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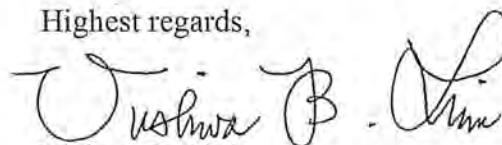
*Application of Virginia Electric and Power Company
For approval and certification of electric transmission facilities:
Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation
Case No. PUE-2015-00107*

Dear Mr. Peck:

Enclosed please find for filing in the above-captioned proceeding, an unbound original and one (1) copy of the public version of Virginia Electric and Power Company's *Response to Petitions for Rehearing or Reconsideration*. A confidential version is being filed under seal under separate cover.

Please do not hesitate to call if you have any questions in regard to the enclosed.

Highest regards,


Vishwa B. Link

Enc.

cc: Hon. Glenn P. Richardson, Hearing Examiner
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Service List

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF)	
)	
VIRGINIA ELECTRIC AND POWER COMPANY)	Case No. PUE-2015-00107
)	
For approval and certification of electric)	
transmission facilities: Haymarket 230 kV)	
Double Circuit Transmission Line and)	
230-34.5 kV Haymarket Substation)	

**VIRGINIA ELECTRIC AND POWER COMPANY'S
RESPONSE TO PETITIONS FOR REHEARING OR RECONSIDERATION**

Pursuant to the State Corporation Commission of Virginia's ("Commission") July 25, 2017 Order on Requested Abeyance, Virginia Electric and Power Company ("Dominion Energy Virginia" or "Company"), by counsel, hereby provides the following response to the requests for rehearing or reconsideration filed by the Coalition to Protect Prince William County ("Coalition") and Somerset Crossing Homeowners Association ("Somerset") ("Coalition Petition" and "Somerset Petition;" together, "Petitions").

Summary of Argument

Dominion Energy Virginia respectfully requests the Commission deny the Petitions. The need for the Haymarket Project has been established in the record and, other than timing based on delays in permitting, that need has not diminished since the evidentiary hearing. In fact, to the extent this Commission considers evidence from outside the record, the need for this Project has grown. The data center campus in Prince William County, Virginia is continuing to be developed and will result in large block load additions, which the Company cannot serve without a new transmission solution. What is more, additional new development in the area has been approved and announced, which further reinforces the need for – and benefits of – this Project.

Beyond need, all other arguments raised in the Petitions are substantially the same as those made during the case. Those issues were briefed fully, subject to recommendations by the Hearing Examiner, and addressed and decided by the Commission. Petitioners offer no legal basis or sound reasoning for granting reconsideration of the Final Order.

Background

On November 6, 2015, the Company filed an application (“Application”) with the Commission for a certificate of public convenience and necessity (“CPCN”) for the proposed Haymarket 230 kilovolt (“kV”) double circuit transmission line and 230-34.5 kV Haymarket Substation pursuant to Va. § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 *et seq.* The Company proposed to: (i) convert its existing 115 kV Gainesville-Loudoun Line #124, located in Prince William and Loudoun Counties, to 230 kV operation; (ii) construct in Prince William County, Virginia and the Town of Haymarket, Virginia a new 230 kV double circuit transmission line to run approximately 5.1 miles from a tap point on the converted Line #124 approximately 0.5 mile north of the Company’s existing Gainesville Substation to a new 230-34.5 kV Haymarket Substation; and, (iii) construct a 230-34.5 kV Haymarket Substation on land in Prince William County to be owned by the Company (collectively, the “Haymarket Project” or “Project”).

The Company submitted for consideration a total of five routes: (1) the Proposed I-66 Overhead Route; (2) the Carver Road Alternative Route; (3) the Madison Alternative Route; (4) the I-66 Hybrid Alternative Route; and, (5) the Railroad Alternative Route. The Company originally selected the Railroad Route as its preferred option due to the collocation opportunity with an existing railroad corridor and the ability to route the line such that it would have a large

screen of trees and have less of a visual impact on homeowners and the public.¹ After the Company presented this route to the community, however, to try to block the route, Somerset donated a parcel of land to Prince William County (“County”) for the dedication of an open space easement across the Railroad Route, which the County accepted. Thereafter, the County announced its intention of “defending” the easement against the transmission line crossing.² In doing so, Somerset and the County appeared to have rendered the Railroad Route unable to be built.³ The Carver Road and Madison Routes were developed in response to Somerset and the County’s actions to block the Railroad Route.⁴

The evidentiary hearing commenced on June 21, 2016, at the Commission before the Honorable Glenn P. Richardson. The Hearing Examiner issued his Report on November 15, 2016 (“Hearing Examiner’s Report”), which recommended to the Commission, among other things, that there is a need for the Project, that the overhead Carver Road Route reasonably minimizes impacts and should be the approved route, and to issue Dominion Energy Virginia a CPCN to construct and operate the Project.⁵

On April 6, 2017, the Commission entered its Interim Order, which, among other things, found that the public convenience and necessity require the Company to construct the Haymarket Project and that a CPCN should be issued authorizing the Project.⁶ The Commission found that the Project is needed,⁷ and that, with respect to routing, “both the Railroad Route and the Carver

¹ See, e.g., Exhibit (“Ex.”) 3 at 47-48; Transcript 599:1-11.

² See Exhibit 3 (Appendix) at 50.

³ Interim Order at 14-15.

⁴ Ex. 17 (McCoy) at 3:6-8.

⁵ Hearing Examiner’s Report at 61-80.

⁶ Interim Order at 7.

⁷ *Id.* at 10.

Road Route meet the statutory criteria in this case.”⁸ The Interim Order also explained how, though both routes met the statutory criteria for approval, the Commission found the Railroad Route preferable to the Carver Road Route due to its lesser impact on local residences at a cost that is comparable (and actually \$7 million less) than the Carver Road Route.⁹ Due to the presence of the above-referenced open space easement acquired by the County on property along the Railroad Route, the Commission directed the Company to request the necessary authority from the County to cross that easement, and to report back to the Commission within 60 days.¹⁰

Following the issuance of the Interim Order, the Company had discussions with representatives from the County to find potential areas of coordination and agreement. On May 3, 2017, the Company sent a letter to the County formally requesting that the County “take, or provide a written commitment to take and expeditiously complete, the necessary actions to remove any legal constraints to the construction and operation of the Project on the Railroad Route.”¹¹

On June 1, 2017, the Prince William Board of County Supervisors (“Board”) held a meeting to consider Dominion Energy Virginia’s request. At the conclusion of this meeting, the Board unanimously approved a resolution that, among other things, rejected the Company’s request to remove the legal constraints allowing for the construction of the Railroad Route,

⁸ *Id.* at 11. In making these findings, the Commission compared the Railroad and Carver Road Routes to the I-66 Overhead Route, but did not appear to rule on whether the I-66 Overhead Route met the statutory criteria, and stated that the “I-66 Overhead Route is not the best alternative when compared to the Railroad and Carver Road Routes.” *Id.* at 15. The Commission did not discuss the Madison Route. With regard to the I-66 Hybrid Alternative, however, the Commission spent over three pages applying the statutory requirements to and weighing the competing factors regarding that route, rejected it, and stated that the “Commission finds that the costs and adverse impacts attendant to the I-66 Hybrid Route are neither reasonable nor in the public interest” and thus concluded that it does not “best serve the overall public interest.” *Id.* at 15-19.

⁹ *Id.* at 13-14.

¹⁰ *Id.* at 14-15.

¹¹ Dominion Energy Virginia’s Update to the Commission (June 5, 2017) at Attachment 1.

thereby making that route no longer feasible.

On June 5, 2017, the Company filed its Update to the Commission notifying the Commission that construction of the Railroad Route was not feasible due to the legal inability to procure the necessary rights-of-way.

On June 23, 2017, the Commission entered its Final Order wherein the Commission restated “that the proposed Project is needed,”¹² and it “approve[d] construction and operation of the proposed Project along the Carver Road Route.”¹³

On July 13, 2017, the Coalition and Somerset separately filed the Petitions. The following day, the Commission granted reconsideration solely “for the purpose of continuing jurisdiction over this matter and considering the above-referenced requests.”¹⁴ The Commission suspended the Final Order pending its consideration of the Petitions.¹⁵

On July 24, 2017, the Commission issued its Order Directing Additional Pleadings, directing the Company to file a response to the Petitions on or before August 7, 2017, and directing the Coalition and Somerset to file separate replies on or before August 14, 2017. That same day, the Company filed a Motion to Hold Proceeding in Abeyance for 60 Days and Expedited Consideration in which the Company requested, among other things, 60 days to coordinate with the County on the constructability of the Carver Road Route.

On July 25, 2017, the Commission issued its Order on Requested Abeyance, in which it altered the prior procedural schedule to require the Company to file a response to the Petitions on or before August 16, 2017, and the Coalition and Somerset to file separate replies on or before

¹² Final Order at 3.

¹³ *Id.* at 3-4. The Commission further noted that, as stated in the Interim Order, it also approved the described variation to the Carver Road Route, if needed. *Id.*

¹⁴ July 14, 2017 Order Granting Reconsideration.

¹⁵ *Id.*

September 8, 2017. The Commission further directed the Company to file a report with the Commission by September 22, 2017, regarding its coordination with the County on the Carver Road Route.

Argument

A. The need for the Project has been established in the record and, other than timing based on delays in permitting, it has not diminished since the evidentiary hearing.

1. *The Company and the Commission must consider all current and projected future loads from all customers in determining the need for a transmission project.*

Petitioners continue to insist that the Company and Commission can and should cherry pick which electric customers matter and ignore the Customer's¹⁶ electric demand and, therefore, find that no new facilities are needed. This argument was rejected by both the Hearing Examiner and Commission.

The Hearing Examiner carefully examined the exact issues raised in the Petitions and concluded that not only should the Company not cherry pick customers when evaluating current and projected loads, but cannot do so. He explained:

I further find that it would be improper to ignore the load of the Customer's new data center, as some parties and public witnesses suggest, when determining whether the proposed transmission line is "needed" under § 56-46.1 B of the Code. The plain language of the statute does not draw a distinction between new large block load customers, such as the Customer's new data center in this case, and a public utility's other smaller load customers when determining whether a new transmission line is needed.

Accordingly, the need for a new transmission line must be determined based on the aggregate load of all customers in the load area, including large block load customers, smaller load customers, as well as future projected load growth. *Any attempt to determine need by "cherry picking" which customer loads or customer classes should be included in a need analysis has no support in the plain language of the statute, or in past Commission precedent.*

¹⁶ The term "Customer" has been used throughout this proceeding to mean the developer of a data center campus on 44 acres in the County.

Additionally, such a selective and segmented approach for determining need would have absolutely no bearing on when and where new transmission infrastructure is needed. When determining whether a transmission line is needed under § 56-46.1 B of the Code, all existing loads and future projected loads, regardless of size, must be considered.¹⁷

The Commission agreed.¹⁸ The Petitioners have not pointed to any flaw in the Hearing Examiner's analysis or reasoning, or the Commission's agreement therewith, but instead have only restated the same rejected arguments, which is insufficient justification for a rehearing.¹⁹ Moreover, the record amply demonstrates that, when considering all existing and future projected loads, the Haymarket Project is needed.²⁰ The Commission agreed, and twice found that the "proposed Project is needed."²¹

Petitioners also continue to attempt to paint the Customer's request for electric service as some kind of "private contract" between Dominion Energy Virginia and the Customer,²² as though this somehow would change or nullify the need for the Project. As a regulated public utility, Dominion Energy Virginia is charged by the Code of Virginia with a legal duty to furnish reasonably adequate electric service and facilities at just and reasonable rates established by the Commission to "*any person, firm or corporation along its lines desiring same.*"²³ No authority

¹⁷ Hearing Examiner's Report at 62-63 (emphasis added).

¹⁸ Interim Order at 10.

