

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 8, 2017 SCC-CLERK'S OFFICE  
DOCUMENT CONTROL CENTER

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

2017 SEP - 8 A 11: 31  
CASE NO. PUR-2017-00002

For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 *et seq.*

FINAL ORDER

On January 12, 2017, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity to construct and operate electric transmission facilities in Fairfax County, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Dominion proposes to rebuild, relocate, and replace a number of facilities and lines in and around the Company's existing Idylwood Substation ("Idylwood Station" or "Station") in Falls Church, Virginia (collectively, the "Rebuild Project"). According to the Application, the Company proposes to shift the existing Station footprint within Company-owned property in order to rebuild and rearrange the Idylwood Station from a straight bus arrangement to a breaker-and-a-half arrangement using Gas Insulated Substation ("GIS") bus and breakers.<sup>1</sup>

On January 30, 2017, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, directed the Company to provide notice of its Application to interested persons and the public; provided interested persons the opportunity to

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<sup>1</sup> Ex. 2 (Application) at 2.

comment on the Application or to participate as a respondent in this proceeding; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing Staff's findings and recommendations; scheduled a hearing to receive public witness testimony and other evidence on the Application; and assigned a Hearing Examiner to conduct further proceedings in this matter.

On March 8, 2017, the Fairfax County Board of Supervisors ("Fairfax") filed a notice of participation in this proceeding. On March 13, 2017, Maryl A. Kerley filed a notice of participation in this proceeding.

As noted in the Procedural Order, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed Rebuild Project by the appropriate agencies and to provide a report on the review. On March 24, 2017, DEQ filed with the Commission its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ.<sup>2</sup> The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Recommendations regarding the proposed Rebuild Project. The Company should:

- Follow DEQ's recommendations regarding erosion and sediment control and storm water management, as applicable;
- Follow DEQ's recommendations regarding air quality protection, as applicable;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, as applicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage for updates to the Biotics Data

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<sup>2</sup> Ex. 8 (DEQ Report).

System database if six months have passed before the project is implemented or if the scope of work changes;

- Follow the Department of Aviation's recommendation to coordinate with the Federal Aviation Administration to ensure compliance with federal aviation regulations and determine whether further study of impacts from this project is necessary;
- 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 the Virginia Department of Transportation regarding its questions related to the "Special Exception Plat and 2232 Plan" included in the application.<sup>3</sup>

On May 16, 2017, Fairfax filed its testimony and exhibits which, among other things, addressed the need for the Rebuild Project, the visual impacts of transmission lines terminating at the Idylwood Substation, the use of GIS technology, and tree and soil conservation at the Idylwood Substation.

On May 30, 2017, Staff filed its testimony and exhibits summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion had reasonably demonstrated the need for the proposed Rebuild Project and that the proposed Rebuild Project minimizes incremental impact to existing residences, scenic assets, historic districts, and the environment.<sup>4</sup>

On June 13, 2017, Dominion filed rebuttal testimony which, among other things, stated that the Company generally agrees with the report filed by the Commission Staff,<sup>5</sup> stated that a

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<sup>3</sup> *Id.* at 5. The DEQ Report also noted that the DEQ Northern Regional Office recommended that the Company consider utilizing permeable paving for parking areas and walkways, where appropriate. *See id.* at 8.

<sup>4</sup> Ex. 11 (Upton Direct) Report at 29.

<sup>5</sup> Ex. 12 (Gill Rebuttal) at 2.

third party consultant, Burns and McDonnell, was performing an independent review of the construction bus,<sup>6</sup> addressed the inclusion of a 230 kilovolt ("kV") GIS breaker and other components that relate to a future project,<sup>7</sup> discussed the Company's proposal for the Hybrid Bus as an alternative to the High Bus,<sup>8</sup> and addressed the recommendations in the DEQ report.<sup>9</sup>

On June 19, 2017, the Company filed supplemental rebuttal testimony which addressed certain conclusions in the Burns and McDonnell Report and explained specific segments of the High Bus in response to questions from the public.

On April 3, 2017, a public hearing was held in Fairfax, Virginia. Seven public witnesses testified at the hearing. On May 10, 2017, a public hearing was held in Richmond, Virginia. No witnesses appeared to testify at the hearing.

On June 27, 2017, a hearing was convened in which Dominion, Fairfax, and Staff introduced evidence into the record.<sup>10</sup> Dominion, Fairfax, and Staff, among other things, addressed the issue of the inclusion of components relating to a future project within the scope of the Rebuild Project.<sup>11</sup>

The Report of Howard P. Anderson, Jr., Hearing Examiner ("Report") was entered on August 9, 2017. In his Report, the Hearing Examiner found that:

- (1) The Rebuild Project is needed because based on the 2017 PJM Interconnection, LLC ("PJM") Load Forecast, a North American Electric

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<sup>6</sup> *Id.* at 3-4.

<sup>7</sup> *See, e.g.*, Ex. 12 (Gill Rebuttal) at 5-6; Ex. 13 (Heisey Rebuttal) at 3-6; Ex. 14 (Velazquez Rebuttal) at 6-7.

