

**Virginia State Corporation Commission
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Case Name (if known)	Virginia Electric and Power Company – Integrated Resource Plan filing for 2018 pursuant to Va. Code § 56-597 et seq.
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Document Description Summary	Response on behalf of Appalachian Voices (“Environmental Respondents”) in Opposition to the Motion in Limine of Virginia Electric and Power Company to Strike Portions of the Direct Testimony of Gregory Lander as filed on September 7, 2018.
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September 21, 2018

VIA ELECTRONIC FILING

Mr. Joel H. Peck, Clerk
c/o Document Control Center
State Corporation Commission
Tyler Building – First Floor
1300 East Main Street
Richmond, Virginia 23219

**RE: Virginia Electric and Power Company – Integrated Resource Plan
filing for 2018 pursuant to Va. Code § 56-597 et seq.**

Case No. PUR-2018-00065

Dear Mr. Peck:

Enclosed for filing in the above-captioned matter is the Response on behalf of Appalachian Voices (“Environmental Respondents”) in Opposition to the Motion *in Limine* of Virginia Electric and Power Company to Strike Portions of the Direct Testimony of Gregory Lander as filed on September 7, 2018. This filing is being completed electronically, pursuant to the Commission’s electronic document filing system.

If you should have any questions regarding this filing, please do not hesitate to contact me at (434) 977-4090.

Regards,

A handwritten signature in black ink that reads "William C. Cleveland".

William C. Cleveland

cc: Parties on Service List
Commission Staff

1003681

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF VIRGINIA ELECTRIC)
AND POWER COMPANY)
)
)
*In Reference: Virginia Electric and Power)
Company's Integrated Resource Plan filing)
pursuant to Va. Code § 56-597 et seq.)
)*

Case No. PUR-2018-00065

**RESPONSE OF ENVIRONMENTAL RESPONDENTS IN OPPOSITION TO THE
COMPANY'S MOTION IN LIMINE TO STRIKE PORTIONS OF DIRECT
TESTIMONY OF GREGORY M. LANDER**

As authorized by 5 Va. Admin. Code § 5-20-110 and 5-20-140, Appalachian Voices ("Environmental Respondents") file this response in opposition to Virginia Electric and Power Company's (the "Company's") motion in limine to strike portions of the testimony of Gregory M. Lander from the record of the Company's Integrated Resource Plan ("IRP") proceeding. The Commission should deny the motion.

INTRODUCTION

1. The Atlantic Coast Pipeline will add between \$2.5 and \$3 billion in net costs to Dominion ratepayers. And yet the Company has, at every turn, attempted to keep these costs out of the Commission's review.

2. When the Virginia Chapter of the Sierra Club asked the Commission to review the affiliate contract between Atlantic Coast Pipeline, LLC and Virginia Power Services Energy

Corp., Inc. under the Virginia Affiliates Act, the Company moved to dismiss the case.¹

3. In its 2017 Fuel Factor proceeding, the Company objected to any discussion of the Atlantic Coast Pipeline: “[T]he Company believes that these matters are beyond the scope of this particular proceeding which is to set a fuel rate for the upcoming fuel year. And to the extent they are pursued, we will make objections as appropriate.”²

4. In its 2017 IRP proceeding, the Company objected to any discussion of the Atlantic Coast Pipeline. Dominion not only asked the Commission to strike all of Mr. Lander’s testimony,³ but the Company also objected to any discussion of the ACP at the hearing.⁴ The Commission properly denied that motion.⁵ Once again, the Company asks the Commission to exclude evidence regarding how much the Atlantic Coast Pipeline will increase ratepayer costs, arguing that “[p]ortions of Mr. Lander’s direct testimony . . . are based on future, speculative assertions that are not ripe for adjudication at this time.”⁶

5. If Environmental Respondents cannot explore ratepayer impacts of the

¹ Mot. to Dismiss for Lack of Jurisdiction, to Suspend or Extend Time For Filing Responsive Pleading and For Expedited Consideration, *Sierra Club, Petitioner, v. Virginia Electric and Power Company, Virginia Power Services Energy Corporation, and Atlantic Coast Pipeline, LLC, Respondents, For a declaratory judgment and an order requiring a filing pursuant to Sections 56-77 and 56-84 of the Code of Virginia*, Case No. PUR-2017-00061 (May 25, 2017).