¹⁹ See *Application of Po River Water & Sewer Co. For a rate increase pursuant to Virginia Code § 56-265.13: 1 et seq.*, Case No. PUE-1995-00091, Order Denying Rehearing ("In support of their requests, neither IACT nor Po River raise any new arguments that we have not already considered and rejected. In short, nothing in either petition persuades us that we should alter our decision regarding the appropriate level of rates.") ("*Po River*").

²⁰ See, e.g., Ex. 3 (Appendix) at 1-4; Ex. 4 (Gill Direct) at 8-10; Ex. 19 (Joshipura Direct) at 5-8, 22; Ex. 6 (Potter Direct) at 3-4; Ex. 28 (Gill Rebuttal) at 14-15; Ex. 39 (Potter Rebuttal) at 6-7; Tr. at 109-114, 233-34, 432-34, 461-69; Dominion Energy Virginia Post-Hearing Brief at 11-19.

²¹ Interim Order at 10; Final Order at 3.

²² Somerset Petition at 3; Coalition Petition at 8.

²³ Va. Code § 56-234 (emphasis added). The term "service" is to be understood in "its broadest and most inclusive sense and includes not only the use and quality of accommodations afforded consumers or patrons, but also any product or commodity furnished by any public utility and equipment, apparatus, appliances and facilities devoted to

is given to a public utility to refuse service to *any* customer requesting it.²⁴ The Company has acted legitimately to serve its retail Customer, just as it would any new residential or commercial customer, and the only “contracts” that exist are on this basis. No legitimate factual or legal arguments have been presented to the contrary.²⁵ Furthermore, the Company has acted properly on behalf of all customers in the Haymarket Load Area to adequately maintain reliable service in a growing area.

The Customer is developing a data center campus “along [the Company’s] lines” in Prince William County – after working with the County’s economic development department and siting there by right²⁶ – and “desir[es] service.” Accordingly, the Company *must* act to serve the Customer’s load and deliver adequate electric service and facilities as recognized by the Hearing Examiner:

[I]nterpreting need in the manner suggested by some of the parties and public witnesses in this case would prevent Dominion from performing its statutory duties as defined by the General Assembly. Section 56-234 of the Code requires Dominion “to furnish reasonably adequate service at reasonable and just rates to any person, firm or corporation along its lines desiring same.” Excluding large block load customers, such as the Customer’s new data center load when conducting a needs analysis, would put Dominion and the Customer in a “Catch 22” regulatory situation. In other words, the Customer needs additional power for its new data center operations, Dominion has a statutory obligation to provide such power, but Dominion would be prevented from doing so because the line is not needed to serve Dominion’s other customers. Such an interpretation of § 56-46.1 B of the Code not

the purposes in which such public utility is engaged and to the use and accommodation of the public.” Va. Code § 56-233.

²⁴ *Business Aides, Inc. v. Chesapeake & Potomac Tel. Co.*, 480 F.2d 754, 757 (4th Cir. 1973) (holding both Va. Code § 56-234 and the public utility’s tariff direct the company to supply authorized service anywhere along its lines as requested and do not permit refusal).

²⁵ Both Somerset and the Coalition claim that “Dominion has not acted as a public utility, but rather as a private speculator.” There is no basis for such inflammatory and derisive remarks and they should be disregarded by the Commission.

²⁶ Tr. 362.

only defies logic, it also would create a statutory conflict between §§ 56-461 B and 56-234 of the Code.²⁷

The Commission agreed.²⁸ Petitioners offer no legal support or rational argument as to why the Hearing Examiner's analysis and finding and the Commission's conclusions should be disturbed.²⁹

2. Petitioners' facts from outside of the record regarding an alleged change in need are incorrect.

To the extent the Commission deems it appropriate to look outside of the record of this proceeding when considering the Petitions, the Company has confirmed with the Customer that its development of the data centers is continuing and has not diminished or gone away. Petitioners' statements to the contrary rely solely on misunderstandings of certain statements made by the Customer's outside counsel at a March 8, 2017, meeting held by U.S. Army Corps of Engineers ("Corps"), and similar unsubstantiated claims by members of the Board.

By way of background, and as discussed throughout this case before the Commission, the Customer's data center campus consists of four buildings – an Existing building (which currently is operating as a data center); Building 1 (which the Customer has constructed since the case was before the Commission, and currently is operational as a data center); and, Buildings 2 and 3,

²⁷ Hearing Examiner's Report at 63. Somerset and the Coalition both misstate Staff's position as it relates to the need. They claim "[S]taff recognized that the proposed Transmission Line's construction to serve a single customer's projected load raises doubt that there is a need for the Transmission Line that is in the public interest." A review of Staff's Comments cited by the Petitioners (dated December 6, 2016 at pp. 3-4), reveals that the Staff was not claiming the need for a transmission line cannot be driven by one customer. Staff actually raises issues of equitable cost allocation, not need. While the Company does not agree with Staff's position on cost allocation, it is important for the Commission to realize that the Petitioners are mischaracterizing Staff's positions. To be clear, Staff recognized the need and recommended the Project be granted a CPCN. Staff's Post-Hearing Brief at 7 (recognizing the Company's obligation to provide service to all customers that request it, including the Customer, and stating: "because here that service can only adequately be provided by the construction of the Project, including a new 230 kV transmission line, the Commission should grant the CPCN").

²⁸ Interim Order at 10.

²⁹ *Po River*, *supra* note 19.

which are in the permitting process before the Corps.³⁰

The March 8, 2017, meeting was in furtherance of the Corps' compliance with the National Historic Preservation Act's ("NHPA") Section 106 consultation requirements to consider the impacts on historic properties related to the Corps' issuance of a Clean Water Act Section 404 permit to the Customer for its proposed filling of wetlands for its construction and operation of Buildings 2 and 3.³¹ Specifically, the purpose of NHPA Section 106 consultation "is to identify historic properties potentially affected by the undertaking [(in this case, the Corps' issuance of a permit to the Customer)], assess its effects and seek ways to avoid, minimize or mitigate any adverse effects on historic properties."³² The Company recently contacted the Customer's outside counsel regarding what was, and was not, said at this meeting. The Customer's outside counsel's response is included with this Response at Attachment 1.³³

According to the Lloyd Letter, during the meeting, consulting parties raised issues related to whether the Corps had determined the scope of its NHPA review appropriately, and whether the Customer violated NHPA Section 110(k) by constructing Building 1 and performing certain clearing activities at the site before the Corps completed its NHPA Section 106 consultation process for Buildings 2 and 3.³⁴ As set out in a recent Corps letter that ultimately addressed

³⁰ Specifically, the Customer has sought a State Program General Permit (12-SPGP-01) from the Corps to discharge fill material into 991 linear feet of stream channel and 0.10-acre palustrine forested wetlands as well as the temporary discharge of fill into 14 linear feet of stream channel. State Program General Permits are used for projects with minimal impacts to wetlands, and provide a streamlined process by which the Corps and Virginia Department of Environmental Quality ("VDEQ") review the permit application, with VDEQ performing most of the review and actually issuing the permit, but under which the Corps must participate and comply with the NHPA Section 106 consultation requirements. *See* VDEQ, State Program General Permit, at <http://www.deq.virginia.gov/Programs/Water/WetlandsStreams/Permits/SPGP.aspx> (last visited Aug. 8, 2017); *see* Corps, Midwood Project Permit Application, at <http://www.nao.usace.army.mil/Missions/Regulatory/Midwood/> (last visited Aug. 8, 2017).

³¹ *See* Coalition Petition at 3-4 and the Affidavits attached to the Coalition Petition.

³² 36 C.F.R. § 800.1.

³³ *See* Letter from P. Lloyd, Williams Mullen, to D. DePippo, Dominion Energy (Aug. 10, 2017) ("Lloyd Letter").

³⁴ NHPA Section 110(k) prohibits a would-be applicant for a federal permit from destroying or significantly adversely affecting historic properties prior to applying for a federal permit that may be at issue during the permit

these issues, the resolution of these issues focuses on whether the buildings can operate and function independently of each other.³⁵ Thus, when addressing questions related to these issues at the March 8 meeting, the Customer's outside counsel necessarily made statements of fact regarding the nature of the operational relationships between Buildings 1, 2, and 3.³⁶ In so doing, to ensure there were no misunderstandings about the issues being addressed at that meeting, the Customer's outside counsel stated:

Dominion, not [the Customer], determines how best to provide it with power. . . . [the Customer] has no role in determining how power is supplied to its facilities.³⁷

Thus, upon seeing the claims in the Coalition's Petition and the Affidavits attached thereto, counsel made clear: "Any suggestion that we made affirmative representations concerning the need or timeline for an electric solution to serve the [Customer's data center] mischaracterizes the information provided at the Consultation Meeting and throughout the [Clean Water Act] Section 404 process."³⁸

Beyond the inappropriate nature of mischaracterizing information from a Corps NHPA Section 106 consultation meeting and attempting to shoehorn it into the Commission's proceedings, the operational relationships, or lack thereof, between these buildings (including the Existing Building), have no bearing on how the Company determines whether and when a

review process. The penalty for doing so typically would be a refusal to issue the requested permit. 54 U.S.C. § 306113.

³⁵ Letter from S. Smith, Corps, to C. Vaughn, Advisory Council on Historic Preservation, at 1-2 (July 14, 2017) ("Corps Letter") (concluding Building 1 is operationally independent from Buildings 2 and 3); *see also* 33 C.F.R. pt. 325, Appendix C (Corps' NHPA Section 106 implementing regulations confirming that the scope of the Corps' Section 106 review depends on the functional relationship of the facilities in question). A copy of the Corps Letter (and attachment letter from Dominion Energy Virginia) is included as Attachment 2.

³⁶ Lloyd Letter at 1-2 (setting out that Buildings 1 was a single and complete project that is operationally independent and does not rely on any other data center buildings to function; stating that Buildings 1, 2, & 3 each had independent utility from each other and can and would function independently from each other).

³⁷ *Id.* at 2.

³⁸ *Id.* Unlike the Coalition's proffer, counsel's explanation about what, and was not, said at the meeting is consistent with NHPA Section 106 consultation context and the issues being addressed.

transmission solution is necessary to address the current and projected loads in a particular area. Likewise, the Corps' decisions regarding the scope of its NHPA review of the Customer's permit application, as well as whether NHPA Section 110(k) has been violated, also have no bearing on these load-related decisions. That is, whether the Corps believes the Customer's buildings are operationally independent from each other does nothing to change the fact that all of those buildings need reliable electricity. As discussed herein, consistent with its case before the Commission, the Company correctly considered the existing and projected loads in the Haymarket Load Area, which include the Customer's two existing and operational data centers and the two to-be-constructed data centers, and determined the Haymarket Project is necessary to meet these needs. The Commission agreed.

The forgoing demonstrates that despite Petitioners' unsubstantiated protestations, nothing regarding the Customer's plans to develop the data center project has changed, and likewise, nothing about the need for the Project has changed since this case was open and heard before the Commission. If anything, as discussed in detail below, the projected load in the Haymarket Load Area continues to increase, further justifying the imminent need for the Project.

