

STATE CORPORATION COMMISSION

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2020-00080

For approval and certification of electric transmission facilities: Bristers-Chancellor Line #552 and Chancellor-Ladysmith Line #581
500 kV Transmission Line Rebuild and Related Projects

FINAL ORDER

On May 15, 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 certificates of public convenience and necessity ("CPCNs") to construct and operate electric transmission facilities in Fauquier, Stafford, Spotsylvania, and Caroline Counties, 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 seeks to rebuild, entirely within existing right of way, approximately 36.7 miles of existing 500 kilovolt ("kV") transmission Lines #552 and #581 (collectively, "Rebuild Project").¹ Specifically, the Company proposes:

- (1) to rebuild, entirely within existing right of way, approximately 21.5 miles of existing 500 kV Bristers-Chancellor Line #552, which runs from Dominion's existing Bristers Switching Station in Fauquier County, Virginia, to its existing Chancellor Substation in Spotsylvania County, Virginia;
- (2) to rebuild, entirely with existing right of way, approximately 15.2 miles of existing 500 kV Chancellor-Ladysmith Line #581, which runs from Dominion's existing Chancellor Substation in Spotsylvania County, Virginia, to its existing Ladysmith Switching Station in Caroline County, Virginia, and which includes

¹ Ex. 2 (Application) at 2.

the rebuild of approximately 1.2 miles of 115 kV transmission Chancellor-Spotsylvania Line #198, which is co-located with Line #581 on Structures #581/2 to #581/7; and

- (3) to perform minor substation work at the existing Bristers Switching Station, Chancellor Substation, and Ladysmith Switching Station.²

Dominion states that the Rebuild Project is necessary to maintain the structural integrity and reliability of its transmission system in compliance with mandatory North American Electric Reliability Corporation Reliability Standards.³ The Company further states that the Rebuild Project will replace aging infrastructure that is at the end of its service life.⁴

The Company states that the desired in-service date for this project is December 31, 2023.⁵ The Company represents that the estimated conceptual cost of the Rebuild Project (in 2020 dollars) is approximately \$107.8 million, which includes approximately \$98.6 million for transmission-related work and approximately \$9.2 million for substation-related work.⁶

On June 15, 2020, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which, among other things, docketed the proceeding; directed the Company to provide notice of its Application to the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; scheduled public hearings; and directed the Commission's Staff ("Staff") to investigate the Application and to file testimony containing Staff's findings and recommendations.

No written public comments or notices of participation were filed.

² *Id.*

³ *Id.*

⁴ *Id.* at 2-3.

⁵ *Id.* at 3.

⁶ *Id.* at 4.

As also directed 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 July 29, 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 Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

- Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow 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 recommendations regarding the evaluation of waste sites.
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage regarding its recommendations to protect natural heritage resources and obtain an update on natural heritage information.
- Coordinate with the Department of Wildlife Resources ("DWR") regarding its recommendations to protect listed mussels and other wildlife resources, and conduct mussel surveys.
- Coordinate with the Virginia Outdoors Foundation ("VOF") regarding its recommendation to lower tower heights to reduce the potential negative impact to the viewshed.
- Coordinate with the Virginia Department of Health regarding its recommendations 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.

- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources.⁷

On October 8, 2020, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed Rebuild Project to continue providing reliable electric transmission service.⁸ Staff, therefore, did not oppose the issuance of the CPCNs requested in the Company's Application.⁹

On October 29, 2020, Dominion filed its rebuttal testimony. In its rebuttal, the Company did not object to most of the recommendations included in the DEQ Report but requested that the Commission reject two of DEQ's recommendations.¹⁰ Dominion also offered clarifications for two aspects of the DEQ Report.¹¹

On November 13, 2020, Dominion and Staff (collectively, "Stipulating Participants") filed a Proposed Amended Stipulation enumerating the documents and evidence that they recommended be entered into the evidentiary record for consideration in this case.¹² The Stipulating Participants also recommended that the record for this proceeding close without the necessity of a hearing.¹³ On November 17, 2020, upon consideration of the filings in this case,

⁷ Ex. 7 (DEQ Report) at 6.

⁸ Ex. 8 (Dodson Direct) at Staff Report, p. 17.

⁹ *Id.*

¹⁰ *See* Ex. 9 (Baka Rebuttal) at 2-3; Ex. 10 (Studebaker Rebuttal) at 3.

¹¹ *See* Ex. 9 (Baka Rebuttal) at 4; Ex. 10 (Studebaker Rebuttal) at 2-3.

¹² Ex. 12 (Proposed Amended Stipulation) at 1-3. After filing a Proposed Stipulation on November 12, 2020, the Stipulating Participants filed a Proposed Amended Stipulation on November 13, 2020, providing additional information requested by the Hearing Examiner. *Id.* at 1.

¹³ *Id.* at 4.

including the Proposed Amended Stipulation, and the fact that no member of the public signed up to testify on the Application, the Hearing Examiner issued a Ruling canceling the November 18, 2020 public witness hearing and the November 19, 2020 evidentiary hearing.

