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160540011

May 10, 2016

BY HAND DELIVERY

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

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

Dear Mr. Peck:

On behalf of the Heritage Respondents, I have enclosed for filing in the above-referenced proceeding the original and fifteen copies of *Direct Testimony and Exhibits of Russell Gestl*. Also enclosed is an additional copy to be date-stamped and returned with the courier.

If you have any questions, please do not hesitate to call me. Thank you for your assistance.

Sincerely yours,

Michael J. Quinan

MJQ/tz

Enclosures

cc: Certificate of Service

1958170

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

Pre-filed Direct Testimony of

RUSSELL GESTL

on behalf of

**HERITAGE HUNT HT, LLC, HERITAGE HUNT COMMERCIAL, LLC,
HERITAGE HUNT RETAIL, LLC, HERITAGE HUNT OFFICE
CONDOMINIUM, LLC, HERITAGE SPORT & HEALTH, LLC, RBS
HOLDINGS, LLC, AND BKM AT HERITAGE HUNT, LLC**

May 10, 2016

DIRECT TESTIMONY SUMMARY

Witness: Russell Gestl, Executive Vice President, Buchanan Partners LLC.

Buchanan Partners acquired approximately 100 acres in Gainesville, Virginia, located adjacent to the I-66/Rt 29 Interchange and, through a number of entities that are respondents in this matter referred to collectively as Heritage, designed, developed, owns and manages a commercial project known as Heritage Hunt. Its location was selected primarily due to the property's frontage, visibility and accessibility from I-66.

Dominion's proposed I-66 Overhead Route would run along the north side of the interstate immediately adjacent to Heritage Hunt, and would directly and adversely impact the marketability and value of both existing and future development sites and buildings within the project. It would also adversely impact existing residences both within and to the west of Heritage Hunt. Additionally it would impact travelers on the interstate in an area where it will be impossible to locate or shield the line to mitigate visual impacts.

Because the I-66 Hybrid Route would be partially underground, it is the route that would best minimize adverse impacts on the community. Although the cost of constructing the Hybrid Route may be comparatively high, those cost should be weighed against the much higher costs that an overhead line would impose on the area's property owners. Heritage urges the Commission to select the I-66 Hybrid Route.

If the Hybrid Route is not selected, the next best option is the Railroad Route. The fact that the Railroad Route was recently encumbered by an Open Space and Trail Easement is not a barrier to its selection if the County consents to its use. In any event, in light of the proximity of the I-66 Overhead Route to Heritage Hunt, to a greater number of residences, and to the interstate highway, it is the worst option before the Commission and should be rejected.

1 **Q. Please state your name and your position.**

2 A. My name is Russell Gestl. I am the Executive Vice President for Buchanan
3 Partners LLC. Buchanan Partners is a developer and asset manager in the
4 Washington, D.C. metropolitan area.

5 **Q. On whose behalf are you testifying in this proceeding?**

6 A. I am testifying on behalf of the respondents referred to as “Heritage,” which
7 includes Heritage Hunt HT, LLC, Heritage Hunt Commercial, LLC, Heritage
8 Hunt Retail, LLC, Heritage Hunt Office Condominium, LLC, Heritage Sport &
9 Health, LLC, RBS Holdings, LLC, and BKM at Heritage Hunt, LLC.

10 **Q. What is your responsibility with regard to Heritage?**

11 A. Buchanan Partners is the asset manager for all of the entities that comprise
12 Heritage. I am the authorized representative for each of them.

13 **Q. What is your educational and professional background?**

14 A. I have a Bachelors of Architectural Engineering degree from the Pennsylvania
15 State University. I was employed as a Site Superintendent and Project Manager
16 for a commercial general contractor from 1979 – 1988, and have been with
17 Buchanan Partners since 1988. Responsibilities include/have included due
18 diligence, land and building acquisitions, zoning and land use entitlement
19 approvals, land and building design management, site work and building
20 construction management, and land and building sales/leasing involvement.

21 **Q. Have you testified before this Commission in the past?**

22 A. Yes. I recently filed testimony regarding Dominion’s proposed Poland Road
23 transmission line and substation in SCC Case. No. PUE-2015-00053.

1 **Q. What is the interest of the Heritage in this case?**

2 A. Buchanan Partners acquired the approximately 100 acres generally identified as
3 the Heritage Hunt commercial project and through our various ownership entities
4 has designed, developed, owns and manages numerous buildings in the project
5 that is shown on the attached **Exhibit RG-1**.

6 **Q. Where is the Heritage Hunt located, and why was this location selected?**

7 A. The project is located in Gainesville, VA adjacent to the I-66 / Rt 29 Interchange.
8 The location was primarily selected due to the property's frontage, visibility and
9 accessibility from I-66.

10 **Q. To what extent has the development of Heritage Hunt been completed?**

11 A. We have developed ten commercial buildings and 304 residential building lots in
12 the project. We have also sold 3 commercial pad sites that have been developed
13 by others and own 2 commercial pad sites that have been leased to and built on
14 by others.

15 **Q. What further plans does Heritage have for development of Heritage Hunt?**

16 A. The project has remaining land available for future development of 7 additional
17 commercial buildings, 86 residential building lots, and 3 commercial pad sites.

18 **Q. What effect would construction and operation of Dominion's proposed**
19 **Haymarket 230 kV transmission line have on Heritage Hunt if Dominion's**
20 **preferred overhead route along U.S. Interstate Highway 66 ("I-66") is**
21 **approved by the Commission?**

22 A. The overhead route would directly and adversely impact the marketability and
23 value of both the existing and future development sites and buildings within the

1 project. It would impose an unsightly and inconsistent industrial use in close
2 proximity to Heritage Hunt.

3 **Q. Are there other properties in the area that would be similarly affected by a**
4 **transmission line on the proposed I-66 overhead route?**

5 A. The existing residential units within the project, in addition to the existing
6 residential units in the communities to the west would also be impacted, in my
7 opinion to an even greater extent.

8 **Q. In addition to the adverse effects on properties in the area, is there another**
9 **reason why the Commission should not approve an overhead transmission**
10 **line on the proposed I-66 route?**

11 A. Yes. The construction of a transmission line on the proposed I-66 route would be
12 impactful not only to those who live and work and own property immediately
13 adjacent to the powerlines but also to others in the immediate area. Additionally,
14 the interstate highways in Virginia are among its great scenic assets and
15 powerlines along highways are definitely an impact on viewsheds, and typically
16 impact both existing and planted landscaping and buffers. This is especially
17 unfortunate when there are opportunities to locate the lines where they are less
18 impactful.

19 **Q. Would the effect on Heritage Hunt be any different if the I-66 Hybrid**
20 **Alternative Route is approved? If so, how?**

21 A. The primary impact of the overhead lines is the visibility of and proximity to the
22 visibility of the lines. If underground these impacts would be basically eliminated
23 for the commercial properties.

1 Q. Are you saying that Heritage has no objection to the Commission's approval
2 of the proposed transmission line if the I-66 Hybrid Alternative is approved?

3 A. Correct.

4 Q. As discussed above, your testimony is that the Commission should reject the
5 Proposed Route. Do you have any comments on the other routes set forth in
6 the Application?