Indeed, as set forth in Confidential Attachment 3, **[BEGIN CONFIDENTIAL]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **[END CONFIDENTIAL]** Therefore, while there may be some delay for the Customer to build Buildings 2 and 3 due to permitting since the information presented in the evidentiary hearing, Buildings 2 and 3 are still planned to be built with the same expected load as was presented to the Commission and upon which it relied to make its decision

on need.³⁹

Further, the existing evidentiary record showed Petitioners' are incorrect that Building 2 could operate without the requirement of additional utility infrastructure, and that the Project would not be required until Building 3 is operational.⁴⁰ The information presented to the Commission showed that the Haymarket Load Area (which encompasses the area west of Route 29 and paralleling Route 50 and Heathcote Boulevard) currently is served by three 34.5 kV distribution circuits ("DC") – DC #379, #695, and #378. Gainesville DC #379 and #695 are rated for 36 Mega Volt Amps ("MVA") and Gainesville DC #378 is rated for 54 MVA (for a total of 126 MVA for all three lines).⁴¹ The capacity of these distribution lines is *utilized fully to serve current load* (which includes the existing Customer data center building and Building 1), and will be so until the Haymarket Substation is energized.⁴² Indeed, Company Witness Potter testified during the evidentiary hearing that the Company cannot serve the Customer's additional load and that he "couldn't even think of a way [the Company] could from a distribution perspective."⁴³ Staff agreed that a distribution solution was not feasible and that transmission facilities, and thus the Project, were needed.⁴⁴

The high loading levels on the Haymarket Load Area DCs present serious operational

³⁹ Lloyd Letter at 2 ("At no point has the [Customer] stated that it does not intend to proceed with Phase II of the Project (i.e., Buildings 2 and 3);" stating further that "during the pendency of the Section 106 consultation alone, I understand that data center customer demand for this location has grown to such an extent that the [Customer] is under considerable pressure to conclude the Section 106 process and initiate construction of Phase II."). Based on the Company's current understanding, the Corps' permitting process for the remaining buildings (Buildings 2 and 3) is ongoing, and it likely will be in the latter half of 2017 when the Corps' review is complete, and thereafter, a permit is issued. Importantly, however, there is a pending request for such permit and the Company has no reason to expect that the electric demand from those buildings will not materialize.

⁴⁰ Coalition Petition at 3.

⁴¹ Ex. 19 (Joshiyura Direct) at 5.

⁴² Ex. 39 (Potter Rebuttal) at 2.

⁴³ Tr. 485-86.

⁴⁴ Ex. 19 (Joshiyura Direct) at 5-6; *see also* Staff Post-Hearing Brief at 7.

issues for the Company in maintaining a reliable electric system. Throughout the year, the Company is required to switch load from one DC to another during planned and unplanned outage events. During unplanned outage events, such as a car hitting a pole, fallen trees, or lightning, the Company typically operates in a “switch-before-fix” method to restore as many customers as possible in a timely manner.⁴⁵ In a “switch-before-fix” method, the Company switches load from the affected circuit to an adjacent circuit with capacity to restore electricity to as many customers as quickly as possible.⁴⁶ Unfortunately, with these three DCs loaded as they are, the Company may not have the available capacity to switch any load during an outage event.⁴⁷ This means that the Company cannot operate in a “switch-before-fix” method, and instead has to operate in a “fix-before-restore” method, leading to longer outage times for all customers on the affected circuit.⁴⁸ Moreover, in the event the Company needs to take planned outages for maintenance operations, connecting new customers, or other purposes, existing customers in the Haymarket Load Area may experience extended outage times due to the lack of available capacity on the circuits in the load area that they otherwise would have not experienced.⁴⁹

Further, due to the amount of load identified by the Customer and the line mileage from the Company’s existing Gainesville Substation, prudent utility practice would prevent building additional distribution circuits to feed the Haymarket Load Area for the long term.⁵⁰ In addition, Section 6 of the Company’s planning criteria contained in its 2017 Facilities Interconnection

⁴⁵ Ex. 39 (Potter Rebuttal) at 2-3.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.* at 3.

⁵⁰ Ex. 3 (Appendix) at 9.

Requirements (“FIR”) recommends the use of transmission facilities for all loads over 20 megawatts (“MW”), with minimum existing or predicted loads of 30 MW for the use of 230 kV transmission facilities, or when there are insufficient or remote distribution facilities.⁵¹ Both circumstances are present here.

Despite these circumstances, Somerset attempts to contend that the record lacks “any engineering analysis demonstrating that a need for additional infrastructure currently exists” and that there “is no evidence that Dominion’s transmission system has been stress-evaluated under federal and Virginia regulatory requirements or that there has been a significant volume of transmission system overloads due to an overstressed transmission system.”⁵² This argument also was considered and rejected, as the Hearing Examiner explained:

This is a very simple case as far as the issue of need is concerned . . . In this case, complicated load flow studies, contingency analyses and modeling, or so-called ‘stress testing’ in [Somerset Witness] Napoli’s words, are not necessary. The only load flow information needed to decide this case is the projected available capacity on Dominion’s three distribution circuits serving the Haymarket load area and the annual projected loads of the Customer’s new data center. This data clearly shows that overloading will occur on Dominion’s system if a new transmission line is not built.⁵³

Thus, the record amply demonstrates that there is a current and immediate need for the Project, based on the current load and future projected load from all customers served by these DCs, including the Customer. That need has not changed. If the Commission is inclined to

⁵¹ *Id.* The FIR’s are an update to “Section G” of the Company’s Facility Connection Requirements. A copy of the Company’s FIR can be found at <https://www.dominionenergy.com/about-us/moving-energy/electrictransmission-access>. The Facility Connection Requirements document was re-organized and updated, effective 01/01/2016 with Version 12, and became the Facility Interconnection Requirements (FIR) document. As a result, the section titled “Load Criteria – End User” was relocated from Section G of “Exhibit A - Transmission Planning Criteria” to Section 6 in the main body of the FIR document. The entire FIR document was created to comply with NERC Reliability Standard FAC-001, which requires the Company to address interconnection requirements for generation, transmission, and electricity end-user facilities. It is filed with the Federal Energy Regulatory Commission (“FERC”) and must be followed.

⁵² Somerset Petition at 7-8.

⁵³ Hearing Examiner’s Report at 65.

consider information outside the evidentiary record in consideration of these Petitions, the Company offers the Affidavit of Harrison S. Potter, included herewith as Attachment 4, which speaks to developments in the Haymarket Load Area that have transpired since the close of the evidentiary record. While the Coalition and Somerset contend the need for the Project has gone away, the reality is just the opposite.

Specifically, Mr. Potter explains that the existing and subscribed load on DC #379, #695, and #378 from customers in the Haymarket Load Area is currently as follows:⁵⁴

Circuit	Load (MVA)	Max. Capacity (MVA)	% Loaded
DC #379	35.7	36	99.2%
DC #695	30.7	36	85.3%
DC #378	45.7	54	84.6%

Importantly, this is without any load from Customer Buildings 2 and 3. As an example of why these high loading levels are a problem, on June 3, 2017, the Company experienced equipment failure on DC #379 that could have resulted in a 8-9 hour outage for the Novant Health UVA Haymarket Medical Center if the temperature would have been 10-15 degrees warmer.⁵⁵ This is because the higher temperatures would have created additional load that would have prevented the Company from operating in the “switch-before-fix” method.⁵⁶

Additionally, the remaining 0.3 MVA of capacity on the DC#379 could be overloaded by the addition of a commercial building (*e.g.*, a Home Depot)⁵⁷ or new large residential development – *such as the new large residential development the Board just approved and*

⁵⁴ Attachment 4 at 3. This updates the figures presented in Ex. 3 (Appendix) at Attachments I.B.1 and I.B.2.

⁵⁵ *Id.* Considering that the high temperature that day in Haymarket was only 84° F with 34% humidity, it is not hard to imagine that, under the current electrical circumstances, the risk of longer outages due to “fix-before-restore” situations is significant. See <https://www.timeanddate.com/weather/usa/haymarket/historic> (last visited Aug. 12, 2017).

⁵⁶ Attachment 4 at 2-3.

⁵⁷ Tr. at 25, 35.

announced.⁵⁸ Specifically, in the July issue of the Prince William Newsletter, the County touted its approval of a new 490-home age-restricted community known as Carter's Mill.⁵⁹ Carter's Mill will be built on a 128-acre swath of land on the south side of Route 55, due west of its intersection with Route 15.⁶⁰ In other words, Carter's Mill will be on a parcel of land directly adjacent to the location of the Customer's data center campus and the Company's proposed Haymarket Substation. The newsletter explains how this development was "spurred" by the expansion of Novant's hospital campus (which the Company has stated will be served from the Haymarket Substation upon energization),⁶¹ as well as more than 1.5 million square-feet of potential office space, 800,000 square-feet of retail space, and a 38,000 square-foot medical office building approved and expected on the other side of I-66/Route 15.⁶²

Dominion Energy Virginia continually has maintained that the Haymarket Project is necessary to support load growth in the Haymarket Load Area. The Carter's Mill and associated commercial and healthcare focused developments are exactly the types of development the Company has discussed are expected in a dynamic and fast growing county such as Prince William. During this proceeding, the Company explained how on day one of energization of Haymarket Substation, approximately 450 customers will be served from the station.⁶³ Now, with only this new residential development occurring directly in the area of the Substation, that customers-served number will more than double, leading to approximately 2 MVA of new load

⁵⁸ Attachment 4 at 4. The County's Newsletter announcement of this development is included as Exhibit 1 to Mr. Potter's affidavit.

⁵⁹ *Id.* at Exhibit 1.

⁶⁰ *Id.*

⁶¹ *See* Ex. 39 (Potter Rebuttal) at 5.

⁶² Attachment 4 at Exhibit 1.

⁶³ Ex. 39 (Potter Rebuttal) at 5.

growth.⁶⁴

In sum, based on the most recently available data, the Customer's load projections have not changed and other anticipated future loads have materialized and increased. Accordingly, the need for the Project has grown, not gone away as claimed by the Petitioners. The timing of when the Haymarket Project is needed, however, has changed from when the Application was originally filed November 6, 2015, due to delays based on permitting. Assuming approval of an overhead route, the Company estimates it will take approximately 20 months for engineering, real estate acquisition, permitting, and construction.⁶⁵ Thus, an anticipated completion date for the Project can be calculated by adding 20 months to the date of any final Commission order.

3. Petitioners' arguments regarding the constitutionality of the use of eminent domain for the Project have no basis in law and should be rejected.

Petitioners argue that the Commission's Interim Order "contravenes Virginia statutory and constitutional law to the extent it authorizes the taking of private property when the Commission has found that the 'need' for the transmission line is driven by a single retail customer."⁶⁶ In doing so, they confuse the concepts of need (applicable to the determination of whether a CPCN should be issued) and eminent domain (only applicable if, assuming a CPCN is issued, a private land owner along the approved route then refuses to provide the necessary access to his or her property voluntarily). Only the former is at issue in this proceeding, and the

⁶⁴ Attachment 4 at 4. The majority of the Carter's Mill planned development appears to be in the Company's service territory with perhaps the fringes belonging to Northern Virginia Electric Cooperative ("NOVEC"). However, even the NOVEC load may lead to the demand on the Company's transmission facilities because, even before this development was announced, NOVEC had expressed to the Company that it may need to co-locate a new delivery point at the Haymarket Substation to help accommodate NOVEC's load growth. Ex. 28 (Gill Rebuttal) at 17-18.

⁶⁵ In the Appendix (Ex. 3 at 27), the Company stated that the estimated construction time for the Project along the Proposed Route is 12 months and that a period of 12 months will be needed for engineering, material procurement, right-of-way acquisition, and construction permitting. Certain of these activities may be performed simultaneously; thus, the four months difference. Timing for any underground configuration would be different. See Ex. 46 (Koonce Rebuttal) at Reb. Sch. 2.

⁶⁶ Somerset Petition at 2; Coalition Petition at 6.

Commission has no jurisdiction to make determinations regarding the latter.⁶⁷

The Commission must determine the need for a transmission line before it can be constructed.⁶⁸ The determination of need is not subject to review by the Circuit Courts, and only can be reviewed (within certain limits) by the Virginia Supreme Court.⁶⁹ Assuming the Commission determines that a need exists and issues a CPCN, it is then up to the utility to acquire the property necessary (*i.e.*, the approved right-of-way) for the construction of an approved project.⁷⁰ The Company's underlying determination regarding what property is required is given great deference, and the Circuit Courts supervise the condemnation process.⁷¹

Moreover, Petitioners' arguments appear to be based on the false premise that because the need for the Project is driven by a particular electric customer, somehow those facilities are not "public." As the Company carefully explained in its Post-Hearing Brief, the Project is a high-voltage, networked transmission facility that will be operated by the regional transmission

⁶⁷ See, e.g., *Virginia Elec. & Power Co. v. Webb*, 196 Va. 555 (1954); *Kricorian v. Chesapeake & Potomac Tel. Co.*, 217 Va. 284, 285 (1976).

