a finding

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<sup>15</sup> See, e.g., Prefiled Direct Testimony of Peter Nedwick at 7; Staff Report at 14.

<sup>16</sup> See, e.g., Prefiled Direct Testimony of Stefan R. Brooks at 3-5.

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.

HB 1319

We find that the evidence demonstrates that the proposed Rebuild Project does not meet the criteria set forth in HB 1319 for inclusion as a pilot program. Further, the proposed tower design will reasonably mitigate the visual impact of the proposed Rebuild Project as required by HB 1319.<sup>18</sup>

Accordingly, IT IS ORDERED THAT:

(1) The Company is authorized to wreck existing single-circuit 500 kV Loudoun-Pleasant View Line #558 and replace it with the proposed double-circuit 500/230 kV transmission lines; the Company is also authorized to perform the associated work at Loudoun Substation 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 a certificate of public convenience and necessity to construct and operate the Rebuild Project is granted, as provided for herein, and subject to the requirements set forth in this Final Order.

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

Certificate No. ET-91v, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all

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

<sup>18</sup> *See, e.g.*, Prefiled Direct Testimony of Robert J. Shevenock, II at 5-6; Staff Report at 11-12.

as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2013-00110, cancels Certificate No. ET-91u, issued to Virginia Electric and Power Company on December 28, 2012, in Case No. PUE-2011-00129.

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

(5) The transmission lines and associated substation work approved herein must be constructed and in service by July 1, 2016; 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, 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; Stephen H. Watts, II, Esquire, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of Attorney General, 900 East Main Street, Richmond, Virginia 23219. A copy also shall be delivered to the Commission's Office of General Counsel and Division of Energy Regulation.