<sup>8</sup> Ex. 14 (Velazquez Rebuttal) at 3-5.

<sup>9</sup> Ex. 16 (Clements Rebuttal) at 4-9.

<sup>10</sup> Maryl A. Kerley filed a notice of participation but did not otherwise participate in this proceeding.

<sup>11</sup> *See, e.g.*, June 27, 2017 Tr. 17-35.

Reliability Corporation ("NERC") reliability criteria violation would occur in 2022 without the Rebuild Project; it will enable the Company to maintain the overall long-term reliability of its transmission system; and the Rebuild Project would allow the Company to maximize available land at Idylwood Substation to accommodate potential future transmission terminations and transformation;<sup>12</sup>

- (2) The Rebuild Project is justified by the public convenience and necessity;
- (3) The High Bus (as opposed to the Hybrid Bus) should be approved;
- (4) The breaker for the future Idylwood North project should be included in this Rebuild Project;
- (5) The backbone structure, two phase wires and shield wire associated with the future Idylwood North project should not be included in this Rebuild Project;
- (6) The Rebuild Project will maximize the use of existing rights-of-way and no new right-of-way will be required;
- (7) The recommendations contained in the DEQ Report are, with the qualifications set forth in the Report,<sup>13</sup> reasonable and should be adopted by the Commission as conditions of approval;
- (8) The Rebuild Project is essential to support ongoing economic development and to provide reliable electric service in Fairfax County and Northern Virginia;
- (9) The Rebuild Project is not suitable for underground construction; and
- (10) There are no feasible alternatives to the Company's proposed Rebuild Project.<sup>14</sup>

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<sup>12</sup> Report at 23.

<sup>13</sup> See Report at 25. The Hearing Examiner found that the stone used by the Company for parking areas and walkways should be considered permeable, and the Company should not be required to use permeable paving for the Substation area. Further, the Hearing Examiner stated that the Company's coordination with DCR for updates to the Biotics Data System should only be required if twelve months (instead of six months) have passed from the date of the Commission's Final Order before the project commences construction or if the scope of the project involves material changes. *Id.* at 25.

<sup>14</sup> Report at 25-26.

On August 16, 2017, Dominion and Fairfax filed comments on the Hearing Examiner's Report. Dominion stated that the Company supports all of the findings and recommendations contained in the Report but noted one minor correction. Specifically, the proposed Substation layout will provide fifteen, and not twelve, 230 kV breakers in the breaker-and-a-half configuration.<sup>15</sup>

Fairfax stated that: all components not needed for this project should be rejected by the Commission or, alternatively, if the Commission accepts the Hearing Examiner's recommendation that the 230 kV GIS breaker be approved, this should be given no weight in future Dominion transmission line applications;<sup>16</sup> commitments made by Dominion during the Commission process, and during the local zoning site development process should be made legally binding commitments by the Commission;<sup>17</sup> and any finding made by the Hearing Examiner relating to the undergrounding of the Hybrid Bus option should not be extrapolated into or considered with other applications for future transmission lines.<sup>18</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. The Commission finds that a certificate of public convenience and necessity authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

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<sup>15</sup> Comments of Virginia Electric and Power Company on the Report of Howard P. Anderson, Jr., Hearing Examiner filed August 9, 2017, at 1.

<sup>16</sup> Comments by the Fairfax County Board of Supervisors on August 9, 2017 Report of Hearing Examiner at 2-3.

<sup>17</sup> *Id.* at 3-4.

<sup>18</sup> *Id.* at 4.

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 1 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."

The Code further requires that the Commission 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."

#### Public Convenience and Necessity

The Commission finds that the Company's rebuild and reconfiguration of the Idylwood Substation is needed. As found by the Hearing Examiner, the rebuild and reconfiguration is needed because a NERC reliability criteria violation would occur in 2022 without the Rebuild Project, it will enable the Company to maintain the overall long-term reliability of its transmission system, and it will allow the Company to maximize available land at the Idylwood Substation to accommodate potential future transmission terminations and transformation.<sup>19</sup>

The Commission further finds that it will approve, as part of of the Rebuild Project, the additional GIS breaker needed for the Idylwood to Tysons 230 kV transmission line project, for which the Company plans to file an application in the fourth quarter of 2017. Under the specific circumstances of this case and without prejudging the need for any future line, we find that it is prudent to include this component in the instant case for safety reasons during the construction process that would occur if the Idlywood to Tysons transmission line is approved and to limit outages to customers associated with that construction process. We find that the other proposed components, which the Company asserts are needed for the Idylwood to Tysons transmission line — specifically a 75-foot backbone structure, two phase conductors, and shield wires — do

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<sup>19</sup> Report at 23.



not present the same safety and customer concerns as the GIS breaker and therefore are not approved as part of the Rebuild Project.<sup>20</sup>

Additionally, for the reasons set forth in the Hearing Examiner's Report, the Commission finds that the High Bus should be approved.<sup>21</sup>

#### Economic Development

The Commission finds that the Rebuild Project will promote economic development in the Commonwealth of Virginia, including the area of the Rebuild Project, by resolving potential NERC and PJM reliability standard violations and improving the operational performance of the Substation.<sup>22</sup>

#### Rights-of-Way and Routing

Dominion has adequately considered existing rights-of-way. The Rebuild Project, as proposed, would be constructed entirely on property and existing rights-of-way already owned and maintained by the Company.<sup>23</sup>

#### Scenic Assets and Historic Districts

As noted above, the Rebuild Project will be located on property and within existing rights-of-way already owned and maintained by Dominion. The Commission finds that use of the existing route will minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.