7 A. Yes. I believe the Hybrid Route is the best route for minimizing the overall
8 impacts on the community because of the elimination of many of the visible
9 impacts. Additionally, I have attached as **Exhibit RG-2** the non-confidential
10 portions of Dominion's March 22, 2016 response to the Second Set of discovery
11 submitted by the Heritage respondents. Based on that response, I have had
12 prepared the charts identified as **Exhibit RG-2A**.

13 These charts include Dominion's estimates for real estate costs for the
14 various routes under consideration. It is my understanding that these represent the
15 differences in *Dominion's* costs for the acquisition of easements but do not
16 necessarily account for impacts to property values for impaired marketability for
17 immediately adjacent building sites that are available to be sold or developed, or
18 for immediately adjacent existing buildings to be leased and/or sold. They
19 definitely do capture any lost property value for the numerous commercial and
20 residential properties that are not immediately adjacent but are impacted visually,
21 and will definitely be impacted economically when they are sold. As someone
22 involved in the acquisition and sales of real estate I can tell you that there are
23 many variables that impact market values. Aesthetics and views are two of the

1 primary factors that add value for all real estate, and visibility and signage are two
2 primary factors that add value for commercial real estate. Again, this is a primary
3 reason that we were attracted to and acquired the property along I-66.

4 **Q. So far your testimony has focused on the Proposed Route and the Hybrid**
5 **Route. Are there other routes you would like to address?**

6 A. Yes, I would like to address some aspects of the Railroad Route. My basic
7 understanding is that, as Dominion was developing possible routes for
8 transmission lines related to the Haymarket substation, the Railroad Route
9 emerged as its preferred route. That assessment changed when a new easement
10 was created that impacted the Railroad Road, which then led Dominion to
11 consider alternate routing that ultimately became the Proposed Route.

12 **Q. Can you explain what you mean by the “new” easement on the Railroad**
13 **Route?**

14 A. I have attached as **Exhibit RG-3** Dominion’s April 19, 2016 response to the Third
15 Set of discovery submitted by the Heritage Respondents: for ease of reference, I
16 have had handwritten page numbers added to the response. The last page of
17 **Exhibit RG-3**, page 29, contains Attachment Heritage Set 3-1(a) which,
18 according to Dominion’s description on p. 3, shows that the “Railroad Alternative
19 Route crosses 0.8 miles of two, largely overlapping, open space easements: a
20 Protected Open Space Easement (blue stripes) and an Open Space and Trail
21 Easement (yellow stripes).” I refer to the Open Space and Trail Easement as the
22 “new” easement because it was created via a gift from the Somerset Crossing
23 Homeowners Association to Prince William County in December 2014.

1 **Q. What is the difference between the two easements?**

2 A. For purposes of this case, the key difference is indicated on page 4 of **Exhibit**
3 **RG-3** where Dominion states, “[i]n the absence of the Open Space and Trail
4 Easement, the Railroad Route Alternative Route would warrant renewed
5 consideration by Dominion Virginia Power.” The basis for this conclusion is
6 shown under Dominion’s response to Subsection e. of Question No. Heritage 3-1
7 on page 4 of **Exhibit RG-3**, which states that,

8 In the absence of the Open Space and Trail Easement, which is
9 designated under the Open Space Land Act and retains the
10 protective covenants of the local public body, in this case, Prince
11 William County, Dominion Virginia Power would consider the
12 Railroad Alternative Route feasible for routing purposes.
13 Conversely, the Protected Open Space Easement is held by a
14 private, non-governmental entity which does not have the
15 protective procedures in place and is subject to eminent domain,
16 thus not precluding Dominion Virginia Power’s ability to obtain
17 the right-of-way to construct this route.
18

19 This indicates that it is only the new easement that Dominion sees as some sort of
20 barrier to its consideration of the Railroad Route.

21 **Q. Is the new easement an absolute barrier to consideration of the Railroad**
22 **Route?**

23 A. Apparently not. Dominion says the existence of this kind of easement requires
24 “careful consideration” and that “as a matter of course, whenever possible,
25 Dominion tries to avoid crossing Protected Open Space easements with new
26 transmission lines.” Dominion does not say it cannot or will not cross such
27 easements with new transmission lines. Rather, Dominion says that “unless
28 Prince William County agreed to allow a utility easement through the Open Space

1 and Trail Easement, the segment of the Railroad Alternative Route that currently
2 crosses that easement could not be constructed.”

3 **Q. Do you have any reason to believe that Prince William County would grant**
4 **such an easement?**

5 A. I do not believe at the current time that the County has addressed this issue, but it
6 certainly could do so.

7 **Q. Do you have any reason to believe that Dominion would select the Railroad**
8 **Route as its preferred route if, for instance, the County granted Dominion a**
9 **utility easement?**

10 A. All I know for sure is that this kind of development would, as I discussed above,
11 make Dominion consider this route “feasible for routing purposes.” Dominion
12 says that “while the Railroad Alternative Route may have a greater cumulative
13 impact on wetlands and natural resources, it would have the advantage of having
14 less direct impact on residences as there are no residences within 200 feet of the
15 route.” In fact, the differences among the several routes in their impacts on
16 nearby residences is striking, as seen in the following chart:

Heritage 2-1 Chart: Residential Impacts					
	Proposed	Carver	Madison	Hybrid	Railroad
Within 100 Feet	5 s-family 17 t’home/condo	2 s-family 1 apt bldg	3 s-family 1 apt bldg	13 s-family 21 t’home/condo	no residences
Within 200 Feet	15 s-family 32 t’home/condo	12-family 2apt bldg	25 s-family 2 apt bldg	27 s-family 35 t’home/condo	no residences
Within 500 Feet	114 s-family 109 t’home/condo	82 s-family 4 t’home/condo 9 apt bldg	99 s-family 4 t’home/condo 9 apt bldg	128 s-family 86 t’home/condo	47 s-family 28 t’home/condo

17

1 While Dominion's Application sets out a number of different advantages
2 and disadvantages it considered in weighing the various routes it proposed, the
3 impacts on proximate residences, combined with its impact on highway travelers,
4 weighs heavily in favor of the Railroad Route because the Proposed Route runs so
5 close to I-66 and to existing residences that its construction is like threading a
6 needle. The difficulties involved in the I-66 construction are captured to some
7 degree on pages 7 to 8 of **Exhibit RG-3**, which describes the factors Dominion
8 had to deal with in determining whether to transverse the south side or the north
9 side of I-66

10 **Q. If the Commission does not approve the I-66 Hybrid Alternative and also**
11 **does not approve the Railroad Alternative, do the other alternative routes**
12 **proposed by Dominion provide better options, with fewer and less serious**
13 **adverse impacts, than the Proposed Route?**

14 A. Yes. For the same reasons that the Railroad Alternative is preferable, the Carver
15 and Madison routes would be better than the I-66 overhead route.

16 **Q. The Commission is charged with selecting a route for the proposed**
17 **transmission line that reasonably minimizes adverse impacts on the scenic**
18 **assets, historic districts and environment of the area. How does the**
19 **preferred I-66 Overhead Route compare to the I-66 Hybrid Route and the**
20 **other alternative routes under consideration in terms of meeting that**
21 **standard?**

22 A. Because of its proximity to Heritage Hunt, because of its proximity to a greater
23 number of residences, and because it would have transmission towers run

1 alongside the interstate, the I-66 route is really the worst option before the
2 Commission.