² *In re: Application of Va. Elec. & Power Co. to revise its fuel factor pursuant to Code Section 56-249 of the Code of Va.*, Case No. PUR-2017-00058, Tr. at 13:8-12.

³ Motion in Limine of Virginia Electric and Power Company to Strike Testimony of Gregory Lander and William Penniman or, in the Alternative, to Issue a Ruling that the Remedies Sought Do Not Fall Within the Proper Scope of an Integrated Resource Plan Proceeding and for Expedited Consideration, *Virginia Electric and Power Company's - Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2017-00051 (Sept. 8, 2017).

⁴ *See, e.g., Virginia Electric and Power Company's - Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2017-00051, Tr. at 30:17-31:6.

⁵ Final Order (Mar. 12, 2018), *Virginia Electric and Power Company's - Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2017-00051 (noting that it “took under advisement and admit[ted] all evidence, including the testimony of Environmental Respondents witness Lander.”).

⁶ Company’s Mot. in Lim. ¶ 6.

Company's pipeline capacity planning process here, there is risk the Company will object to discussion of those costs in a future fuel factor proceeding. In other contexts, the Company has objected to discussion of topics in a CPCN proceeding *on the grounds* that the topics were not raised in the IRP.

6. For example, during the CPCN proceeding for the Greenville natural gas power plant, Environmental Respondents challenged the Company's load forecast used to justify the plant. Company Witness Kelley argued that criticism of the load forecast in the CPCN proceeding was inappropriate because "[n]o party contested the Company's load projections supporting the need for the Project in the 2015 Plan proceeding."⁷

7. IRP proceedings, and the issues raised in them, clearly matter in future proceedings where millions, if not billions, of customer dollars are at stake. This is particularly true when it comes to future fuel factor proceedings, given the narrow window of time the Commission has to consider all relevant issues. In the 2018 fuel factor, for instance, participants had only 24 days between the May 21, 2018 Order Establishing 2019-2019 Fuel Factor Proceeding and the June 14, 2018, deadline to file testimony.⁸ Such a short window clearly discourages a full and complete evaluation of fuel costs.

8. The IRP process, given its timeline and scope, is the best opportunity to fully examine the Company's comprehensive planning process, which includes evaluation of the costs and prudence of committing customer dollars to certain resources.

⁷ Rebuttal Test. of Glenn A. Kelley at 3:19-20, *Virginia Electric & Power Co. - For approval/certification of proposed Greenville Co. Power Station electric generation & transmission facilities under VA Code Sec. 56-580 D, 56-265.2 & 56-46.1 & of a rate adjustment clause GV 56-585.1 A 6*, Case No. PUE-2015-00075.

⁸ Order Establishing 2018-2019 Fuel Factor Proceeding, *Virginia Electric and Power Company - To revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUR-2018-00067 (May 21, 2018).

9. In reality, the Company's goal is not to avoid scrutiny of the ACP costs in *this proceeding*; the Company's goal is to avoid scrutiny of the ACP costs in *every* proceeding.

10. Natural gas pipeline capacity contracts are comparable in scale to new generating assets,⁹ and yet—unlike a new generating asset—the Company objects to any oversight in its decision to incur those costs.

11. The Company maintains, incorrectly, that the Commission's oversight in future fuel factor proceedings provides adequate ratepayer protection. This is incorrect, because by the time such proceedings occur, the pipeline will already be in operation, which means, by definition, that someone has to pay for it. While the Commission certainly has authority to deny cost recovery in a future proceeding, it is far better—both for the ratepayer and the Company itself—to evaluate the costs and benefits of such a pipeline before resources are irretrievably committed.

12. Mr. Lander's testimony estimates the net cost increases the pipeline will produce and offers suggestions as to how the Commission can better evaluate these massive costs in future IRPs.

