

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 8, 2020

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2020-00014

For approval and certification of electric
transmission facilities: Chesterfield-Tyler 230 kV
Transmission Lines #205 and #2003 Partial
Rebuild Project

FINAL ORDER

On January 28, 2020, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and a certificate of public convenience and necessity ("CPCN") to construct and operate electric transmission facilities in Chesterfield 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, entirely within existing right-of-way or on Company-owned property in Chesterfield County, Virginia: 3.2 miles of existing 230 kilovolt ("kV") Chesterfield-Locks Line #205 and Chesterfield-Poe Line #2003 from the Company's existing Chesterfield Substation, located on Dominion's Chesterfield Power Station site, to Structure #205/19A, #2003/25, which is located approximately 0.6 mile south of the Company's existing Tyler Substation (collectively, the "Rebuild Project").¹

¹ Application at 2.

The Rebuild Project includes the replacement of 25 structures, currently ranging in height from 42 feet to 160 feet, with an average height of 109.4 feet.² As proposed, the new structures³ for the Rebuild Project would range in height from 50 feet to 160 feet, with an average height of 111.7 feet.⁴

Dominion explains that the lines that make up the Rebuild Project predominantly share double circuit COR-TEN® steel lattice towers that were constructed in 1962.⁵ These towers have been identified for rebuild based on the Company's assessment consistent with its planning criteria, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.⁶ Dominion states that it retained Quanta Technology ("Quanta") to evaluate the condition of its COR-TEN towers.⁷ According to Dominion, the 2016 Quanta Report confirms the need to rebuild the COR-TEN section of Lines #205 and #2003.⁸

Dominion seeks an in-service date for the Rebuild Project of December 31, 2022, subject to Commission approval and outage scheduling.⁹ Dominion estimates the Rebuild Project to cost approximately \$11.1 million, which includes approximately \$10.8 million for

² Application, Appendix at 94.

³ The new structures comprise 25 replacement structures and one new structure.

⁴ Application, Appendix at 94.

⁵ Application at 2.

⁶ *Id.* at 2-3.

⁷ *Id.* at 3.

⁸ *Id.*

⁹ *Id.*

transmission-related work and approximately \$0.3 million for substation-related work (2019 dollars).¹⁰

On March 3, 2020, the Commission issued an Order for Notice and Comment ("Procedural Order"), which, among other things, docketed the Application, directed Dominion to publish notice of its Application, and invited comments, notices of participation, and requests for hearing from interested persons. The Order further directed the Commission Staff ("Staff") to investigate the Application and to file a Staff Report containing Staff's findings and recommendations.

The Commission received no public comments, requests for hearing, or notices of participation in this case.

As noted in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On March 31, 2020, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. 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 Findings and Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

- Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams (Environmental Impacts and Mitigation, item 1(b), pages 8, 9, and 10).
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels (Environmental Impacts and Mitigation, item 6(c), page 15).

¹⁰ *Id.*

- Evaluate identified Pollution Complaint cases and their potential to impact the proposed project (Environmental Impacts and Mitigation, item 7(d)(i), page 18).
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable (Environmental Impacts and Mitigation, item 7(d)(ii), page 18).
- Coordinate with the Department of Conservation and Recreation for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the [Rebuild P]project construction to avoid and minimize impacts to natural heritage resources (Environmental Impacts and Mitigation, item 8(c)(i), page 19).
- Coordinate with the Department of Game and Inland Fisheries as necessary regarding the general protection of wildlife resources (Environmental Impacts and Mitigation, item 8(c)(ii), page 19).
- Coordinate with the Virginia Outdoors Foundation should the Project change or if construction does not begin within 24 months of this response (Environmental Impacts and Mitigation, item 9(c), page 20).
- Employ best management practices (BMPs) and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources (Environmental Impacts and Mitigation, item 10(d), page 20).
- Follow the principles and practices of pollution prevention to the extent practicable (Environmental Impacts and Mitigation, item 14, pages 22-23).
- Limit the use of pesticides and herbicides to the extent practicable (Environmental Impacts and Mitigation, item 15, page 23).¹¹

On May 1, 2020, Staff filed its Staff Report summarizing the results of its investigation of Dominion's Application. Staff concludes that Dominion has reasonably demonstrated the need to construct the proposed Rebuild Project, which appears to reasonably minimize impacts to

¹¹ DEQ Report at 6-7.

existing residences, scenic assets, historic districts, and the environment.¹² Staff does not oppose the Company's request that the Commission issue the CPCN required for the Rebuild Project.¹³ However, Staff recommends that the cost associated with two specific components of the Rebuild Project not be included in the stated cost of the Rebuild Project: (i) a proposed pole replacement and conductor transfer associated with Line #211 and Line #228, and (ii) the proposed acquisition of a buffer easement near the Tyler Substation.¹⁴

On May 15, 2020, Dominion filed its Limited Response in Rebuttal ("Response"). The Company does not object to the recommendations set forth in the DEQ Report.¹⁵ The Company also responded to the Staff Report and does not oppose Staff's recommendation of excluding the specified associated costs from the total project cost estimate.¹⁶ Adopting Staff's recommendation would revise the estimated Project cost to \$10.7 million.¹⁷

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 CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Approval

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

¹² See, e.g., Staff Report at 14.

¹³ *Id.*

¹⁴ See, e.g., *id.* at 7-8, 10-11, 14.

¹⁵ Dominion Response at 1.

¹⁶ *Id.* at 2.

¹⁷ *Id.*

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 ("ROW") 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 proposed Rebuild Project is needed to replace aging infrastructure to maintain the overall long-term reliability of the Company's transmission system.¹⁸

Economic Development

We find that the evidence in this case demonstrates that the Rebuild Project will facilitate economic growth in the Commonwealth by continuing to provide reliable electric service in the Rebuild Project area.¹⁹

Rights-of-Way and Routing

We find that Dominion has adequately considered existing ROW and that the Company's selection of the route for the Rebuild Project is reasonable. The Rebuild Project, as proposed, would be constructed on existing ROW already owned and maintained by the Company.²⁰

Scenic Assets and Historic Districts

We further find that use of the existing route would minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.²¹

¹⁸ See, e.g., Application at 2-3, Appendix at 2-5; Staff Report at 2-6.

¹⁹ See, e.g., Staff Report at 1, 6-7.

²⁰ See, e.g., Application at 3.

²¹ See, e.g., Application at 4, Appendix at 117-120; Staff Report at 12-13.

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, we consider the Rebuild Project's impact on the environment and 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.

We find that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. This finding is supported by the DEQ Report submitted in this case. The Company does not oppose any of the recommendations included in the DEQ Report for the Commission's consideration.²² We find as a condition to this CPCN, Dominion shall comply with all recommendations included in the DEQ Report.

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 CPCN 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 CPCN to Dominion:

Certificate No. ET-73x, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Chesterfield County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00014, cancels Certificate No. ET-73w, issued to Virginia Electric and

²² See, e.g., DEQ Report at 6-7; Dominion Rebuttal at 1.

Power Company in Case No. PUR-2018-00082 on December 21, 2018.

(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 that shows the routing of the transmission line approved herein.

(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 CPCN issued in Ordering Paragraph (3) with the map attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 31, 2022. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter hereby is dismissed.

A COPY hereof shall be electronically 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.