3 **Q. What is Heritage asking the Commission to do in this case?**

4 A. Heritage is asking the Commission to select the I-66 Hybrid Alternative. In any
5 event, Heritage is asking the Commission to reject the I-66 Overhead Alternative.

6 **Q. Does this conclude your direct pre-filed testimony in this matter?**

7 A. Yes, it does. Thank you.

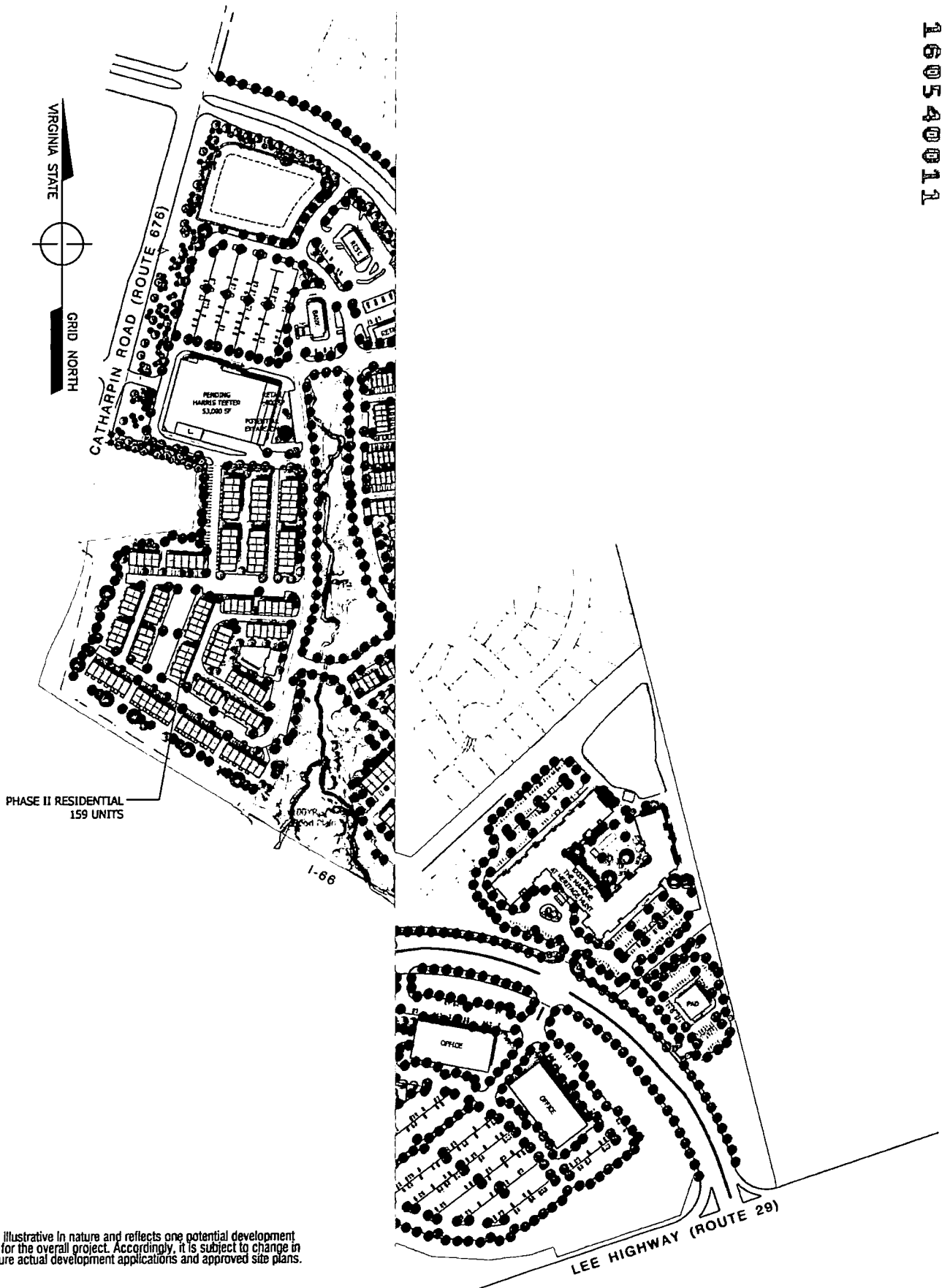
Lists of Exhibits

Exhibit RG-1	Plat of Heritage Hunt
Exhibit RG-2	Dominion Response to Heritage Set 2
Exhibit RG-2A	Consolidated Charts from Dominion Responses to Heritage Set 2
Exhibit RG-3	Dominion Response to Heritage Set 3

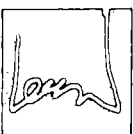
Exhibit RG-1 Plat of Heritage Hunt

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The Concept Plan is illustrative in nature and reflects one potential development scenario and layout for the overall project. Accordingly, it is subject to change in accordance with future actual development applications and approved site plans.



lessard design

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HERITAGE HUNT

PRINCE WILLIAM COUNTY
HANAN PARTNERS

0 300 600
SCALE: 1" = 300'

DEC. 11, 2012

Exhibit RG-2 Dominion Response to Heritage Set 2

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160540011

Dominion Resources Services, Inc.
Law Department
120 Tredegar St. Richmond, VA 23219
dom.com



Charlotte P. McAfee
Senior Counsel
Direct: (804) 819-2277; Facsimile: (804) 819-2183
Email: charlotte.p.mcafee@dom.com

VIA ELECTRONIC DELIVERY

March 22, 2016

Cliona Mary Robb, Esq.
Michael J. Quinan, Esq.
James G. Ritter, Esq.
Christian Barton, LLP
909 East Main Street
Suite 1200
Richmond, Virginia 23219

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

Dear Counsel:

Enclosed are the responses of Virginia Electric and Power Company to the Interrogatories and Requests for Production of Documents by Heritage (First Set) and (Second Set). The response to Heritage Set 2-1(e) is confidential and will be provided upon receipt of your signed Agreements to Adhere to the Protective Ruling issued in this case.

Should you have any questions regarding this matter, please do not hesitate to contact me:

Sincerely,


Charlotte P. McAfee
Senior Counsel

Enclosure

cc: William H. Chambliss, Esq.
Alisson P. Klaiber, Esq.
Andrea Macgill, Esq.
Mr. Neil Joshipura
Will Reisinger, Esq.
Vishwa Link, Esq.
Jennifer Valaika, Esq.

Virginia Electric and Power Company
Case No. PUE-2015-00107
Heritage
Second Set

The following response to Question No. 2-1(a) of the First Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on March 11, 2016 has been prepared under my supervision.



 Wilson Velazquez
 Supervisor Substation Engineering
 Dominion Technical Solutions, Inc.

Question No. 2-1

Please refer to Heritage 2-1 Chart below in responding to the requests set forth in subsections a) through d) below. (Note: the amounts shown in Heritage 2-1 Chart for Dominion's Proposed Route are from page 28 of the Appendix from the Application).