⁶⁸ See Va. Code §§ 56-256.2 A; 56-46.1 B.

⁶⁹ See Va. Code § 12.1-39 ("No other court of the Commonwealth [other than the Supreme Court] shall have jurisdiction to review, reverse, correct, or annul any action of the Commission or to enjoin or restrain it in the performance of its official duties.")

⁷⁰ See Va. Code § 56-49(2) (granting public service corporations the power to "acquire by the exercise of the right of eminent domain any lands or estates or interests therein, sand, earth, gravel, water or other material, structures, rights-of-way, easements or other interests in lands . . . which are deemed necessary for the purposes of construction, reconstruction, alteration, straightening, relocation, operation, maintenance, improvement or repair of its lines, facilities or works"); see also *Ruddock v. City of Richmond*, 165 Va. 552, 558-89 (1936) (confirming that it is the condemnor that chooses what, and how much, property it deems necessary for a given project).

⁷¹ *Webb*, 196 Va. at 563-64, quoting *Zircle v. Southern Ry. Co.*, 102 Va. 17, 20 (1903) ("It is competent for the courts to supervise the exercise of power delegated, but they cannot invade the bounds set by the Legislature; and will not undertake to control the discretion of the companies in taking property for their own use, unless there has been a very clear abuse of power."); see also, *id.* at 564 (quoting *Johnson v. Consol. Gas, Elec. Light & Power Co.*, 187 Md. 454, 463 (1947) ("Unless the discretion of the condemning agency as to reasonable necessity is wrongfully, arbitrarily, or oppressively exercised, that discretion cannot be controlled or reviewed by the court."); see also, *id.* (quoting *Sweitzer v. Indus. Ins. Comm.*, 116 Wash. 398, 401 (1921) ("Action is not arbitrary or capricious when exercised honestly and upon due consideration, where there is room for two opinions, however much it may be believed that an erroneous conclusion was reached.")).

operator, PJM, Interconnection LLC (“PJM”).⁷² In other words, the transmission facilities will not be for “private use;”⁷³ PJM will control the operation of transmission facilities, subject to the FERC’s regulations, as the Project will be part of a regional system across 13 states serving more than 65 million customers. The facilities are not for the private use of the Company or the Customer.

The Company has demonstrated that the Haymarket Project is needed and if outside the record evidence is to be considered, that need has grown. The Petitions on the issue of need should be denied.

B. The Commission considered and weighed all relevant factors in rendering its decision regarding a transmission line route that will reasonably minimize adverse impact.

Once the need for a transmission solution is established, the Commission must determine 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.”⁷⁴ Somerset correctly notes that this determination requires the consideration of a multitude of factors and balancing of interests.⁷⁵ The Commission expressly stated that it did so in issuing its Interim Order:

[T]he Commission has developed a comprehensive record resulting from, among other things, multiple local public hearings, written and electronic comments, evidentiary testimony, and multiple rounds of pleadings.

Although it is legally presumed, the Commission reiterates that it has fully considered all of the evidence presented in this record and, thus, is not unmindful of the impacts that will result from the proposed Project. Thus, in performing our statutory

⁷² Dominion Energy Virginia Post-Hearing Brief at 51-52.

⁷³ Somerset Petition at 4.

⁷⁴ Va. Code § 56-46.1 B.

⁷⁵ Somerset Petition at 10. Somerset, however, cites Va. Code § 56-265.2 B as applicable to the current proceeding. Somerset Petition at 9. It is not. Va. Code § 56-265.2 B applies to the “construction and operation of electrical generating facilities...and associated facilities including transmission lines and equipment.” The Company is not seeking to construct and operate electrical generating facilities through this proceeding.

responsibilities, the Commission has endeavored to weigh reasonably and carefully the competing evidence and arguments presented in this record. As we have recognized in particular for transmission line cases: Given all the competing considerations and tradeoffs that must be considered, the Commission weighs carefully the relevant expected impacts of alternatives before ruling on a public utility's request for a certificate of public convenience and necessity to construct a transmission facility.⁷⁶

Thus, Somerset is incorrect when it contends, for example, with respect to anticipated impacts on Buckland Mills Battlefield and Historic District, that "none of this evidence has been presented to the Commission, or otherwise provided to the parties for consideration within this proceeding."⁷⁷ In fact, information regarding potential impacts to Buckland Mills was provided as part of the Company's Appendix,⁷⁸ discussed in detail in the Virginia Department of Environmental Quality ("DEQ") Supplement⁷⁹ as well as the Environmental Routing Study⁸⁰ (which even included visual simulations of impacts to the battlefield),⁸¹ extensively examined by the Virginia Department of Historic Resources, as documented in the DEQ Report,⁸² addressed in the Company's rebuttal testimony,⁸³ and cited multiple times in the Hearing Examiner's Report.⁸⁴ Such unsubstantiated claims undermine the veracity of the Petitions and show that the statements of Petitioners must be carefully evaluated by the Commission.

The Company's evaluation of the anticipated impacts to historic, scenic, and cultural assets (including Buckland Mills) from the proposed Project initially led it to select the Railroad

⁷⁶ Interim Order at 7-8 (internal citations omitted).

⁷⁷ Somerset Petition at 17.

⁷⁸ Ex. 3 (Appendix) at 98-100.

⁷⁹ Ex. 3 (DEQ Supplement) at 15-19.

⁸⁰ Ex. 10 (Thommes Direct and Environmental Routing Study) at 43-44.

⁸¹ *Id.* at 56.

⁸² Ex. 27 (DEQ Report) at 25, 55-59, 61.

⁸³ Ex. 48 (Berkin Rebuttal) at 11-14.

⁸⁴ Hearing Examiner's Report at 16, 35, 59, 77.

Route as its preferred route prior to submitting the Application. Then, when this route appeared not to be constructible due to the actions of Somerset and the County, the Company proposed the I-66 Overhead Route as its preferred route. The Company supported this route because, of all the noticed routes, it is the shortest and least costly, can be built in a timely manner, has fewer impacts during construction, has a high percentage of collocation with an existing transportation corridor, does not eliminate developable property and has the same amount of wetlands impacts as the I-66 Hybrid Alternative.⁸⁵

The Commission, however, found that based on its consideration of cost, construction timing, use of existing rights-of-way, impacts to wetlands, proximity to residences, and visual impacts, the Railroad Route best met the statutory criteria for approval, and that the Carver Road Route would also “reasonably minimize adverse impact.”⁸⁶ Thus, while the Company argued in favor of the I-66 Overhead Route, the Company does not dispute the Commission’s alternative finding. In any event, there is no support for Somerset’s accusation that the Commission’s decision “lacked a basis in evidence.”⁸⁷ Thus, the Petitions on this basis should be denied.

In the Company’s Motion to Hold Proceeding in Abeyance for 60 Days and for Expedited Consideration, Dominion Energy Virginia stated:

It now appears that any variation to the Carver Road Route in the area of the Somerset Drive extension, including the variation described in the Company’s Comments to the Hearing Examiner’s Report⁸⁸ and depicted in the Company’s June 5, 2017 Update to the Commission,⁸⁹ will require affirmative County approval before construction can commence, thereby creating a new situation where the County can thwart another Commission-chosen route.

⁸⁵ Dominion Energy Virginia Post-Hearing Brief at 4-6; 21-30.

⁸⁶ Interim Order at 11-12.

⁸⁷ Somerset Petition at 12.

⁸⁸ Virginia Electric and Power Company Comments to the Report of Glenn P. Richardson (Dec. 6, 2016) at 25.

⁸⁹ June 5, 2017 Update at Attachment I.

The Company requested and was granted 60 days to be able to report to the Commission regarding the constructability of the Carver Road Route and/or proceed with any requests for variations to the Carver Road Route or reconsideration of alternative noticed routes. The Commission should be aware that based on the Company's recent interactions with County officials,⁹⁰ it appears likely that the Board also will block the constructability of the Carver Road Route. If it does, based on the Company's current review of the remaining routes, the Hearing Examiner's Report, and the Commission's Interim Order, the Company likely will have no choice but to ask the Commission to select the I-66 Overhead Route⁹¹ as the remaining route that is cost-effective, reasonable, constructible, and reasonably minimizes adverse impact to the scenic assets, historic areas and environment of the area concerned as required by Va. Code § 56-46.1.

- C. It is not inappropriate or premature for the Commission to render a decision on a transmission line project prior to other entity's approvals.

Petitioners also argue that the Commission should have waited for Prince William County to decide on certain easement requests as well as for the Corps to complete its review before rendering a final decision.⁹² This assertion lacks any legal support and is contrary to prior Commission precedent. Indeed, in one recent high-profile transmission proceeding, the Commission issued its Final Order granting the Company a CPCN for transmission facilities *more than three years* prior to Corps and Virginia Marine Resources Commission ("VMRC")

⁹⁰ See Attachment 5, Prince William August 1, 2017 Resolution.

⁹¹ It appears that Somerset would not oppose the I-66 Overhead Route over the Carver Road Route. Somerset Petition at 12.

⁹² Coalition Petition at 5-6; Somerset Petition at 13-15.

permit approvals.⁹³ In another recent CPCN approval, the Commission approved a transmission route and now the Company is waiting on approval for a segment of that route from the Metropolitan Washington Airports Authority before it commences construction.⁹⁴

Transmission facilities often require approvals separate from and in addition to certification and approval by this Commission before construction can commence. The Company typically has sought Commission approval first so that, for instance, if the Commission approves a route or structure type other than the Company's proposal, the correct permits can be sought for the approved route.⁹⁵ Petitioners offer no credible reason for reconsideration after review by other agencies. Accordingly, the Petitions should be denied on this basis.

D. The Coalition raises no new arguments regarding the application of Section XXII of the Company's Retail Tariff to the Haymarket Project, nor does it offer any explanation as to why the issue merits reconsideration.

Finally, the Coalition once again attempts to argue that the Commission erred by not applying Section XXII of the Company's Retail Tariff to the Project, and ordering the Customer to pay to underground the transmission line, which the Coalition asserts led the Hearing

⁹³ *Application of Virginia Electric and Power Company for Approval and Certification of Electric Facilities: Surry-Skiffes Creek 500 kV Transmission Line, Skiffes Creek-Wheaton 230 kV Transmission Line and Skiffes Creek 500 kV-230 kV- 115 kV Switching Station*, Case No. PUE-2012-00029, Order (Nov. 13, 2013); modified by Order Amending Certificates (Feb. 28, 2014) and confirmed by Order Denying Petition (Apr. 10, 2014). The Corps issued a provisional permit to the Company on June 12, 2017, which was made final on July 3, 2017. The VMRC approved the Company's joint permit application on June 30, 2017.

⁹⁴ *Application of Virginia Electric and Power Company for Approval and Certification of Electric Facilities: Poland Road 230 kV Double Circuit Transmission Line Loop and 230-34.5 kV Poland Road Substation*, Case No. PUE-2015-00054, Final Order (Aug. 23, 2016).

⁹⁵ Additionally, the Commission frequently directs the Company to coordinate and obtain verifications, permits, or other approvals from a variety of state agencies and the Corps following Commission approval of a project. *See, e.g., Application of Virginia Electric and Power Company d/b/a Dominion Energy Virginia 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.*, Case No. PUE-2016-00135, Final Order (June 6, 2017) at 2-3, 10.