13. Mr. Lander's entire testimony is relevant to this proceeding, and the Commission should deny the motion.

BACKGROUND

14. Four years ago, Dominion Energy, Inc. and its partners announced their intention to build the Atlantic Coast Pipeline. While the proposed project received initial approval from relevant state and federal agencies, construction has hit considerable delay as a result of

⁹ For instance, the Greenville natural gas plant cost roughly \$1.5 billion. The Atlantic Coast Pipeline contract, by comparison, is nearly double that cost.

decisions issued by the U.S. Court of Appeals for the Fourth Circuit invalidating, to date, two required federal permits. *Sierra Club v. Dep't of Interior*, 899 F.3d 260 (4th Cir. 2018). If the project goes forward, the Company intends to recover the costs of its precedent agreement for firm transportation on the Atlantic Coast Pipeline from its customers through a future fuel factor proceeding.¹⁰

15. During the 2017 IRP, the Company maintained that it considered the Atlantic Coast Pipeline to be a “portfolio” asset that would serve the Company’s existing generation facilities.¹¹ But those facilities are already served by long-term capacity contracts on existing pipelines. During discovery in this year’s IRP, Environmental Respondents twice asked the Company whether it has evaluated whether it can meet its expected demand for natural gas from 2019 to 2033 using existing natural gas pipeline infrastructure.¹² Last year, the Company admitted in a discovery response that it had not done an analysis “for purposes of this or any prior Plan” of whether it can meet its generation obligations without using natural gas from the Atlantic Coast Pipeline.¹³ This year, the Company has failed to answer that question.¹⁴ Nor has the Company answered the question whether it maintains that, even if it could meet its demand obligations with existing infrastructure, the benefits of additional firm transportation on the Atlantic Coast Pipeline would outweigh the costs to ratepayers.¹⁵

16. The Company and a Staff witness have both confirmed that Virginia ratepayers

¹⁰ Company’s Resp. to ER 8-3(a), included in Attachment A.

¹¹ Mot. to Strike ¶ 17 (Sept. 8, 2017).

¹² ER 3-18; ER 8-6.

¹³ Company’s 2017 Resp. to ER 6-20(a)-(c), included in Attachment A.

¹⁴ Company’s Resp. to ER 3-18; Company’s Resp. to ER 8-6, included in Attachment A.

¹⁵ Company’s Resp. to ER 8-7, included in Attachment A.

“future, speculative facts that are not ripe for adjudication” or that have been addressed in other proceedings.²² The Company’s motion in limine never asserts that Mr. Lander’s testimony is incorrect.

STANDARD OF REVIEW

19. The Company’s IRP must include plans that are “most likely to provide the electric generation supply needed to meet the forecasted demand . . . so that the utility will continue to provide reliable service at reasonable prices over the long term.”²³

20. The Commission has broad authority to review information relating to the purposes of the IRP. The IRP must also include “such additional information as the Commission requests pertaining to how the electric utility intends to meet its obligation to provide electric generation service for use by its retail customers over the planning period.”²⁴

21. Based upon the Company’s filing, the Commission must determine whether the IRP is “reasonable and is in the public interest.”²⁵

22. The Commission’s Rules of Practice and Procedure provide that in regulatory proceedings like an IRP, “evidentiary rules shall not be unreasonably used to prevent the receipt of evidence having substantial probative effect.”²⁶

²² *Id.* at 5.

²³ Va. Code § 56-598.2.a.

²⁴ *Id.* § 56-598.4.

²⁵ *Id.* § 56-599(C).

²⁶ 5 Va. Admin. Code 5-20-190.

ARGUMENT

I. MR. LANDER'S TESTIMONY IS RELEVANT TO THIS IRP PROCEEDING.

23. As an initial matter, the Company offers no legitimate grounds to strike Mr. Lander's testimony, arguing that his testimony is inadmissible because "the issues raised by the ACP testimony involve future speculative facts"²⁷ If testimony predicting future costs are inadmissible in this proceeding, then the Company's entire case—which is nothing more than a prediction of future costs—is inadmissible. This is particularly true considering how meritless the Company's load forecast is, which forms the cornerstone of the entire planning process.²⁸

24. In fact, the Company's meritless load forecast in this IRP directly implicates its decision to invest in the Atlantic Coast Pipeline. As Commission Staff's testimony makes clear, "to the extent that the Company has an inflated forecast of energy sales, the amount of fossil fuel generation needed to meet that load will also be exaggerated"²⁹ Over-predicting sales produces two results: (1) the Company likely cannot justify any of the future gas-fired plants in the IRP and (2) existing plants will run less than anticipated. Both outcomes radically undercut the need for any additional pipeline capacity.

25. That issue aside, Mr. Lander's testimony is completely relevant to the Commission's analysis of the Company's IRP, including his cost calculations, and the Commission should deny the motion.