Heritage 2-1 Chart: Cost Breakdown for Routes					
	Proposed	Carver	Madison	Hybrid	Railroad
Transmission Line Work	\$30.2 million				
Haymarket Substation Work	\$16.7 million				
Gainesville Substation Work	\$2.0 million				
Loudoun Station Work	\$2.1 million				
Total Cost	\$51.0 million				

- a) Please complete the chart above by showing the amounts for Transmission Line Work, Haymarket Substation Work, Gainesville Substation Work, and Loudoun Station Work for the Carver Route, the Madison Route, the Hybrid Route, and the Railroad Route.
- b) Please explain in detail whether the information provided in response to subsection a) above can be found in the Application and whether Dominion

has provided similar information in prior applications seeking consideration by the State Corporation Commission of a proposed transmission line route and alternate routes.

- c) For the Transmission Line Work amounts shown for each of the five routes (Proposed, Carver, Madison, Hybrid, and Railroad) above, please indicate the amount of costs attributable to the Transmission Line Work that applies to each of these cost categories:
- Engineering
 - Project Management & Support
 - Real Estate
 - Construction Labor & Materials
- d) If the costs shown in the cost categories under Question 2-1, subsection c), items i. through iv. above do not add up to the total shown for the Transmission Line Work in the Heritage 2-1 chart, please indicate what additional cost categories apply and what the amounts of costs in those categories are.
- e) For the amounts provided in response to Question 2-1, subsection c), item iii concerning Real Estate, explain how these costs were calculated, including but not limited to the dates of the underlying data and what portion of each cost estimate is allocated to construction costs, right-of-way acquisition costs, and, if applicable, other major cost categories. In your response, explain in detail how the right of way acquisition costs were determined, including what costs are attributable to permanent right of way acquisition and what costs are attributable to temporary easements only.

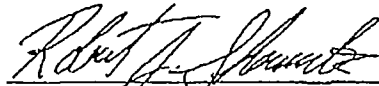
Response:

- a) The substation costs are shown in the chart below.

	Proposed	Carver	Madison	Hybrid	Railroad
Transmission Line Work	\$30.2 million				
Haymarket Substation Work	\$16.7 million	\$16.7 million	\$16.7 million	\$29.1 million	\$16.7 million
Gainesville Substation Work	\$2.0 million	\$2.0 million	\$2.0 million	\$2.0 million	\$2.0 million
Loudoun Station Work	\$2.1 million	\$2.1 million	\$2.1 million	\$2.1 million	\$2.1 million
Heathcote Station Work	N/A	N/A	N/A	\$22.2 million	N/A
Total Cost	\$51.0 million				

Virginia Electric and Power Company
Case No. PUE-2015-00107
Heritage
Second Set

The following response to Question No. 2-1(a), (c) and (d) of the Second Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on March 11, 2016 has been prepared under my supervision as it pertains to transmission line engineering.



Robert J. Shevenock II
Consulting Engineer
Dominion Technical Solutions, Inc.

The following response to Question No. 2-1(a), (c) and (d) of the Second Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on March 11, 2016 has been prepared under my supervision as it pertains to the I-66 Hybrid Alternative Route.

Thomas W. Reitz Jr.
Consulting Engineer
Dominion Technical Solutions

Question No. 2-1

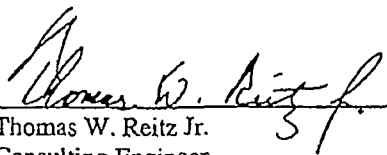
Please refer to Heritage 2-1 Chart below in responding to the requests set forth in subsections a) through d) below. (Note: the amounts shown in Heritage 2-1 Chart for Dominion's Proposed Route are from page 28 of the Appendix from the Application).

Virginia Electric and Power Company
Case No. PUE-2015-00107
Heritage
Second Set

The following response to Question No. 2-1(a), (c) and (d) of the Second Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on March 11, 2016 has been prepared under my supervision as it pertains to transmission line engineering.

Robert J. Shevenock II
Consulting Engineer
Dominion Technical Solutions, Inc.

The following response to Question No. 2-1(a), (c) and (d) of the Second Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on March 11, 2016 has been prepared under my supervision as it pertains to the I-66 Hybrid Alternative Route.



Thomas W. Reitz Jr.
Consulting Engineer
Dominion Technical Solutions

Question No. 2-1

Please refer to Heritage 2-1 Chart below in responding to the requests set forth in subsections a) through d) below. (Note: the amounts shown in Heritage 2-1 Chart for Dominion's Proposed Route are from page 28 of the Appendix from the Application).

Heritage 2-1 Chart: Cost Breakdown for Routes					
	Proposed	Carver	Madison	Hybrid	Railroad
Transmission Line Work	\$30.2 million				
Haymarket Substation Work	\$16.7 million				
Gainesville Substation Work	\$2.0 million				
Loudoun Station Work	\$2.1 million				
Total Cost	\$51.0 million				

- a) Please complete the chart above by showing the amounts for Transmission Line Work, Haymarket Substation Work, Gainesville Substation Work, and Loudoun Station Work for the Carver Route, the Madison Route, the Hybrid Route, and the Railroad Route.
- b) Please explain in detail whether the information provided in response to subsection a) above can be found in the Application and whether Dominion has provided similar information in prior applications seeking consideration by the State Corporation Commission of a proposed transmission line route and alternate routes.
- c) For the Transmission Line Work amounts shown for each of the five routes (Proposed, Carver, Madison, Hybrid, and Railroad) above, please indicate the amount of costs attributable to the Transmission Line Work that applies to each of these cost categories:
- Engineering
 - Project Management & Support
 - Real Estate
 - Construction Labor & Materials
 -
- d) If the costs shown in the cost categories under Question 2-1, subsection c), items i. through iv. above do not add up to the total shown for the Transmission Line Work in the Heritage 2-1 chart, please indicate what additional cost categories apply and what the amounts of costs in those categories are.
- e) For the amounts provided in response to Question 2-1, subsection c), item iii concerning Real Estate, explain how these costs were calculated, including but not limited to the dates of the underlying data and what portion of each cost estimate is allocated to construction costs, right-of-way acquisition costs, and, if applicable, other major cost categories. In your response, explain in detail how

the right of way acquisition costs were determined, including what costs are attributable to permanent right of way acquisition and what costs are attributable to temporary easements only.