Examiner to choose an overhead routing option.⁹⁶

To begin, the Coalition's argument relies on the unsupported leap that, but for the issue of cost responsibility, the Hearing Examiner would have recommended and the Commission would have approved the I-66 Hybrid Alternative. The record sets forth ample reasons to reject approval of an underground transmission line beyond cost considerations.⁹⁷ Moreover, the Hearing Examiner explained that he did not recommend underground construction because the Haymarket Project "does not meet any of the criteria previously established by the Commission or the General Assembly for undergrounding a transmission line."⁹⁸ The Commission likewise explained that the I-66 Hybrid Alternative "would not significantly alleviate impacts to historic resources compared to other routes," "may have slightly greater impact on archeological sites," "would be more difficult to construct than any of the alternative routes considered," and "would not improve service reliability compared to overhead construction."⁹⁹ The Commission also expressly stated, "[O]ur rejection of the I-66 Hybrid Route is not dependent upon issues related to cost recovery."¹⁰⁰

In any event, the Coalition fails to raise a single argument on this issue that was not fully examined in the record of this proceeding, argued in post-hearing briefs, decided by the Hearing Examiner, and ruled upon by the Commission, and does not provide any explanation or argument as to why the Hearing Examiner's or the Commission's analysis and conclusions are wrong, and thus, should be denied.¹⁰¹

⁹⁶ Coalition Petition at 12-13.

⁹⁷ See, e.g., Ex. 46 (Koonce Rebuttal) at 3-12.

⁹⁸ Hearing Examiner's Report at 67.

⁹⁹ Interim Order at 16-17.

¹⁰⁰ Interim Order at 18.

¹⁰¹ *Po River*, *supra* note 19.

The Company's post-hearing brief explained how neither the intent nor plain language of Section XXII of its Retail Tariff would lead to its application to this Project.¹⁰² Further, the Company argued that the Commission is preempted from determining cost responsibility as the FERC has exclusive jurisdiction to set the rates for interstate transmission lines, including the allocation of costs.¹⁰³

The Hearing Examiner considered the Company's arguments, as well as those made by the Coalition and Staff, and found "the Customer should not be charged \$115.7 million transitional cost to underground the Haymarket transmission line."¹⁰⁴ He also noted that the parties and Staff did not cite a single case where the Commission has applied the Company's or any other public utility's line extension policy to a transmission line¹⁰⁵ – a flaw that was not cured in the Petitions. And, though the issue was not dispositive to the Commission's final decision, the Commission stated that it "agrees with the Hearing Examiner's conclusion that Section XXII of the Company's retail tariff applies to distribution, not transmission, facilities."¹⁰⁶

The Petitions offer no reason to disturb these findings and, consequently, should be denied.

Conclusion

WHEREFORE, for the reasons stated herein, Dominion Energy Virginia respectfully requests the Commission (i) deny the Petitions for Rehearing or Reconsideration; and, (ii) grant any such other relief as deemed necessary and appropriate.

¹⁰² Dominion Energy Virginia Post-Hearing Brief at 51-67.

¹⁰³ Dominion Energy Virginia Post-Hearing Brief at 58.

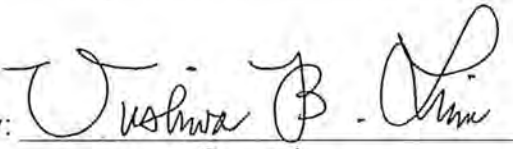
¹⁰⁴ Hearing Examiner's Report at 72.

¹⁰⁵ Hearing Examiner's Report at 72.

¹⁰⁶ Interim Order at 19, n.63.

Respectfully submitted,

VIRGINIA ELECTRIC AND POWER COMPANY

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Counsel for Virginia Electric and Power Company

August 16, 2017

Attachment 1

WILLIAMS MULLEN

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August 10, 2017

Via Email

Dominion Energy
P.O. Box 26666
Richmond, Virginia 23261
Attn: David J. DePippo, Senior Counsel

Re. Motion for Rehearing or Reconsideration dated July 12, 2017 ("Motion").

Ladies and Gentlemen:

This firm is counsel to VADATA, Inc., a Delaware corporation (the "Company"). The purpose of this letter is to clarify the following allegations of fact presented by the Coalition to Protect Prince William County (the "Coalition") which reflect a clear misunderstanding of our statements at the National Historic Preservation Act ("NHPA") Section 106 consultation meeting held by the U.S. Army Corps of Engineers (the "Corps") on March 8, 2017 (the "Consultation Meeting") in the context of issues related to the proper scope of the Corps' NHPA review, as well as to alleged violations of NHPA Section 110(k).

- (1) "Building One [i.e. the building comprising Phase I of the Midwood Project (the "Project")] is complete and is operating without the requirement for additional electrical utility infrastructure;"
- (2) "Building Two [i.e. the first of the two buildings proposed in connection with Phase II of the Project] could operate without the requirement for additional electrical utility infrastructure including the 230 kV transmission lines;"
- (3) "The 230kV electric transmission and distribution facilities identified in Dominion's application (CASE NO. PUE-2015-00107) would not be required until such time as Building Three was in operation;" and
- (4) "Buildings Two and Three [i.e. the two buildings proposed in connection with Phase II of the Project] were not projected to be built and operational in the foreseeable future, and construction of 230kV lines would only be needed by the Applicant to operate the data center functions if Building Three [i.e. the second of two buildings proposed in connection with Phase II of the Project] were to be built in the future."

August 10, 2017

Page 2

Statement (1): Mostly accurate.

The building comprising Phase I of the Project is operational. It is a single and complete project, which does not rely on other buildings to function. We note, however, as set forth below in response to Statements (2) and (3), the Company plays no role in determining how power is supplied to its facilities, and what infrastructure is necessary to do so. Dominion makes those determinations. Therefore, we cannot opine as to whether the following language at the end of Statement 1 is accurate: “without the requirement for additional electrical utility infrastructure.”

Statements (2) and (3): Inaccurate. The Company requested electrical power service from Dominion in an amount necessary to serve the Project (as well as the Company’s existing building located on adjacent property operating as a data center). It has never purported to have any control over how Dominion delivers sufficient power to the Project.

At the Consultation Meeting, we prefaced the discussion of the transmission line and substation with the following statement (which I reproduce from the notes read at the meeting):

“The only thing that VADATA is constructing [following issuance of the Section 404 Permit] is the two buildings [comprising Phase II] and its related infrastructure. It will do so using its own contractor and own personnel. Dominion will be constructing its substation and transmission line with its own contractor and personnel. Neither company will have anything to do with the other’s project. VADATA has a need for electric power. Dominion, not VADATA, determines how best to provide it with power. The decision to construct a substation was made by Dominion, and its application to do so is now before the SCC. VADATA has no role in determining how power is supplied to its facility.”

Any suggestion that we made affirmative representations concerning the need or timeline for a electrical solution to serve the Project mischaracterizes the information provided at the Consultation Meeting and throughout the Section 404 process. We have consistently reiterated that how Dominion will service the Haymarket area is Dominion’s decision (not the Company’s). For example, when the consulting parties asserted that up to 97% of the need for the transmission line is attributable to the Project, we cited the November 15, 2016 Hearing Examiner’s Report which conclusively rejected this allegation based on extensive testimony by Dominion.

Statement (4): Inaccurate. The Project has always been described as a phased development.

At no point has the Company stated that it does not intend to proceed with Phase II of the Project. Actually, as illustrated by the County-approved development plans, the Company always contemplated that the Project would consist of two scalable phases of independent utility that, depending on customer demand, would be comprised of up to three independently functioning buildings (in addition to the currently operational and independently functioning existing building located on adjacent property). In the Consultation Meeting, the consulting parties incorrectly asserted that the Company committed to building all three buildings in 2015 when it acquired the

August 10, 2017

Page 3

Project. Although the Company purchased the Project with an expectation that customer demand could quickly require three buildings, this was not guaranteed. That said, during the pendency of the Section 106 consultation alone, I understand that data center customer demand for this location has grown to such an extent that the Company is under considerable pressure to conclude the Section 106 process and initiate construction of Phase II.

Should you have any questions or require further information regarding the foregoing, please contact the undersigned at 804.420.6615 or via email at plloyd@williamsmullen.com.

Very truly yours,
/s/
T. Preston Lloyd, Jr.,
As counsel to VADATA, Inc.

Enclosures

cc. Vadata, Inc.
David Dutton, Dutton & Associates
Channing J. Martin, Esq.

34131365

Attachment 2



DEPARTMENT OF THE ARMY
US ARMY CORPS OF ENGINEERS
NORFOLK DISTRICT
FORT NORFOLK
803 FRONT STREET
NORFOLK VA 23510-1011

July 14, 2017

Ms. Charlene Dwin Vaughn
Advisory Council on Historic Preservation
401 F Street NW, Suite 308
Washington, D.C. 20001-2637

Dear Ms. Vaughn:

This letter is in response to your letter dated May 17, 2017 regarding VADATA's proposed Midwood Datacenter project (Midwood Project) and specifically the ongoing consultation pursuant to Section 106 of the National Historic Preservation Act (NHPA). In your letter, you request that the Corps clarify the scope of our NHPA Section 106 review, with specific focus on "Building 1" of the Midwood Project and the proposed Dominion Virginia Power (Dominion) transmission line and substation (Haymarket Project). Your letter also requests that we address the applicability of Section 110(k) of the NHPA to this undertaking.

The original permit application for the Midwood Project involved the construction of three buildings (Buildings 1, 2, and 3). Building 1 was included in the initial application because construction, in the proposed location, would have involved a discharge into waters of the US. The applicant later revised the project, shifting the proposed location of Building 1 to avoid any discharge into Waters of the US (WOUS). The avoidance of WOUS meant that no Corps permit was required, and the applicant has constructed Building 1 with no impacts to Waters of the US. Building 1 is currently operational as a stand-alone project. VDATA has now requested authorization to discharge fill into waters of the US associated with the construction of Buildings 2 and 3. As Building 1 was constructed outside waters of the US and is operational independent of the construction of Buildings 2 and 3; the Corps does not consider the construction of Building 1 a part of this undertaking.

The Corps has considered the construction of the proposed Dominion Haymarket project as it relates to the Midwood data center undertaking. In a June 16, 2017 letter (attached), Dominion explains that the Dominion Haymarket Project is not driven solely by the Midwood project. Dominion states, "The proposed transmission line and Haymarket Substation will serve the Haymarket Load area customer in addition to the VADATA project load. The Company's (Dominion's) current plan is to serve directly all customers west of Route 15 from the new facilities upon energizing the transmission line. This covers approximately 460 customers, including the VADATA load and Novant Health UVA Haymarket Medical Center." In accordance with Appendix C to the Corps permitting regulations at 33 CFR 325, the Corps has determined that the Dominion Haymarket Project is not a part of the undertaking or permit area for the Midwood project.

The Corps has also considered the applicability of Section 110(k) of the NHPA to the Midwood Project by evaluating the history of the project and information received from the applicant and consulting parties. All construction and land disturbance undertaken on the site to date was related to the construction of Building 1. As explained above, a Corps permit was not required for any work associated with construction of Building 1 and we do not consider the construction of Building 1 a part of the current undertaking. Nonetheless, VDATA completed a Phase I archeological assessment prior to the Building 1 construction. In full compliance with regulations, VADATA has submitted a permit application for the proposed construction of Buildings 2 and 3, has taken steps to identify historic properties, and is currently fully participating in the Section 106 process. Given these facts, we have determined there was no intent by the applicant to avoid the requirements of Section 106 process; therefore Section 110(k) does not apply in this case.

The Corps per, 33 CFR 325 Appendix C and 36 CFR 800, is currently working to fulfill our NHPA Section 106 responsibilities. We have determined the undertaking includes all work, structures and discharges associated with the construction of Buildings 2 and 3. Therefore, the permit area for the Midwood Project includes the construction footprint for Buildings 2 and 3 and the associated facilities (map enclosed). The Corps, in consultation with the State Historic Preservations Officer (Virginia Department of Historic Resources) and identified consulting parties has determined that the proposed undertaking would have an adverse effect on the Buckland Mills Battlefield. We are now considering mitigation strategies that may sufficiently resolve the adverse effects.