On November 24, 2020, the Hearing Examiner issued his report ("Report"). In the Report, the Hearing Examiner recommended that the Commission authorize the Company to construct and operate the Rebuild Project, subject to certain findings and conditions included in the Report, and issue appropriate CPCNs for the Rebuild Project.¹⁴ No comments opposing the findings and recommendations set forth in the Report were filed.

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 CPCNs 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.

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."

¹⁴ Report at 16.

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

Dominion represents that the Rebuild Project is necessary to replace aging infrastructure that is at the end of its service life to comply with the Company's mandatory transmission planning criteria, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.¹⁵ Based on information provided by the Company, Staff agreed with the Company that the Rebuild Project is needed in order to continue providing reliable electric transmission service.¹⁶ The Commission finds that the Company's proposed Rebuild Project is needed to replace aging infrastructure, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.

Economic Development

The Commission finds that the evidence in this case demonstrates that the Rebuild Project will support reliable power throughout Virginia, thereby facilitating economic growth in the Commonwealth by continuing to provide reliable electric service.¹⁷

Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Rebuild Project, as proposed, would be constructed on existing ROW or on Company-owned property, with no additional ROW required.¹⁸

¹⁵ See Ex. 2 (Application) at 2-3.

¹⁶ Ex. 8 (Dodson Direct) at Staff Report, pp. 3-7, 17.

¹⁷ See *id.* at 14.

¹⁸ See Ex. 2 (Application) at Appendix, p. 50. The Company represented that no alternative routes were thus proposed for the Rebuild Project. *Id.*

Scenic Assets and Historic Districts

As noted above, the Rebuild Project would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that this 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.¹⁹

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. This finding is supported by the DEQ Report, as nothing therein suggests that the Rebuild Project should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration.²⁰ The Company filed a response opposing two of these recommendations.

First, the Company recommends rejection of DWR's recommendation to conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season.²¹ Dominion states that it does not expect any ground clearing activities to be

¹⁹ See Ex. 2 (Application) at Appendix, pp. 213-275; Ex. 8 (Dodson Direct) at Staff Report, pp. 15-17.

²⁰ See Ex. 7 (DEQ Report) at 6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that Dominion and DEQ, or other appropriate state agency or municipality, reach agreement that certain recommendations included in the DEQ Report are not necessary or have been adequately addressed elsewhere, we find that Dominion need not comply with those specific recommendations.

²¹ Ex. 7 (DEQ Report) at 21; Ex. 10 (Studebaker Rebuttal) at 3.

"significant."²² The Company agrees, however, to survey the relevant area for songbird nesting colonies if any significant clearing occurs during nesting season and will coordinate with DWR if any colonies are found.²³ We agree with the Hearing Examiner and find that the Company shall coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird colonies are found during a Company survey of the Rebuild Project area.²⁴

Second, Dominion objects to VOF's recommendation of a reduction in height to towers 552/201, 552/200, and 552/199 to reduce the potential negative impact to the viewshed that Commonwealth citizens enjoy from the public access easement SPT-02592.²⁵ The Company states that it developed an alternative engineering design for the rebuild project to address this concern.²⁶ The Company further represents that it received a letter from VOF stating that upon consideration of this alternative, VOF preferred the design included in the Application.²⁷ We agree with the Hearing Examiner and reject this recommendation.²⁸

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.

²² Ex. 10 (Studebaker Rebuttal) at 3.

²³ *Id.*

²⁴ *See* Report at 16.

²⁵ Ex. 7 (DEQ Report) at 23; Ex. 9 (Baka Rebuttal) at 2-3.

²⁶ Ex. 9 (Baka Rebuttal) at 2-3.

²⁷ *Id.* The Company included this letter with Mr. Baka's rebuttal testimony as Schedule 1. *See id.* at Rebuttal Schedule 1.

²⁸ *See* Report at 15.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCNs 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 CPCNs to Dominion:

Certificate No. ET-DEV-FAU-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Fauquier County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-80q, issued to Virginia Electric and Power Company in Case No. PUE-2015-00117 on August 29, 2017.

Certificate No. ET-DEV-FBX/SPO-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the City of Fredericksburg and Spotsylvania County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-111h, issued to Virginia Electric and Power Company in Case No. PUE880095 on November 13, 1989.

Certificate No. ET-DEV-KGE/STA-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the Counties of King George and Stafford, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-88g, issued to Virginia Electric and Power Company in Case No. PUE-2011-00113 on October 4, 2012.

Certificate No. ET-DEV-CLN-2021-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Caroline County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2020-00080, cancels Certificate No. ET-70g, issued to Virginia Electric and Power Company in Case No. PUE-2008-00002 on September 5, 2008.

(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 for each Certificate that shows the routing of the transmission lines approved herein.

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCNs issued in Ordering Paragraph (3) with the maps attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 31, 2023. 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 is dismissed.

A COPY hereof shall be sent electronically 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.