Response:

(a)

Heritage 2-1 Chart: Cost Breakdown for Routes (Overhead Portion)					
	Proposed	Carver	Madison	Hybrid	Railroad
Transmission Line Work	\$30.2 million	\$41.1 million	\$47.0 million	\$15.3 million	\$34.3 million
Haymarket Substation Work	\$16.7 million				
Gainesville Substation Work	\$2.0 million				
Loudoun Station Work	\$2.1 million				
Total Cost	\$51.0 million				

Heritage 2-1 Chart: Cost Breakdown for Routes (Underground Portion)					
	Proposed	Carver	Madison	Hybrid	Railroad
Transmission Line Work				\$96.0 million	
Haymarket Substation Work					
Gainesville Substation Work					
Loudoun Station Work					
Total Cost					

(c) and (d)

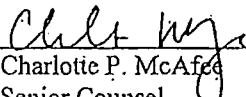
Heritage 2-1 Chart: Cost Breakdown for Routes – Transmission Line Work (Overhead Portion)					
	Proposed	Carver	Madison	Hybrid	Railroad
Engineering	\$170,576	\$174,314	\$175,356	\$161,855	\$170,576
Project Management & Support	\$1,974,101	\$2,095,537	\$2,134,273	\$1,925,955	\$2,151,763
Real Estate	\$12,173,200	\$14,564,477	\$18,189,965	\$4,210,287	\$12,823,283
Construction Labor & Materials	\$15,889,884	\$24,217,502	\$26,515,691	\$8,990,542	\$19,119,942
Total Cost	\$30,207,761	\$41,051,830	\$47,015,285	\$15,288,639	\$34,265,564

Heritage 2-1 Chart: Cost Breakdown for Routes – Transmission Line Work (Underground Portion)					
	Proposed	Carver	Madison	Hybrid	Railroad
Engineering	-	-	-	\$566,975	-
Project Management & Support	-	-	-	\$732,641	-
Real Estate	-	-	-	\$4,424,503**	-
Permitting	-	-	-	\$3,522,087	-
Construction Labor & Material	-	-	-	\$86,753,052	-
Total Cost	-	-	-	\$95,999,258	-

** Does not include transition station real estate cost estimate.

Virginia Electric and Power Company
Case No. PUE-2015-00107
Heritage
Second Set

The following response to Question No. 2-1(b) of the Second Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on March 11, 2016 has been prepared under my supervision as it pertains to legal matters:


Charlotte P. McAfee
Senior Counsel
Dominion Resources Services, Inc.

Question No. 2-1

Please refer to Heritage 2-1 Chart below in responding to the requests set forth in subsections a) through d) below. (Note: the amounts shown in Heritage 2-1 Chart for Dominion's Proposed Route are from page 28 of the Appendix from the Application).

Heritage 2-1 Chart: Cost Breakdown for Routes					
	Proposed	Carver	Madison	Hybrid	Railroad
Transmission Line Work	\$30.2 million				
Haymarket Substation Work	\$16.7 million				
Gainesville Substation Work	\$2.0 million				
Loudoun Station Work	\$2.1 million				
Total Cost	\$51.0 million				

- a) Please complete the chart above by showing the amounts for Transmission Line Work, Haymarket Substation Work, Gainesville Substation Work, and Loudoun Station Work for the Carver Route, the Madison Route, the Hybrid Route, and the Railroad Route.
- b) Please explain in detail whether the information provided in response to subsection a) above can be found in the Application and whether Dominion has provided similar information in prior applications seeking consideration

by the State Corporation Commission of a proposed transmission line route and alternate routes.

- c) For the Transmission Line Work amounts shown for each of the five routes (Proposed, Carver, Madison, Hybrid, and Railroad) above, please indicate the amount of costs attributable to the Transmission Line Work that applies to each of these cost categories:
 - i. Engineering
 - ii. Project Management & Support
 - iii. Real Estate
 - iv. Construction Labor & Materials
- d) If the costs shown in the cost categories under Question 2-1, subsection c), items i. through iv. above do not add up to the total shown for the Transmission Line Work in the Heritage 2-1 chart, please indicate what additional cost categories apply and what the amounts of costs in those categories are.
- e) For the amounts provided in response to Question 2-1, subsection c), item iii concerning Real Estate, explain how these costs were calculated, including but not limited to the dates of the underlying data and what portion of each cost estimate is allocated to construction costs, right-of-way acquisition costs, and, if applicable, other major cost categories. In your response, explain in detail how the right of way acquisition costs were determined, including what costs are attributable to permanent right of way acquisition and what costs are attributable to temporary easements only.

Response:

(b) The Company objects to this request to the extent it seeks information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence. The Company further objects to this request on the grounds that it requires original work and seeks information that is available through public sources equally accessible to Heritage as they would be for the Company.

**Exhibit RG-2A Consolidated Charts from Dominion Responses to Heritage
Set 2**

160540011

Exhibit RG-2A Consolidated charts from Dominion Responses to Heritage Set 2

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Heritage 2-1 Chart: Cost Breakdown for Routes					
	Proposed	Carver	Madison	Hybrid	Railroad
Transmission Line Work	\$30.2 million	\$41.1 million	\$47.0 million	\$15.3 million \$96.0 million (UG)	\$34.3 million
Haymarket Substation Work	\$16.7 million	\$16.7 million	\$16.7 million	\$29.1 million	\$16.7 million
Gainesville Substation Work	\$2.0 million	\$2.0 million	\$2.0 million	\$2.0 million	\$2.0 million
Loudoun Station Work	\$2.1 million	\$2.1 million	\$2.1 million	\$2.1 million	\$2.1 million
Heathcote Station Work	N/A	N/A	N/A	\$22.2 million	N/A
Total Cost	\$51.0 million	\$61.9 million	\$67.8 million	\$166.7 million	\$55.1 million

Heritage 2-1 Chart: Cost Breakdown for Routes – Transmission Line Work (Overhead Portion)					
	Proposed	Carver	Madison	Hybrid	Railroad
Engineering	\$170,576	\$174,314	\$175,356	\$161,855	\$170,576
Project Management & Support	\$1,974,101	\$2,095,537	\$2,134,273	\$1,925,955	\$2,151,763
Real Estate	\$12,173,200	\$14,564,477	\$18,189,965	\$4,210,287	\$12,823,283
Construction Labor & Materials	\$15,889,884	\$24,217,502	\$26,515,691	\$8,990,542	\$19,119,942
Total Cost	\$30,207,761	\$41,051,830	\$47,015,285	\$15,288,639	\$34,265,564

Heritage 2-1 Chart: Cost Breakdown for Routes – Transmission Line Work (Underground Portion)					
	Proposed	Carver	Madison	Hybrid	Railroad
Engineering	–	–	–	\$566,975	–
Project Management & Support	–	–	–	\$732,641	–
Real Estate	–	–	–	\$4,424,503**	–
Permitting	–	–	–	\$3,522,087	–
Construction Labor & Materials	–	–	–	\$86,753,052	–
Total Cost	–	–	–	\$95,999,258	–

Exhibit RG-3 Dominion Response to Heritage Set 3

160540011

160540011

Dominion Resources Services, Inc.
Law Department
120 Tredegar St. Richmond, VA 23219
dom.com



Charlotte P. McAfee
Senior Counsel
Direct: (804) 819-2277; Facsimile: (804) 819-2183
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VIA ELECTRONIC DELIVERY

April 19, 2016

Cliona Mary Robb, Esq.
Michael J. Quinan, Esq.
James G. Ritter, Esq.
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909 East Main Street
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Richmond, Virginia 23219

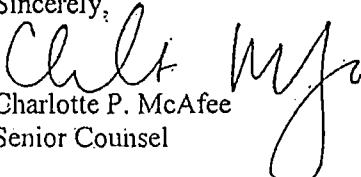
**Application of Virginia Electric and Power Company for approval and certification of
electric facilities: Haymarket 230 kV Double Circuit Transmission Line
and 230-34.5 kV Haymarket Substation
Case No. PUE-2015-00107**

Dear Counsel:

Enclosed are the responses of Virginia Electric and Power Company to the Interrogatories and Requests for Production of Documents by Heritage (Third Set) received on April 8, 2016:

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

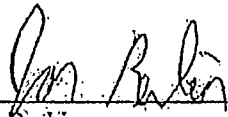

Charlotte P. McAfee
Senior Counsel

Enclosure

cc: William H. Chambliss, Esq.
Alisson P. Klaiber, Esq.
Andrea Macgill, Esq.
Mr. Neil Joshipura
Will Reisinger, Esq.
Vishwa Link, Esq.
Jennifer Valaika, Esq.