We hope this letter provides clarity to the process and addresses the concerns raised by you and several of the consulting parties. We appreciate your participation in this matter and the guidance provided thus far by Dr. John Eddins. We look forward to further meaningful consultation. If you have any questions about issues addressed in this letter, please do not hesitate to contact Mrs. Anna Lawston, Project Manager for this action at (540) 764-4459.

Sincerely,

Tucker Smith
Section Chief, Northern Virginia
Regional Section

Enclosures

cc:
Virginia Department of Historic Resources, Roger Kirchen
Consulting Parties

Dominion Energy
P.O. Box 26666, Richmond, VA 23261
DominionEnergy.com



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June 16, 2017

Via Email

Ms. Anna Lawston
U.S. Army Corps of Engineers - Norfolk District
803 Front Street
Norfolk, Virginia 23510

RE: Response to the U.S. Army Corps of Engineers's Questions Related to the Proposed Haymarket Transmission Line

Dear Ms. Lawston:

This letter responds to three questions the U.S. Army Corps of Engineers ("Corps") asked VADATA, Inc., the project proponent for the Midwood project permit application ("Midwood Project"), to pass along to Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company").¹ The Company received those questions by email dated May 30, 2017, from David Dutton, a consultant for VADATA. The questions pertain to the Company's plans to respond to VADATA's request for electrical service to its existing and proposed data centers, including those that are the subject of the Midwood Project. The Corps's questions are set out below in bold, and the Company's responses follow after each question.

For clarity, and before responding to the Corps's questions, Dominion Energy Virginia notes that for its purposes (*i.e.*, the sole purpose of providing reliable electricity to customers in its service territory), it considers the VADATA "Project" to consist of four data center buildings – an existing building plus new buildings 1, 2 and 3 – all of which already are taking or have requested service from the Company. The Company understands that the existing building and building 1 are (1) built, (2) currently operating as data centers, and (3) are neither part of the Midwood Project, nor subject to the Corps's jurisdiction. Therefore, the Company further understands that only proposed buildings 2 and 3 are part of the Midwood Project. With

¹ Effective May 10, 2017, Dominion Resources, Inc., the Company's publicly held parent company, changed its name to Dominion Energy, Inc. As part of this corporate-wide rebranding effort, Virginia Electric and Power Company has changed its "doing business as" ("d/b/a") names in Virginia and North Carolina effective May 12, 2017. In Virginia, the Company's d/b/a name has been changed from Dominion Virginia Power to Dominion Energy Virginia.

these clarifications and understandings in mind, the Company will provide its responses below and use the terms Project and Midwood Project as appropriate to answer the Corps's questions about the Company's provision of reliable electricity to the Haymarket Load Area.

Why did Dominion Energy Virginia propose to serve the Project with a new substation and transmission line rather than distribution lines from an existing substation?

Dominion Energy Virginia proposed a substation and transmission solution to serve VADATA's existing and proposed four data center buildings (*i.e.*, the Project), as well as other existing and projected load in the Haymarket Load Area, which consists of over 6,000 homes and businesses, including the Novant Health UVA Haymarket Medical Center. Generally, the Haymarket Load Area includes all distribution customers served by the Gainesville Substation along U.S. Route 29, State Route 55, and Heathcote Boulevard. A distribution-only solution is not adequate for future use.

Specifically, the Company's distribution network in the Haymarket Load Area consists of three 34.5 kilovolt ("kV") distribution circuits. These distribution circuits ("DC" or lines) are known as Gainesville DC #378, #379, and #695. From the Gainesville Substation, DC #379 and #695 run 1.0 mile south to Wellington Road and 2.0 miles west along Wellington Road to the intersection of U.S. Route 29. At this location, DC #379 and DC #695 circuit split and take separate paths until they tie at the existing building at the VADATA facility. DC #379 generally follows Heathcote Boulevard underground for 4.0 miles to the VADATA facility, while DC #695 generally follows State Route 55 overhead for 2.7 miles to the VADATA facility. DC #378 feeds north out of Gainesville Substation and crosses Prince William Parkway, State Route 55, and U.S. Route 29. The circuit then parallels U.S. Route 29 to the area near the intersection of U.S. Route 29 and State Route 619, where it splits with a branch continuing along U.S. 29, and a branch overbuilt on existing DC #695 through the Town of Haymarket to the VADATA facilities. Of these three circuits, in addition to serving VADATA's existing building and building 1, DC#379 currently serves residential and commercial load along Heathcote Boulevard, DC#695 serves residential and commercial load along State Route 55, and DC#378 serves residential and commercial load along U.S. Route 29, with an overbuild section along State Route 55. A map of these distribution circuits is enclosed for your reference.

As discussed further below, these three circuits are utilized fully to serve the current load in the Haymarket Load Area (which includes the VADATA existing building and building 1), and will be so until the Haymarket Substation is energized. Gainesville DC #379 and #695 are rated for 36 Mega Volt Amps ("MVA") and Gainesville DC #378 is rated for 54 MVA (for a total of 126 MVA for all three lines), with differing amounts of load served by each circuit. Further, due to the amount of load identified by VADATA for the Project and the line mileage from the Company's existing Gainesville Substation, prudent utility practice would prevent building additional distribution circuits to feed the Haymarket Load Area for the long term. In addition, Section 6 of the Company's planning criteria contained in its 2017 Facilities Interconnection Requirements ("FIR") recommends the use of transmission facilities for all

loads over 20 megawatts (“MW”), with minimum existing or predicted loads of 30 MW for the use of 230 kV transmission facilities, or when there are insufficient or remote distribution facilities.² Both circumstances are present here. *See also infra* note 3.

What customer(s) will the proposed transmission line serve? Will service be limited to the Project, or will others in the Haymarket community be benefited?

The proposed transmission line and Haymarket Substation will serve the Haymarket Load Area customer load in addition to the VADATA Project load. The Company’s current plan is to serve directly all customers west of Route 15 from the new facilities upon energizing the transmission line. This covers approximately 460 customers, including the VADATA load and Novant Health UVA Haymarket Medical Center. In addition, because the new Haymarket distribution circuits out of the Haymarket Substation fed by the proposed transmission line will relieve load from, and be tied into, the existing Gainesville circuits, it will increase the reliability for all 6,000+ customers in the Haymarket Load Area during planned and unplanned outages (see response to the third question below for additional detail). The proposed transmission line and Haymarket Substation also increases the available capacity in the Haymarket Load Area for future development, both residential and commercial. For example, Northern Virginia Electric Cooperative previously has expressed an interest in a new delivery point near or potentially within the proposed Haymarket Substation to help accommodate their load growth in the area, and to resolve operational issues between their Broad Run Substation to the west and their Evergreen Substation to the north. The Company also presented evidence as part of the State Corporation Commission proceeding that the Prince William County Planning Office has estimated approximately 4.9 million square feet of non-residential development remaining to be built in the Company’s service territory that would be served through a combination of the Company’s existing Gainesville Substation and the new Haymarket facilities.³ *See also infra* note 4 and related text.

If the [Midwood] Project were to not be constructed, would the transmission line still be constructed?

As noted above, the Company considers the “Project” to be all four VADATA buildings, including the existing building and building 1, which are operating as data centers and taking electric service. Dominion Energy Virginia has been given no reason to believe that buildings 2 and 3, which are the subject of the Corps’s review, will not be constructed. Nevertheless, should the Midwood Project not be constructed, for the reasons discussed below, in combination with

² A copy of the Company’s FIR can be found at <https://www.dominionenergy.com/about-us/moving-energy/electric-transmission-access> (last visited June 13, 2017).

³ *See Application of Virginia Electric and Power Co. For approval and Certification of Electric Facilities Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, PUE-2015-00107, Report of Glenn P. Richardson, Hearing Examiner at 63-65 (Nov. 15, 2016) (finding that the current distribution circuits do not have the necessary capacity to meet the current and projected growth and finding the transmission line is necessary).

the Company's answer to the first two questions, the Company believes it would still need a transmission solution in the Haymarket Load Area.

As noted, the Company has three distribution circuits in this area. The existing and subscribed load on these circuits *without any load from buildings 2 and 3* are set out in the table below. This load is the combined load from the customers in the area and the VADATA load for the existing building and building 1.

Circuit	Load (MVA)	Max. Capacity (MVA)	% Loaded
DC #379	35.7	36	99.2%
DC #695	30.7	36	85.3%
DC #378	45.7	54	84.6%

The remaining 0.3 MVA of capacity on the DC#379 could be overloaded by the addition of a commercial building (e.g., a Home Depot)⁴ or large residential development.

The high loading levels here present serious operational issues for the Company in maintaining a reliable electric system in the Haymarket Load Area. Throughout the year, the Company is required to switch load from one source to another during planned and unplanned outage events. During unplanned outage events, such as a car hitting a pole, fallen trees, or lightning, the Company typically operates in a "switch-before-fix" method to restore as many customers as possible in a timely manner. In a "switch-before-fix" method, the Company switches load from the affected circuit to an adjacent circuit with capacity to quickly restore electricity to as many customers as possible. Unfortunately, with these three distribution circuits loaded as they are, the Company may not have the available capacity to switch any load during an outage event. This means that the Company cannot operate in a "switch-before-fix" method, and instead has to operate in a "fix-before-restore" method, leading to longer outage times for all customers on the affected circuit. As an example, on June 3, 2017, the Company experienced equipment failure on DC #379 that could have resulted in a 8-9 hour outage for the Novant Health UVA Haymarket Medical Center if the temperature would have been 10-15 degrees warmer.⁵ This is because the higher temperatures would have created additional load that would have prevented the Company from operating in the "switch-before-fix" method. Moreover, in the event the Company needs to take planned outages for maintenance operations, connecting

⁴ We reference a Home Depot here because during the evidentiary hearing before the State Corporation Commission, a local developer's representative testified that it owned a large parcel adjacent to the existing Wal-Mart located in the Haymarket Village Center at the intersection of U.S. Route 15 and State Route 55, and that the developer was planning to build a 160,000 square foot "full retail center" that was anchored by a Home Depot. *Application of Virginia Electric and Power Co. For approval and Certification of Electric Facilities Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, PUE-2015-00107, Testimony of Peter Cooper at 25, 35 (June 21, 2016).

⁵ Considering that the high temperature that day in Haymarket was only 84 F with 34% humidity, it is not hard to imagine that, under the current electrical circumstances, the risk of longer outages due to "fix-before-restore" situations is significant. See <https://www.timeanddate.com/weather/usa/haymarket/historic> (last visited June 13, 2017).

Anna Lawston, U.S. Army Corps of Engineers
Page 5
June 16, 2017

new customers, or other purposes, existing customers in the Haymarket Load Area may experience extended outage times due to the lack of available capacity on the circuits in the load area that they otherwise would have not experienced.

As noted above, the Company's planning criteria in its FIR advises the consideration of transmission solutions anytime there are large capacity loads (anything over 20 MW (and over 30 MW for 230 kV transmission facilities)), or insufficient or remote distribution facilities. Both of these situations exist even without VADATA buildings 2 and 3 because the existing building and building 1 are over 30 MW, and the Company considers the Haymarket Load Area to have insufficient and remote distribution for the reasons discussed above, and because it is located approximately six miles from the nearest substation (Gainesville).

Finally, the Company notes that the operational scheme noted above, wherein three distribution circuits are serving the existing VADATA building and building 1 (in addition to the rest of the Haymarket Area Load), is considered to be a "bridging power" situation. In such situations, the use of distribution as "bridging power" is meant as an interim solution while a permanent, long-term transmission line solution is developed, the requisite approvals are obtained, and construction is completed. Bridging power is not meant to be a permanent solution due to operational risks, including those noted herein.

If the Corps has any questions concerning the Company's response to its questions, please do not do not hesitate to contact me by email at david.j.depippo@dominionenergy.com or by phone at 804-819-2411.