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<sup>20</sup> See, e.g., Ex. 13 (Heisey Rebuttal) at 3-6.

<sup>21</sup> Report at 24.

<sup>22</sup> See, e.g., Ex. 11 (Upton Direct) Report at 26.

<sup>23</sup> See, e.g., *Id.* at 24; Ex. 2 (Appendix) at 59.

However, the Company made certain commitments in the record of this case during the course of this proceeding:

- The Company remains committed to discuss necessary corrective measures for the tree save area or any other protective measures for vegetation along the boundaries of the Substation site.<sup>24</sup>
- The Company will implement full protection measures for the tree save area as outlined in the Special Exception approval from Fairfax.<sup>25</sup>
- If evidence of tree mortality becomes apparent, the Company and/or the adjacent property owner can coordinate the appropriate response.<sup>26</sup>
- As part of the Special Exception Amendment ("SEA") application and the early rough grading plan, the Company will work with Fairfax County planning staff to determine and implement supplemental or corrective measures as appropriate.<sup>27</sup>
- The Company remains committed to preserving the tree save area as outlined in the approved Development Conditions. If Fairfax amends the Development Conditions, the Company would commit to additional measures including removing the invasive vines and dead limbs, mulching the tree save area, and planting new understory vegetation as part of the SEA approval. The Company would support a development condition that involves a one-time clean-up of the tree save area and includes supplemental landscaping in the overall bond for landscaping if that is the desire of the Hollycrest and Dominion Heights communities.<sup>28</sup>
- The Company commits to making a re-inventory of the existing trees to determine if they can be retained or should be removed; to evaluating and remediating any degraded soil conditions prior to planting the transitional screening plant material; to monitoring plant health for both off-site trees that may be retained and the new landscaping material; and to maintaining the existing and future trees planted as landscaping on the Substation property.<sup>29</sup>

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<sup>24</sup> Ex. 16 (Clements Rebuttal) at 11.

<sup>25</sup> *Id.* at 11. The Special Exception, approved by Fairfax, permits an electrical substation and telecommunication facility subject to conformance with certain development conditions.

<sup>26</sup> *Id.* at 12.

<sup>27</sup> *Id.* at 14.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.* at 15.

- The Company will remove the gravel and restore the soils in any necessary area.<sup>30</sup>
- The Company will identify where degraded soils may be located and commit to their restoration prior to planting.<sup>31</sup>

We find that the Company shall comply with the commitments as outlined above as a condition of our approval herein. We decline to condition our approval on commitments that may have been made by Dominion in other contexts outside of the record in this case.

#### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild 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.<sup>32</sup> We therefore find that as a condition of our approval herein, Dominion must comply with all of DEQ's recommendations as provided in the DEQ Report with the following exceptions. The Commission adopts the Hearing Examiner's recommendation that the Company shall consult with DCR for updates to the Biotics Data System only if: (i) the scope of the Rebuild Project

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<sup>30</sup> *Id.* at 16.

<sup>31</sup> *Id.*

<sup>32</sup> The DEQ recommendations are set forth above and discussed in Ex. 8 (DEQ Report).

involves material changes, or (ii) 12 months from the date of this Order pass before the Rebuild Project commences construction.<sup>33</sup> The Commission further adopts the Hearing Examiner's recommendation that the stone used by the Company for parking and walkways should be considered permeable. The Company should not be required to use permeable paving for the Substation area.<sup>34</sup> Further, Dominion should be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Rebuild Project.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its 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 request for a certificate of public convenience and necessity to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

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

Certificate No. ET-79oo, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Fairfax County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2017-00002; cancels Certificate No. ET-79nn, issued to Virginia Electric and Power Company on October 19, 2016, in Case No. PUE-2016-00067.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map

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<sup>33</sup> Report at 20.

<sup>34</sup> *Id.* at 25.

that shows the routing of the transmission line approved herein, in addition to the facilities shown on the map for cancelled Certificate No. ET-79nn.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificates of public convenience and necessity issued in Ordering Paragraph (3) with the map attached.

(6) The Rebuild Project approved herein must be constructed and in service by May 31, 2020. The Company, however, is granted leave to apply for an extension for good cause shown.

(7) This matter hereby is dismissed.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:  
Lisa S. Booth, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, Richmond, Virginia 23219; Vishwa B. Link, Esquire, and Jennifer D. Daglio, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; Corinne N. Lockett, Senior Assistant County Attorney and Joanna Faust, Assistant County Attorney, 12000 Government Center Parkway, Suite 549, Fairfax, Virginia 22035-0064; Maryl A. Kerley, 2570 Holly Manor Drive, Falls Church, Virginia 22043; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 North 9th Street, Richmond, Virginia 23219. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.