²⁷ Company's Mot. in Lim. 5.

²⁸ See, e.g., Summary of the Testimony of James F. Wilson ("[D]ue to flawed and outdated forecasting methodology, the Company has significantly overstated its future electricity peak load."); Summary of the Testimony of Gregory L. Abbott ("Given the issues identified by Staff in the 2018 IRP, Staff recommends that any certificate of public convenience and necessity ("CPCN") application that relies on the 2018 IRP load forecast, energy sales forecast, and the 2018 IRP PLEXOS model results not be considered adequate for evaluating the CPCN.").

²⁹ Test. of Gregory L. Abbott at 21:13-15.

26. Section 56-598 of the Virginia Code requires an IRP to “[i]dentify a portfolio of electric generation supply resources . . . that . . . is most likely to provide the electric generation supply needed to meet the forecasted demand . . . so that the utility will continue to provide reliable service at reasonable prices over the long term.” Based upon the Company’s filing, the Commission must determine whether the IRP is “reasonable and is in the public interest.”³⁰ Indeed, the Company has represented to the Federal Energy Regulatory Commission that the IRP “provides a forecast of [the Company’s] load obligations and a plan to meet these obligations . . . to promote reasonable prices,” and that the State Corporation Commission “evaluate[s] all of Dominion Virginia Power’s resource plans for cost-effectiveness, reliability, need, and consistency with the public interest.” 142 FERC ¶ 61,103 at P 6, 7 (Feb. 8, 2013).

27. An assessment of the costs to ratepayers of the Company’s generation portfolio is highly relevant to both the Company’s obligation to demonstrate its ability to provide service at “reasonable prices over the long term” and this Commission’s obligation to ensure that an IRP is “reasonable and in the public interest.” The Company acknowledges the relevance of the cost of firm transportation in the 2018 IRP, where it discusses “ways to mitigate operating cost risk associated with natural gas-fired generation through the use of long-term supply contracts that lock in a stable price, long-term investment in . . . long-term firm transportation”³¹, such as “a long-term transportation contract to . . . South Point” that would help insulate against price spikes.³²

28. Any testimony that aids the Commission’s assessment of the costs of the

³⁰ *Id.* § 56-599(C).

³¹ 2018 IRP at 117.

³² *Id.* at 121.

Company's IRP to ratepayers is well within the proper scope of this IRP proceeding.

29. The purpose of Mr. Lander's testimony in the 2018 IRP is to demonstrate to the Commission that the IRP does not adequately consider the reasonableness of the costs of its generation portfolio. Specifically, Mr. Lander's testimony sheds light on the IRP's failure to even identify, let alone assess the reasonableness, of costs associated with the Atlantic Coast Pipeline.

II. THE PORTIONS OF MR. LANDER'S TESTIMONY THE COMPANY REQUESTS TO STRIKE ARE RELEVANT TO THE 2018 IRP.

30. Six of the seven portions of Mr. Lander's testimony that the Company asks the Commission to strike contain Mr. Lander's conclusions regarding the cost of the Atlantic Coast Pipeline derived from the analyses set out in his testimony. As discussed in detail for each segment the Company would have the Commission strike, Mr. Lander's testimony on the costs of the Atlantic Coast Pipeline to ratepayers is relevant to this Commission's analysis in the IRP. The Company makes no effort to explain the principle behind such a request. The Company does not challenge the relevance of Mr. Lander's analysis of those costs; if the analysis of the costs of the Atlantic Coast Pipeline are relevant to the IRP, so too are the conclusions derived from that analysis.

31. On page 2, lines 8 through 10, Mr. Lander explains that his analysis of four scenarios for forward-looking basis projections between different pricing locations led him to calculate the avoidable, net cost to Company ratepayers of new pipeline capacity like the Atlantic Coast Pipeline as high as \$3 billion over the next twenty years. Nowhere in its motion does the Company ask the Commission to strike Mr. Lander's analysis of those four scenarios, which are laid out in detail in his testimony at page 30 line 14 through page 37 line 2. The

Company's request here is clearly nothing more than an attempt to hide from the public how much more its customers will pay for the Atlantic Coast Pipeline. Embarrassment about imprudent cost is not sufficient grounds to strike Mr. Lander's testimony.