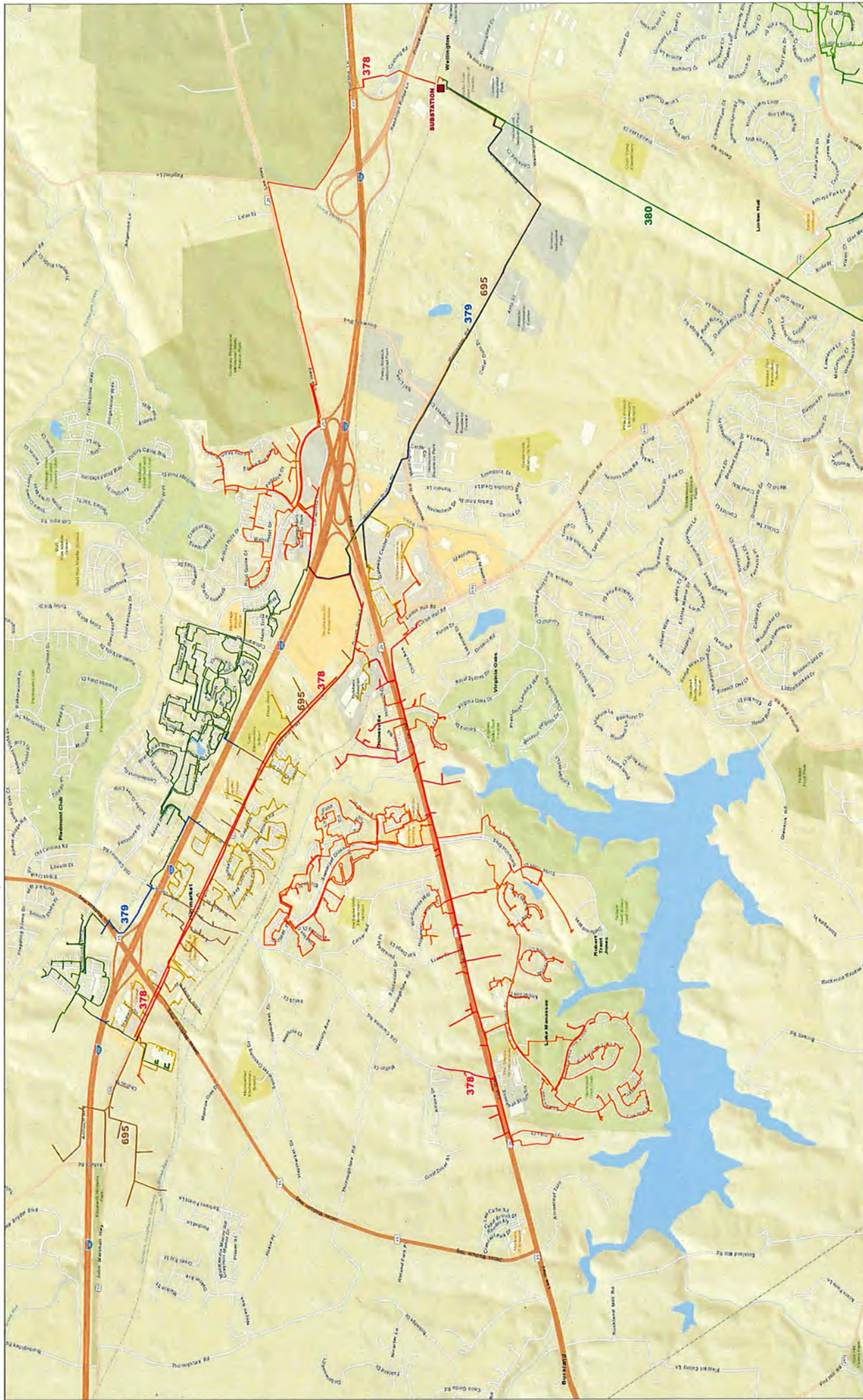
Sincerely,

/s/David J. DePippo

David J. DePippo
Senior Counsel

Enclosure

cc: Tom Walker, U.S. Army Corps of Engineers
David Dutton, Dutton & Associates
Deborah Tompkins Johnson, Regional Policy Director, Dominion Energy
Chris Behrens, Project Manager, Dominion Energy



Haymarket

PRIMARY OVERHEAD
PRIMARY UNDERGROUND

0 0.125 0.25 0.5 0.75 1 Miles

CREATED BY OUR SERVICES
DEPARTMENT

Dominion

DOMINION PROPRIETARY AND CONFIDENTIAL INFORMATION

Confidential Attachment 3

[Entirely Redacted]

Attachment 4

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric
transmission facilities: Haymarket 230 kV
Double Circuit Transmission Line and
230-34.5 kV Haymarket Substation

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Case No. PUE-2015-00107

HARRISON S. POTTER

The undersigned, Harrison S. Potter, having being duly sworn, deposes and states as follows:

1. My name is Harrison S. Potter. I am above the age of majority, of sound mind and competent to give this Affidavit. Except as otherwise stated, the facts herein are within my personal knowledge and are true and correct to the best of my information and belief.

2. I am currently employed as an Engineer III in the Distribution System Planning Department of Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company"). I have responsibility for planning the Company's electric distribution system in the Company's Warrenton, Fairfax, and Leesburg offices for voltages under 69 kilovolts ("kV").

3. I am familiar with Dominion Energy Virginia's application ("Application") with the State Corporation Commission of Virginia ("Commission") for a certificate of public convenience and necessity for the proposed Haymarket 230 kV double circuit transmission line and 230-34.5 kV Haymarket Substation pursuant to Va. § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 *et seq.* The Company proposed to (i) convert its existing 115 kV Gainesville-Loudoun Line #124, located in Prince William and Loudoun Counties, to 230 kV operation, (ii) construct in Prince William County, Virginia and the Town of Haymarket, Virginia a new 230 kV double circuit transmission line to run approximately 5.1 miles from a tap point approximately 0.5 mile north of the Company's existing Gainesville Substation on the converted Line #124 to a new 230-34.5 kV Haymarket Substation, and (iii) construct a 230-34.5

kV Haymarket Substation on land in Prince William County to be owned by the Company (collectively, the “Haymarket Project” or “Project”).

4. My direct testimony was submitted to the Commission in support of the Application on November 6, 2015. My rebuttal testimony was pre-filed with the Commission on behalf of the Company on June 9, 2016. And I testified during the evidentiary hearing on direct and rebuttal on June 21, 2016 and June 22, 2016, respectively.

5. I am generally aware that on July 13, 2017, the Coalition to Protect Prince William County (“Coalition”) and the Somerset Crossing Homeowners Association (“Somerset”) separately filed Petitions for Rehearing or Reconsideration in this proceeding (“Petitions”). I offer the following updates to my testimony in response to those Petitions.

6. Dominion Energy Virginia has continually maintained that the Haymarket Project is necessary to support load growth in the Haymarket Load Area. As part of my direct testimony, I testified that the Haymarket Load Area (which encompasses the area west of Route 29 and paralleling Route 50 and Heathcote Boulevard) is currently served by three 34.5 kV distribution circuits (“DC”) – DC #379, #695, and #378. Gainesville DC #379 and #695 are rated for 36 Mega Volt Amps (“MVA”) and Gainesville DC #378 is rated for 54 MVA (for a total of 126 MVA for all three lines). I explained how, with the projected loads from the build out of the Customer’s data center campus, along the existing load in the Haymarket Load Area and the approximately 1% projected load growth separate from the Customer, the DCs would soon become overloaded.

7. In my rebuttal testimony, I elaborated regarding the issues caused by having fully loaded distribution circuits. Throughout the year, the Company is required to switch load from one source to another during planned and unplanned outage events. During unplanned outage events, such as a car hitting a pole, fallen trees, or lightning, the Company typically operates in a “switch-before-fix” method to restore as many customers as possible in a timely manner. In a “switch-before-fix” method, the Company switches load from the affected circuit to an adjacent circuit with capacity to quickly restore electricity to as many customers as possible. Unfortunately, with these three distribution circuits loaded as they are, the Company may not have the available capacity to switch any load during an outage event. This means that the

Company cannot operate in a “switch-before-fix” method, and instead has to operate in a “fix-before-switch” method, leading to longer outage times for all customers on the affected circuit. Moreover, in the event the Company needs to take planned outages for maintenance operations, connecting new customers, or other purposes, existing customers in the Haymarket Load Area may experience extended outage times due to the lack of available capacity on the circuits in the load area that they otherwise would have not experienced.

8. Contrary to assertions in the Petitions, these issues exist today and will continue to exist or worsen as load growth continues if the Haymarket Project is not constructed.

9. The existing and subscribed load on DC #379, #695, and #378 from customers in the Haymarket Load Area (including the Customer’s existing data center building as well as Building 1, as well as other customers) currently is as follows. These figures are without any load from Customer Buildings 2 and 3.

Circuit	Load (MVA)	Max. Capacity (MVA)	% Loaded
DC #379	35.7	36	99.2%
DC #695	30.7	36	85.3%
DC #378	45.7	54	84.6%

10. As an example of why these high loading levels are a problem, on June 3, 2017, the Company experienced equipment failure on DC #379 that could have resulted in an 8-9 hour outage for the Novant Health UVA Haymarket Medical Center if the temperature would have been 10-15 degrees warmer. This is because the higher temperatures would have created additional load that would have prevented the Company from operating in the “switch-before-fix” method. Considering that the high temperature that day in Haymarket was only 84° F with 34% humidity, it is not hard to imagine that, under the current electrical circumstances, the risk of longer outages due to “fix-before-switch” situations is significant.

11. Additionally, the remaining 0.3 MVA of capacity on the DC#379 – which runs to the western portion of the Haymarket Load Area – could be overloaded by the addition of a commercial building (like the Home Depot we heard about during the evidentiary hearing) or new large residential development.

12. I have recently become aware that Prince William County has announced a new large residential development, which is slated for the parcel of land directly adjacent to the Customer's data center campus and the Company's proposed Haymarket Substation. I have included an excerpt from the Prince William Newsletter's July edition as Exhibit 1 to my Affidavit.

13. In Exhibit 1, the County discusses the recent approval by the Board of Supervisors of a new 490-home age-restricted community known as Carter's Mill. The newsletter explains how this development was spurred by the expansion of Novant's hospital campus, as well as more than 1.5 million-square feet of potential office, 800,000 square-feet of retail space, and a 38,000 square-foot medical office building approved and expected on the other side of I-66/Route 15 (see Paragraph 17 below). The Company anticipates that a residential development such as this would be expected to add approximately 2 MVA of load growth to the Haymarket Load Area. This is to say nothing of the additional load growth that will be attributed to the related, planned, and expected office, medical, and retail space noted above, which, based on our experience, we would expect to add another approximately 1-2 MVA.

14. Upon energization of the Haymarket Substation, the Company will use that station to serve all customers west of Route 15. At the time of my rebuttal, this was 456 customers including Haymarket Village Center and the Novant Health Medical Center for a total of approximately 5.5 MVA. As of August 2017, the number of customers west of Route 15 has grown to 478. With this new development of an additional 490 residential customers, which will be in the Company's service territory, the number of customers to be served from the Haymarket Substation will more than double. I would also expect the additional associated commercial and health-related development discussed in Exhibit 1 to be served from the Haymarket Substation. Also upon energization of the Haymarket Substation, a new distribution circuit will be installed to regularly serve all customers west of Route 15. This new circuit will include two automated loop schemes or restoration schemes that will restore commercial and residential load (over 2,800 customers) currently being served by DC#379 and DC#695 in under two minutes during certain outage scenarios. These schemes will decrease the outage time per event and give the Company operational flexibility.

15. In addition to Carter's Mill, there are several projects in the immediate Haymarket Load Area that are at various stages of planning review. Although I am not a land use planner, I am discussing these project to inform the Commission of additional growth that will be supported by the Project.