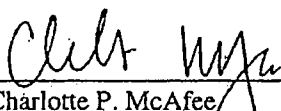
Virginia Electric and Power Company
Case No. PUE-2015-00107
Heritage
Third Set

The following response to Question No. 3-1 of the Third Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on April 8, 2016 has been prepared under my supervision.



 Jon Berkin
 Routing Specialist
 Natural Resource Group, LLC

The following response to Question No. 3-1 of the Third Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on April 8, 2016 has been prepared under my supervision as it pertains to legal matters.



 Charlotte P. McAfee
 Senior Counsel
 Dominion Resources Services, Inc.

Question No. Heritage 3-1

When responding to Heritage 3-1, please refer to the description of the Railroad Alternative shown in Table 5-2 on page 87 of the *Haymarket Substation and 230 kV Transmission Line Project Environmental Routing Study* dated November 2015 and included with the Application. The disadvantages listed for the Railroad Alternative include "crosses greatest amount of permanently protected open space" and "crosses a Prince William County-designated Open Space and Trail Easement."

- a. Does the "permanently protected open space" consist only of the Open Space and Trail Easement?
- b. If the answer to a. is "no," explain in detail what else is included in the permanently protected open space.
- c. Explain in detail why Dominion considers the Open Space and Trail Easement and, as applicable, any other permanently protected open space, to be a disadvantage.

- d. Explain in detail who owns or controls the Open Space and Trail Easement and, if applicable, any other permanently protected open space to be a disadvantage.
- e. Explain in detail whether Dominion would consider the Railroad Alternative to be feasible if the Open Space and Trail Easement and, as applicable, any other permanently protected open space, were not in place.
- f. Explain in detail whether Dominion would consider the Railroad Alternative to be its preferred route if the Open Space and Trail Easement and, as applicable, any other permanently protected open space, were not in place.

Response:

a. No. See Attachment Heritage Set 3-1(a). The Railroad Alternative Route crosses 0.8 mile of two, largely overlapping, open space easements: a Protected Open Space Easement (blue stripes) and an Open Space and Trail Easement (yellow stripes). The two easements are located between the Greenhill Crossing and Somerset Crossing Developments.

b. See the Company's response to subpart (a) above. Prince William County has designated areas within its Comprehensive Plan as protected open space. The Comprehensive Plan defines protected open space as: "Land that is protected from development with perpetual conservation or open space easement or fee ownership, held by federal, state, or local government or nonprofit organization for natural resource, forestry, agriculture, wildlife, recreation, historic, cultural, or open space use, or to sustain water quality and living resources values." Protected open space is "protected in perpetuity by a binding legal instrument that is recorded in the land records of Prince William County." The instrument may be a preservation easement, permanent restrictive covenant for conservation, or an equivalent legal tool providing protection. Generally these protected open spaces fall into one of the following categories: (1) county-owned land; (2) state or federal parks, forests, or wildlife preserves; (3) land designated as a Resource Protection Area ("RPA") under the Chesapeake Bay Preservation Area; or (4) land protected by easements (Prince William County, 2007). The Protected Open Space Easement, designated under the Virginia Conservation Easement Act (VCEA; enacted in 1988) and crossed by the Railroad Alternative Route, consists of land set aside to maintain open areas associated with development of the Somerset Crossing residential neighborhood Homeowners Association. Under the VCEA, conservation easements held by private, non-governmental entities do not have protective covenants like those provided in the Open Space Land Act (see below).

The Open Space and Trail Easement, an easement designated under the Open Space Land Act, was a gift from the Somerset Crossing Homeowners Association to Prince William County in December 2014 (see Attachment Heritage Set 3-1(b)). The Open Space Easement was intended to protect woodlands and wetlands along North Fork Broad Run. The Open Space and Trail Easement did not replace the existing Protected Open Space Easement, but rather is a new easement in addition to, and largely overlapping with, the Protected Open Space Easement.

c. Protected open space easements require careful consideration before inclusion for transmission line routing given their overall intent to provide for protection of open areas from future development in order to preserve their natural character. Therefore, as a matter of course, whenever possible Dominion Virginia Power tries to avoid crossing Protected Open Space

easements with new transmission lines. In addition, depending of the type of easement in question, Dominion Virginia Power might first have to obtain permission from local or county governments or other easement-holding authorities to cross a protected open space easement. While Dominion Virginia Power could have crossed the Protected Open Space Easement when it was controlled by the Somerset County Homeowners Association, this is not the case for the Open Space and Trail Easement. The Open Space and Trail Easement that was gifted to Prince William County from the Somerset Crossing Homeowners Association provides an additional level of protection to the area under the easement by requiring not only a utility easement from Somerset Crossing Homeowners Association, but also from Prince William County. Eminent domain authority, when available, does not extend to county-owned or county-managed lands, such as lands covered by the Open Space and Trail Easement. Therefore, unless Prince William County agreed to allow a utility easement through the Open Space and Trail Easement, the segment of the Railroad Alternative Route that currently crosses that easement could not be constructed.

d. The Open Space and Trail Easement along the Railroad Alternative Route was granted to Prince William County by the Somerset Crossing Homeowners Association for the “purpose of conserving and preserving undisturbed the natural vegetation, topography, habitat and other natural features now existing on and across the Property of Owner.” The land subject to the easement includes the following restrictions: “No use shall be made of, nor shall any improvements be made within, the open-space easement area without prior written authorization of the County,” and “All existing vegetation in the open-space easement shall be preserved and protected and no clearing or grading shall be permitted...without prior written approval of the appropriate County agency or department.” Therefore, the easement area, although still owned by Somerset Crossing Homeowners Association, is controlled by Prince William County.

e. The Company objects to this request to the extent it seeks a legal conclusion.

Notwithstanding and subject to the foregoing objection, see Section II.A.7 of the Appendix, page 48, regarding the inclusion of the Railroad Alternative Route and the Company’s routing analysis. In the absence of the Open Space and Trail Easement, which is designated under the Open Space Land Act and retains the protective covenants of the local public body, in this case, Prince William County, Dominion Virginia Power would consider the Railroad Alternative Route feasible for routing purposes. Conversely, the Protected Open Space Easement is held by a private, non-governmental entity which does not have the protective procedures in place and is subject to eminent domain, thus not precluding Dominion Virginia Power’s ability to obtain the right-of-way to construct this route.

f. See Section II.A.7 of the Appendix, page 48, regarding the inclusion of the Railroad Alternative Route and the Company’s routing analysis.