32. On page 3, lines 12 through 20, Mr. Lander reiterates his conclusion that, based on the four scenarios, the Atlantic Coast Pipeline could cost ratepayers up to \$3 billion, and adds that his analysis of data provided by the Company showed a net cost to ratepayers of \$2.5 billion and that ratepayers would experience no net value for paying for a path connecting Dominion South Point to Transco Zone 5 as the Atlantic Coast Pipeline would. Again, the Company does not ask the Commission to strike Mr. Lander's analysis of the four scenarios or his calculation of costs based on the Company's own data. This is also nothing more than an attempt to hide cost numbers from public view and is not adequate grounds to strike Mr. Lander's testimony.

33. On page 21 line 3 through page 22 line 3, Mr. Lander discusses the likely costs per Dekatherm per day ("Dthd") of reserved capacity on the Atlantic Coast Pipeline, noting that the FERC-approved maximum rate is \$1.75, that anchor shippers may be as low as \$1.40, and that the Company stated in response to Environmental Respondents' data request that it assumes the cost to be \$1.70. This testimony follows and precedes a discussion of the relevance of the cost of reserved capacity to determining whether ratepayers will benefit from the Atlantic Coast Pipeline's ability to source gas at Dominion South Point and deliver it into Zone 5. That analysis is relevant to the Commission's assessment of the reasonableness of the Company's inclusion of the Atlantic Coast Pipeline in its portfolio. The actual cost of that capacity—as reported by the Company itself—is likewise relevant to this proceeding.

34. On page 36 line 3 through page 37 line 3, Mr. Lander presents the conclusions of his analysis of one of the four forward-looking basis projections. Comparing the projected value

of a path connecting Dominion South Point to Transco Zone 5 to the cost per Dthd of reserved capacity, Mr. Lander concludes that ratepayer cost over value of the Atlantic Coast Pipeline could be as high as \$2.19 billion to nearly \$3 billion. Again, the Company does not challenge the relevance of the analysis supporting this conclusion, but only the conclusion itself, which only confirms the Company's desire to hide from its customers the true cost they will bear for the Company's unjustified contract for firm capacity for 20 years.

35. On page 38 lines 3 through 11 (including Chart 13), Mr. Lander concludes that, based on data provided by the Company during discovery, the net cost over value over 20 years of a 300,000 Dthd subscription on the Atlantic Coast Pipeline would be \$2.5 billion. Again, the Company challenges neither the consideration of the data it provided nor the analysis Mr. Lander performed based on that data; it asks the Commission to strike only Mr. Lander's conclusions.

36. Finally, Mr. Lander's testimony on page 49 lines 5 through 8 reiterates his conclusion that, based on the Company's own data provided in discovery, the net cost to ratepayers of the Atlantic Coast Pipeline would be \$2.5 billion over the next twenty years.³³ Again, the Company does not seek to strike the analysis supporting that conclusion, and the conclusion is relevant to this Commission's assessment of the reasonableness of the IRP.

37. The only other portion of Mr. Lander's testimony that the Company asks the Commission to strike relates to his assessment of the Atlantic Coast Pipeline's ability to meet

³³ While the Company asks this Commission to strike three other portions of Mr. Lander's testimony in which he concludes, based on forward-looking basis projections, that the proposed Atlantic Coast Pipeline could cost ratepayers up to \$3 billion, the Company does not ask the Commission to strike that identical conclusion here. According to its motion in limine, "[t]estimony proposed to be stricken begins with the start of the sentence and concludes with the end of the sentence on each of the referenced lines." Here, the Company asks the Commission to strike lines 5 through 8 on page 49. The sentence in Mr. Lander's testimony that the project could cost up to \$3 billion starts on line 20 of page 48 and *ends* on line 5 of page 49; thus, the Company does not ask the Commission to exclude that conclusion.

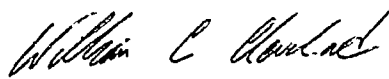
demand during a winter demand spike. Mr. Lander testifies that because it would not connect to the CT plant or plants that would be used to meet that peak demand, the Atlantic Coast Pipeline would not be able to address that demand. Mr. Lander’s testimony on this point is relevant to determining whether the Company has met its statutory obligation to “assure adequate and sufficient reliability of service” and to “[i]dentify a portfolio of electric generation supply resources . . . that is most likely to provide the electric generation supply needed to meet the forecasted demand . . . so that the utility will continue to provide reliable service.” The ability of the Atlantic Coast Pipeline to meet forecasted demand during peak times is relevant to the Commission’s assessment of the reasonableness of the IRP.