16. It is my understanding that the Home Depot mentioned above is anticipated to be part of a planned Haymarket Village Center (PLN2008-00668 - REZ2017-00020 - SUP2017-00040), which is a 108,000 square foot home improvement store with 28,000 square foot garden center; a 22,000 square foot grocery store; 46,000 square feet of shopping center; a 4,000 square foot restaurant on 125.376-acre parcel identified by GPIN 7298-54-0948.

17. It is also my understanding that the medical office mentioned above is the Village at Heathcote Medical Office (PLN2004-00298 - REZ2017-00025), which has a minimal size of 35,000 square feet and a planned development to contain a mix of employment and service commercial users on \pm 15 acre parcel identified by GPIN 7298-83-6287 and 7298-83-6418.

I solemnly affirm that the contents of the foregoing are true to the best of my knowledge, information, and belief.

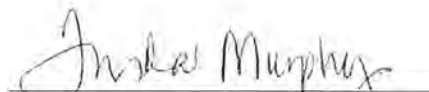


Harrison S. Potter

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Richmond

The foregoing Affidavit was sworn and subscribed before me, this 15th day of August, 2017, by Harrison S. Potter.


Notary Public My Commission Expires
April 30, 2018

My Commission Expires:

Registration No.:

7342676



The PRINCE WILLIAM Newsletter

Your Real Estate News and Research Resource

Volume 33, Number 7 • July 2017

Board Approves 490-Home Age-Restricted Community in Gainesville

Despite the reservations of the county's planning staff, the Prince William Board of County Supervisors has given the go-ahead to Pulte for its proposed age-restricted community in Gainesville. In July, the board approved a comprehensive plan amendment and rezoning (CPA#PLN2013-00182; REZ#PLN2013-00190) to enable the project, called Carter's Mill. The 490-unit development will be built on a 128-acre swath of land on the south side of Route 55, due west of its intersection with Route 15.



Carter's Mill Locational Map; Source: Prince William County

According to county planner Steve Donohoe, staff concerns about the project have remained the same since the board held public hearings on an earlier iteration of the same plan, formerly known as Midwood. Staff has long contended that the loss of land planned for commercial development conflicts with the county's strategic goal to expand its economic base, he said.

But during the board's July 18th public hearing, the developer suggested that the new plan actually would contribute to job creation as part of a burgeoning health care cluster in the area. Attorney Peter Dolan (Walsh, Colucci, Lubeley & Walsh) said that his client, the applicant, had studied the development patterns in the area. He noted that the expansion of Novant's hospital campus at Market Center had spurred commercial activity in that area, located nearby but on the other side of the I-66/Route 15 interchange.

More than 1.5 million-square feet of potential office and 800,000-square feet of retail space have been approved there. In addition, he said, Kaiser Permanente has a contract on a site along Heathcote Boulevard near Novant, where the healthcare provider plans to build a 38,000-square foot medical office building. "They sent a letter of support for this project," he said.

Project Complements Health Care Cluster. While the acreage along Heathcote Boulevard on the other side of I-66 works well for additional commercial uses, the 128-acre site along John Marshall Highway is better suited for residential uses, Dolan said. "Employment and non-residential growth is appropriate for along Heathcote, closer to 15, and I-66, but non-residential is not appropriate for the subject property." Dolan noted that the proposed residential density is similar to adjacent neighborhoods.

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The PRINCE WILLIAM Newsletter

The new community also creates a better transition into the Rural Crescent than would an office complex, he said. A community made up of older people will generate new employment opportunities, particularly in the health care fields, Dolan told supervisors. It will further stimulate growth of western Prince William's health industry cluster, as new residents will require nearby medical services and support. "This development will have a positive fiscal impact and will drive more health care employment," he said.

Analysis Shows Positive Economic Impacts. During the hearing, board members also heard from prominent local economist and land use expert Dr. Stephen Fuller, who was hired by the developer to conduct an independent analysis of the project. Fuller encouraged supervisors to approve the project, noting that it fit in with the county's economic development strategy.

"This is a gem of a land use and an important contribution to your land use portfolio. I can't think of anything that would be more fiscally favorable to the county," he said. Fuller pointed out that the small household size and lack of children meant less demand on county services, even as they generate strong property and sales tax revenue.

The result is that the fiscal value of the Carter's Mill project is about three times the norm – generating about \$2.5 million annually for the county, according to Fuller's analysis. "A commercial project would have to create almost 4,000 jobs to generate this amount and produce the same benefit," he said. And even if the county aggressively seeks out such large commercial users, it doesn't mean they will come. "The market can't sustain this type of commercial development," he said.

Strong Proffers, Low Impact on Services. With the application in the county's pipeline since 2013, the project comes with commitments to fund the kind off-site improvements that are no longer permitted under Virginia's new proffer rules, including \$2.8 to widen Route 15 and monetary contributions totaling \$8 million toward other transportation improvements.

In addition, the age-restricted nature of the community is stipulated in the proffers and in recorded covenants. "So, there will be no children generated and no impacts on schools," Dolan said. Other proffers include architectural standards to ensure high quality design, a club house that includes an indoor and outdoor pool along with other recreational amenities, and six miles of sidewalks. About 30-percent of the site will remain as open space. Dolan

added that his clients agreed to complete an unfinished portion of an off-site public walking trail and provide historical markers along the trail.

Traffic impacts would be reduced as well, according to Dolan. "An age-restricted community will generate significantly fewer vehicle trips than what would be allowed by right. We estimate that it would decrease traffic by roughly 90 percent compared to what could be developed here," he said.

Board members indicated strong support for the plans. In moving forward the applications, Gainesville Supervisor Pete Candland acknowledged staff's concerns about loss of property planned for commercial development. However, he said, "It is clear that the market has decided that the office area is on the other side of 66. We may try to plan things in an academic approach, but the market says otherwise." Candland added that the project will contribute to the growth around Novant Hospital. "This will be a high-end senior community and an economic benefit to the county. It will support the emerging medical campus coming in across I-66."

Candland praised the developers for their flexibility and willingness to address issues raised. "This project has been around for a long time and I had concerns about it since the beginning," he said. "Originally there were apartments. But we can't add more students to schools. And the applicant took them out. We wanted road improvements. And the applicant did that."

Supervisors voted unanimously to approve both applications.

The approval of the comprehensive plan amendment changes the comprehensive plan designation of the Midwood Center property from CEC, community employment center, REC, regional employment center, and ER, environmental resource to SRM, suburban residential medium and environmental resource. The approval of the zoning application rezones 128.26 acres from PBD, planned business district, and A-1, agricultural to PMR, planned mixed residential.

The development will include a maximum of 375 single family detached homes and 275 single family attached units.

Attachment 5

MOTION: CANDLAND

**August 1, 2017
Regular Meeting
Res. No. 17-369**

SECOND: LAWSON

RE: WAIVE THE BOARD OF COUNTY SUPERVISORS RULES OF PROCEDURE TO SUPPORT THE COALITION TO PROTECT PRINCE WILLIAM COUNTY AND SOMERSET CROSSING HOMEOWNERS ASSOCIATION IN THEIR EFFORTS CONCERNING THE NEED FOR THE HAYMARKET TRANSMISSION LINES; STRONGLY ENCOURAGE THE STATE CORPORATION COMMISSION TO RECONSIDER WHETHER THE NEED CURRENTLY EXISTS FOR THE TRANSMISSION LINES; REAFFIRM THE BOARD'S COMMITMENT TO SUPPORT THE I-66 HYBRID ALTERNATIVE ROUTE AS THE ONLY ACCEPTABLE ROUTE; OPPOSE THE RAILROAD ROUTE, CARVER ROAD ROUTE, MADISON ALTERNATIVE ROUTE, I-66 OVERHEAD ROUTE, AND ALL OTHER PROPOSED ROUTES OTHER THAN THE I-66 HYBRID ALTERNATIVE ROUTE; STRONGLY ENCOURAGE THE STATE CORPORATION COMMISSION TO RECONSIDER ITS DECISION TO ORDER THE CARVER ROAD ROUTE – BRENTSVILLE AND GAINESVILLE MAGISTERIAL DISTRICTS

ACTION: APPROVED

WHEREAS, on November 6, 2015, Dominion Energy, formerly Dominion Resources Services, Inc. ("Dominion"), filed an application with the State Corporation Commission, ("SCC"), for a 230 kV Double Circuit Transmission Line in Haymarket ("the Project"), alleging a need for additional retail electric service in the western area of the County; and

WHEREAS, the Board has consistently stated its support for the I-66 Hybrid Alternative Route as the only acceptable route; and

WHEREAS, the SCC entered a Final Order on June 23, 2017, stating "that the proposed Project is needed" and ordered the Carver Road Route, despite the Board's consistent opposition to the Carver Road Route; and

WHEREAS, based on statements and information provided by Dominion during the SCC proceeding and other proceedings related to the Transmission Line, members of the community have raised serious concerns about whether there is a need for the Transmission Line at this time; and

WHEREAS, the County previously provided the SCC with a build-out analysis, which has changed significantly due to subsequent events and could impact the need for the Transmission Line; and

August 1, 2017
Regular Meeting
Res. No. 17-369
Page Two

WHEREAS, the Board believes that the issue of need is critical to the SCC's decision; and

WHEREAS, the Coalition to Protect Prince William County and Somerset Crossing Homeowners Association have filed motions for reconsideration or rehearing, and the SCC has granted reconsideration and suspended its Final Order pending its reconsideration; and

WHEREAS, in Dominion's Motion to Hold Proceedings in Abeyance for 60 Days and for Expedited Consideration, it stated that "the Company is investigating whether there are additional cultural and potentially historic resources along the Carver Road Route";

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors does hereby waive its Rules of Procedures to amend the agenda to act on this resolution;

BE IT STILL FURTHER RESOLVED that the Prince William Board of County Supervisors does hereby support the Coalition to Protect Prince William County and Somerset Crossing Homeowners Association in their efforts to pursue and evaluate whether there is a true need for the Transmission Line at this time; and

BE IT FURTHER RESOLVED that the Board of County Supervisors strongly encourages the State Corporation Commission to reconsider whether the need currently exists for the Transmission Line, including, but not limited to, requesting additional information and clarification from Dominion, the Coalition to Protect Prince William County, and Somerset Crossing Homeowners Association concerning the need for the Transmission Line;

BE IT FURTHER RESOLVED that the Board of County Supervisors does reaffirm its commitment to support the I-66 Hybrid Alternative Route as the only acceptable route;

BE IT FURTHER RESOLVED that the Board of County Supervisors restates its opposition to the Railroad Route, the Carver Road Route, the Madison Alternative Route, the I-66 Overhead Route, and all other proposed routes other than the I-66 Hybrid Alternative Route; and the Board strongly encourages the State Corporation Commission to reconsider its decision to order the Carver Road Route due to its significant negative impacts on the individual property owners along the Carver Road Route, the community, and cultural and historic resources;

August 1, 2017
Regular Meeting
Res. No. 17-369
Page Three

Votes:

Ayes: Anderson, Candland, Jenkins, Lawson, Nohe, Principi, Stewart

Nays: None

Absent from Vote: Caddigan

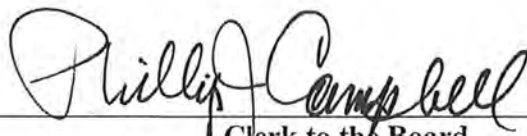
Absent from Meeting: None

For Information:

County Attorney

Planning Director

ATTEST: _____



Clerk to the Board

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of August 2017, a true and accurate copy of the foregoing filed in Case No. PUE-2015-00107 was hand-delivered or mailed first class, postage pre-paid, to the following:

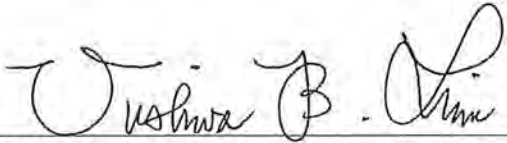
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