In the absence of the Open Space and Trail Easement, the Railroad Alternative Route would warrant renewed consideration by Dominion Virginia Power. As noted in Table 1 below (a reproduction of a portion of Table 5-2 from the Routing Study), there are disadvantages associated with the Railroad Alternative Route compared to the Company’s Proposed Route (I-66 Overhead): the Railroad Alternative Route is 0.7 mile longer, crosses more private parcels (43


versus 36), requires more greenfield (*i.e.*, not adjacent to existing infrastructure) right-of-way (1.2 versus 0.5 mile), crosses a greater extent of wetland (20.8 versus 5.9 acres), crosses more waterbodies (10 versus 5), crosses a greater amount of Virginia Department of Forestry High Conservation Value Land (1.2 versus 0.1 acre), has a greater impact to RPAs (0.9 versus 0.0 acre), crosses a greater amount of forested land (38.2 versus 31.3 acres), crosses a larger number of existing subdivisions/homeowner associations (8 versus 3), and crosses a greater amount of Prince William County historic high sensitivity areas (0.9 versus 0.0 mile). The Railroad Alternative Route offers the following advantages compared to the Proposed Route (I-66 Overhead): the Railroad Alternative Route crosses more industrial-zoned lands (0.8 versus 0.4 mile), requires less length within limited-access right-of-way maintained by the Virginia Department of Transportation ("VDOT") (1.5 versus 3.2 miles), and has no residences within 200 feet of the route. In summary and subject to additional study, while the Railroad Alternative Route may have a greater cumulative impact on wetlands and natural resources, it would have the advantage of having less direct impact on residences as there are no residences within 200 feet of this route.

TABLE 1	
Haymarket Substation and 230 kV Transmission Line Project Summary of the Advantages and Disadvantages of the Proposed Route (I-66 Overhead) and Railroad Alternative Route	
Advantages	Disadvantages
Proposed Route (Overhead I-66)	
<ul style="list-style-type: none"> • Shorter route • Does not cross the Rural Crescent • Greater amount of collocation (90%) • Less forested land (acres) crossed • Less wetland impacts (acres) • Crosses fewer private parcels • Does not cross any Prince William County historic high sensitivity areas 	<ul style="list-style-type: none"> • Greater number of townhome/condo buildings within 100 feet • Greater number of single family homes within 100 feet • Would be required to relocate line if additional I-66 expansions are needed
Railroad Alternative Route	
<ul style="list-style-type: none"> • Crosses more industrial zoned land • No residences located within 200 feet • Shorter length within VDOT Limited Access Right-of-Way 	<ul style="list-style-type: none"> • Longer route • Crosses more private parcels • Has less collocation opportunities (requires more greenfield right-of-way) • Crosses greater number of existing subdivisions/HOAs • Greater amount of wetland impacts (acres) • Greater number of waterbody crossings • Greater amount (acres) of VDOF High Forest Conservation lands crossed

TABLE 1	
Haymarket Substation and 230 kV Transmission Line Project Summary of the Advantages and Disadvantages of the Proposed Route (I-66 Overhead) and Railroad Alternative Route	
Advantages	Disadvantages
	<ul style="list-style-type: none">• Crosses greater amount (acres) of RPA• Crosses a greater amount of Prince William County historic high sensitivity areas

Virginia Electric and Power Company
Case No. PUE-2015-00107
Heritage
Third Set

The following response to Question No. 3-2 of the Third Set of Interrogatories and Requests for Production of Documents Propounded by Heritage received on April 8, 2016 has been prepared under my supervision.



Jon Berkin
Routing Specialist
Natural Resource Group, LLC

Question No. Heritage 3-2

Regarding the Proposed Route described on page 71 of the *Appendix Containing Information in Response to "Guidelines of Minimum Requirements for Transmission Line Application,"* explain in detail:

- a. whether the Preferred Route is generally on the north side of I-66 rather than on the south side of I-66;
- b. why the Preferred Route is generally on one side of I-66 instead of being on the other side of I-66;
- c. to what extent would the Preferred Route be impacted by sound walls for I- 66 or by future expansion of I-66.

Response:

- a. See the description of the Proposed Route in Section II.A.1 of the Appendix, page 31. The Proposed Route (I-66 Overhead) traverses the north side of the I-66 corridor for approximately 75% of its length, from a point near Prince William Parkway on the east to a point just west of Old Carolina Road.
- b. During the preliminary route alternative identification phase of the Project, Dominion Virginia Power evaluated both the north and south sides of I-66 for potential routes. This evaluation identified the presence of several key constraints on the south side of I-66 that were not present on the north side of the highway, primarily county-owned land associated with Tyler Elementary School and multiple residences abutting the VDOT right-of-way boundary. In particular, given VDOT's I-66 expansion plans (now mostly completed), sufficient room did not

exist for a utility easement on the south side of I-66 without having residences within the easement or without requiring an easement across county-owned property.

c. Dominion Virginia Power coordinated closely with VDOT on the design of the Project route alternatives along I-66 since first identifying the I-66 corridor as an alternative route in late 2014. In the intervening time, VDOT shared with the Company its plans for I-66 expansion and sound wall locations, including the subsequent modification to these plans. Dominion Virginia Power was able to take those plans into consideration when developing the Proposed Route and I-66 Hybrid Alternative Route in order to make the design of the routes compatible with the expansion plans for I-66. The Proposed Route would be constructed outside of the area required by VDOT for expansion, as well as outside and north of the new sound wall. If the transmission line were sited within the VDOT right-of-way on the interstate side (south side) of the sound wall, although it could be approved by VDOT, would increase construction timing substantially due to restrictions imposed by VDOT, including lane closure requirements and time-of-day timing limitations for construction activities.



Melissa S. Peacor
County Executive

COUNTY OF PRINCE WILLIAM

OFFICE OF EXECUTIVE MANAGEMENT

1 County Complex Court, Prince William, Virginia 22192-9201
(703) 792-6600 Metro 631-1703 FAX: (703) 792-7484

Attachment Heritage Set 3-1(b)

BOARD OF COUNTY SUPERVISORS

Corey A. Stewart, Chairman
Michael C. May, Vice Chairman
Maureen S. Caddigan
Pete Candland
John D. Jenkins
Martin E. Nohe
Frank J. Principi

December 11, 2014

TO: Board of County Supervisors

FROM: *for* Debra D. Andrew *DD*
Parks and Recreation Director

THRU: Melissa S. Peacor
County Executive

RE: Accept Open Space and Trail Easements from Somerset Crossing Homeowners Association Across 52 Acres of Property Located at 14601 Washington Street, 6831 Jefferson Street, 14780 Links Pond Circle, 7299 Traphill Way, 10522 Turning Grass Way, 10526 Turning Grass Way, 7197 Bladen Place, 7024 Luck Now Street, 7024 Wheeling Way- **Brentsville and Gainesville Magisterial Districts**

On November 17, 2014, Chairman Stewart received a letter from the President of Somerset Crossing Homeowners Association requesting the Board of County Supervisors accept a deed of gift granting open space and trail easements over woodlands and wetlands that reside between Somerset Crossing and Greenhill Crossing (GPIN's #7297-97-5165, #7297-88-7915, #7397-16-8533, #7397-16-1859, #7397-06-6465, #7397-06-2286, #7297-97-8915, #7297-97-2353 and #7297-88-5902).