CONCLUSION

For these reasons, the Commission should deny the Company’s motion and accept the testimony of Gregory M. Lander in its entirety as relevant to its considerations in this IRP.

DATED: September 21, 2018

Respectfully submitted,

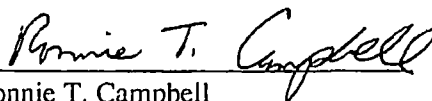


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Counsel for Environmental Respondent

ATTACHMENT A

Virginia Electric and Power Company
Case No. PUR-2018-00065
Environmental Respondents
Eighth Set

The following response to Question No. 3 of the Eighth Set of Interrogatories and Requests for Production of Documents Propounded by the Environmental Respondents received on July 11, 2018 has been prepared under my supervision.



Ronnie T. Campbell
Supervisor - Accounting
Dominion Energy Services, Inc.

Question No. 3

Reference page 70 of the IRP, which states that "the Company has executed a precedent agreement to secure firm transportation services on the Atlantic Coast Pipeline."

- a) Confirm that, if the Atlantic Coast Pipeline is built and put into service, the Company intends to recover the costs of that precedent from its customers through a future fuel factor proceeding.

Response:

The Company intends to recover firm transportation services on the Atlantic Cost Pipeline from its customers through a future fuel factor proceeding.

Virginia Electric and Power Company
Case No. PUR-2017-00051
Environmental Respondents
Sixth Set

The following response to Question No. 20 of the Sixth Set of Interrogatories and Requests for Production of Documents Propounded by the Environmental Respondents received on July 25, 2017 has been prepared under my supervision.



Ted Fasca
Advisor - Generation System Planning
Virginia Electric and Power Company

Question No. 20

Reference the Company's response to ER Set 2-33.

- a) Has the Company performed an analysis in this IRP of whether it can meet its service obligations without using natural gas from the Atlantic Coast Pipeline (regardless of whether the Company's generating assets perform at the same capacity factors as those identified in this year's IRP)?
- b) If not, please explain why.
- c) If so, please provide that analysis.
- d) Does the Company contend that it cannot meet its service obligations without the Atlantic Coast Pipeline?
- e) Does the Company contend that it can meet its service obligations without the Atlantic Coast Pipeline but only by increasing costs to its customers?

Response:

(a)-(c) No, the Company did not perform such an analysis for purposes of this or any prior Plan analysis. The Company's objective in the 2017 Plan is to identify a mix of resources necessary to meet its customers' projected energy and capacity needs in an efficient and reliable manner at the lowest reasonable cost, while considering future uncertainties. The Company's options for meeting these future needs are: i) supply-side resources, ii) demand-side resources, and iii) market purchases. A balanced approach, which includes the consideration of options for maintaining and enhancing rate stability, energy independence, economic development, as well as input from stakeholders, will help the Company meet growing demand while protecting customers from a variety of potential negative impacts and challenges.

(d)-(e) The Company objects to this request as not relevant or reasonably calculated to lead to the production of admissible evidence in this Integrated Resource Plan proceeding on the grounds that the availability and/or development of additional interstate natural gas pipeline capacity resources is not the subject of the Plan, as discussed in the response to subparts (a)-(c) above. Notwithstanding and subject to the foregoing objections, the Company provides the following response.


Natural gas is largely delivered on a just-in-time basis. Current interruptions on any single pipeline are manageable, but as the Company and the electric industry shift to a heavier reliance on natural gas, additional actions, including securing additional firm natural gas pipeline transportation service, are needed to ensure future system reliability and rate stability for customers.

ACP is a geographically diverse pipeline that will provide access to competitively-priced, domestic natural gas supply and will deliver those supplies to strategic points in the Company's service territory. After ACP is completed, it will provide access to natural gas supply basin (Marcellus and Utica) trading hubs such as South Point which historically have exhibited lower price and price volatility than trading hubs in Virginia (see 2017 Plan pages 133-135). The incremental capacity provided by ACP will support a portion of the natural gas needs for the Company's existing power generation with enhanced fueling flexibility and reliability. ACP will also allow for future, lower-cost pipeline capacity expansions with limited environmental impact.

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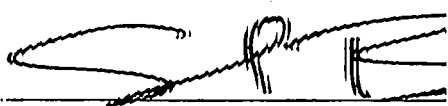
Virginia Electric and Power Company
Case No. PUR-2018-00065
Environmental Respondents
Third Set

The following response to Question No. 18 of the Third Set of Interrogatories and Requests for Production of Documents Propounded by the Environmental Respondents received on June 7, 2018 has been prepared under my supervision.



Ted Fasca
Manager – Generation System Planning
Dominion Energy Virginia

The following response to Question No. 18 of the Third Set of Interrogatories and Requests for Production of Documents Propounded by the Environmental Respondents received on June 7, 2018 has been prepared under my supervision as it pertains to legal matters.



McGuireWoods LLP

Question No. 18

Has the Company evaluated whether it can meet its expected demand for natural gas from 2019 to 2033 using existing natural gas pipeline infrastructure? Provide all supporting data and analyses.

Response:

The Company objects to this request as not relevant or reasonably calculated to lead to the production of admissible evidence in this proceeding on the grounds that the availability and/or development of additional interstate natural gas pipeline capacity resources is not the subject of the Plan. Notwithstanding and subject to these objections, the Company provides the following response:

The Company's objective in the 2018 Plan is to identify a mix of resources necessary to meet its customers' projected energy and capacity needs in an efficient and reliable manner at the lowest reasonable cost, all while considering future uncertainties. The Company's options for meeting these future needs are: (i) supply-side resources, (ii) demand-side resources, and (iii) market purchases. A balanced approach, which includes the consideration of options for

and enhancing rate stability, ensuring energy independence, promoting economic development, and incorporating input from stakeholders, will help the Company meet growing demand while protecting customers from a variety of potential negative impacts and challenges.

See also the Company's response to Staff Set 6-87.

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Virginia Electric and Power Company
Case No. PUR-2018-00065
Environmental Respondents
Eighth Set

The following response to Question Nos. 6 and 7 of the Eighth Set of Interrogatories and Requests for Production of Documents Propounded by the Environmental Respondents received on July 11, 2018 has been prepared under my supervision.

Ted Fasca

Ted Fasca
Manager – Generation System Planning
Dominion Energy Virginia

The following response to Question Nos. 6 and 7 of the Eighth Set of Interrogatories and Requests for Production of Documents Propounded by the Environmental Respondents received on July 11, 2018 has been prepared under my supervision as it pertains to legal matters.

Sal B) for

Vishwa B. Link
McGuireWoods LLP

Question No. 6

Reference the Company's response to ER Set 3-18, which is a yes or no question that the Company has not answered. Has the Company evaluated whether it can meet its expected demand for natural gas from 2019 to 2033 using existing natural gas pipeline infrastructure? If so, provide that evaluation.

Question No. 7

Reference the Company's response to ER Set 3-18. Does the Company maintain that it can meet its expected demand for natural gas from 2019 to 2033 using existing natural gas pipeline infrastructure but that additional firm transportation on the Atlantic Coast Pipeline provides worthwhile benefits that make the cost of the precedent agreement acceptable? If so, provide the cost/benefit analysis supporting that position.

Response:

The Company objects to this request as not relevant or reasonably calculated to lead to the production of admissible evidence in this proceeding on the grounds that the availability and/or development of additional interstate natural gas pipeline capacity resources is not the subject of the Plan nor is it an inquiry the Company is required to conduct to develop the Plan. Notwithstanding and subject to these objections, the Company provides the following response:

Not applicable. The Company's objective in the 2018 Plan is to identify a mix of resources necessary to meet its customers' projected energy and capacity needs in an efficient and reliable manner at the lowest reasonable cost, all while considering future uncertainties. The Company's options for meeting these future needs are: (i) supply-side resources, (ii) demand-side resources, and (iii) market purchases. A balanced approach, which includes the consideration of options for maintaining and enhancing rate stability, ensuring energy independence, promoting economic development, and incorporating input from stakeholders, will help the Company meet growing demand while protecting customers from a variety of potential negative impacts and challenges.

See also the Company's response to Staff Set 6-87.

CERTIFICATE OF SERVICE

I hereby certify that the following have been served with a true and accurate copy of the foregoing via first-class mail, postage pre-paid:

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