On November 18, 2014, Chairman Stewart issued a directive requesting staff to review the proposed deed of gift and provide additional information to the Board at its December 9 meeting. The December 9 date was revised by the Board to December 16 to allow additional time for submission and review of the deed and related plat necessary to implement the proposed deed of gift. The deed and plat have now been submitted by Somerset Crossing representatives and found to be complete by County staff. The review of the plat and deed could not be completed prior to Board dispatch for the December 16 meeting; so this item was not included on the agenda for the upcoming meeting. The completed items are being forwarded with this memorandum, along with a proposed resolution, in the event the Board wishes to amend the agenda for the purpose of taking action on this item during the December 16 meeting.

Attachment: Proposed Resolution

MOTION: December 16, 2014
SECOND: Regular Meeting
Res. No. 14-

RE: ACCEPT OPEN SPACE AND TRAIL EASEMENTS FROM SOMERSET CROSSING HOMEOWNERS ASSOCIATION ACROSS 52 ACRES OF PROPERTY LOCATED AT 14601 WASHINGTON STREET, 6831 JEFFERSON STREET, 14780 LINKS POND CIRCLE, 7299 TRAPHILL WAY, 10522 TURNING GRASS WAY, 10526 TURNING GRASS WAY, 7197 BLADEN PLACE, 7024 LUCK NOW STREET AND 7024 WHEELING WAY – BRENTSVILLE AND GAINESVILLE MAGISTERIAL DISTRICTS

ACTION:

WHEREAS, on November 17, 2014, the Chairman of the Prince William County Board of Supervisors received a letter from the President of Somerset Crossing Homeowners Association offering a gift of a conservation and recreation easement over the woodlands and wetlands that reside between Somerset Crossing and Greenhill Crossing (GPIN's #7297-97-5165, #7297-88-7915, #7397-16-8533, #7397-16-1859, # 7397-06-6465, #7397-06-2286, #7297-97-8915, #7297-97-2353 and #7297-88-5902); and

WHEREAS, Somerset Crossing Homeowners Association will grant an Open Space Easement for the purpose of conserving and preserving undisturbed natural vegetation, topography, habitat and other natural features now existing on and across the property; and

WHEREAS, Somerset Crossing Homeowners Association will grant a Trail Easement providing public access to a 1.43 mile existing trail within the open space; and

WHEREAS, Somerset Crossing Homeowners Association will maintain the responsibility for improvements, maintenance and repairs of the property, including the existing trail over the easement; and

WHEREAS, an easement and plat have been prepared by Somerset Crossing Homeowners Association, representing the terms and physical location of the Open Space and Trail Easement they wish to gift to the County; and

WHEREAS, accepting the gift of Open Space Easement of 52-acres supports the Comprehensive Plan Open Space Policy to retain a minimum of 39% of the total area in the County as protected open space; and

WHEREAS, accepting the gift of a Trail Easement for public access for an existing 1.43 mile trail supports the Comprehensive Plan Trails Standard of one mile of trail per 1,500 population; and

December 16, 2014
Regular Meeting
Res. No. 14-
Page Two

WHEREAS, the gift of an Open Space Easement preserves 52-acres of open space located within a significant environmental corridor, the North Fork Corridor;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors does hereby accept Open Space and Trail Easements from Somerset Crossing Homeowners Association across 52 acres of property located at 14601 Washington Street, 6831 Jefferson Street, 14780 Links Pond Circle, 7299 Traphill Way, 10522 Turning Grass Way, 10526 Turning Grass Way, 7197 Bladen Place, 7024 Luck Now Street and 7024 Wheeling Way.

ATTACHMENT: Deed of Gift of Easement

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

For Information:

Parks and Recreation Director

ATTEST: _____
Clerk to the Board

DEED OF GIFT OF EASEMENT

This Deed of Gift of Easement dated as of _____, 2014 between the SOMERSET CROSSING HOMEOWNERS ASSOCIATION, INC., a Virginia Non-Stock Corporation ("Association" or "Owner"), Grantor, and THE BOARD OF COUNTY SUPERVISORS OF PRINCE WILLIAM COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia ("County" or "Grantee"), Grantee,

RECITALS:

R-1. Association is the homeowners association serving as the governing entity for all of the lots and common areas in the residential subdivision created by virtue of a certain Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements of Somerset Crossing Homeowners Association, Inc., which is recorded among the land records of Prince William County, Virginia, at Instrument No. 200109120094757 and as may be amended and is the Owner of SOMERSET SEC 3 PCL A, SOMERSET SEC 1 PCL A1, SOMERSET SEC 4 PCL A, SOMERSET SEC 5 PCL A, SOMERSET SEC 6 PCL A, SOMERSET SEC 7 PCL A7, SOMERSET SEC 8 PCL A8, PARCEL 2B and PARCEL 3 (hereinafter collectively referred to as "Property"), as depicted on the plat dated _____, 20____, entitled "PLAN SHOWING TRAIL EASEMENT AND CONSERVATION AREA ON THE PROPERTIES OF SOMERSET CROSSING HOMEOWNERS ASSOCIATION, INC." ("Plat"), prepared by Jeff Warner Land Surveying, Inc. (attached hereto and incorporated herein).

R-2. Association is responsible for the administration and maintenance of common areas situated within the Association that are for the benefit and use of the members of the Somerset Crossing Homeowners Association, Inc.

R-3. Association has agreed to provide County with certain easements to provide public pedestrian and off-road bicycle access on a trail easement and to conserve and preserve the Association's common area.

R-4. Grantee is a political subdivision of the Commonwealth of Virginia and a "qualified organization" and "eligible donee" under Section 170(h)(3) of the Internal Revenue Code (references to the Internal Revenue Code in this Easement shall be to the United States Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings issued thereunder, or the corresponding provisions of any subsequent federal tax laws and regulations) (the "IRC") and Treasury Regulation Section 1.170A-14(c)(1) and is willing to accept a perpetual open-space easement over the Property as herein set forth.

R-5. Chapter 461 of the Acts of 1966, codified in Chapter 17, Title 10.1, Sections 10.1-1700 through 10.1-1705 of the Code of Virginia, as amended (the "Open-Space Land Act"), provides "that the provision and preservation of permanent open-space land are necessary to help curb urban sprawl, to prevent the spread of urban blight and deterioration, to encourage and assist more economic and desirable urban development, to help provide or preserve necessary park, recreational, historic and scenic areas, and to conserve land and other natural resources" and authorizes the acquisition of interests in real property, including easements in gross, as a means of preserving open-space land.

R-6. Pursuant to Sections 10.1-1700 and 10.1-1703 of the Open-Space Land Act, the purposes of this Easement include retaining and protecting open-space and natural resource values of the Property, and the limitation on division, residential construction, and commercial and industrial uses ensures that the Property will remain perpetually available for agriculture, livestock production, forest, or open-space use, all as more particularly set forth below.

R-7. As required under Section 10.1-1701 of the Open-Space Land Act, the use of the Property for open-space land conforms to the County of Prince William Comprehensive Plan adopted on various dates, depending on the applicable chapter, and the Property is located within an area that is designated as ER, Environmental Resource on the county's future land use map.

R-8. This Easement is intended to constitute (i) a "qualified conservation contribution" as defined in IRC Section 170(h)(1) and as more particularly explained below, and (ii) a qualifying "interest in land" under the Virginia Land Conservation Incentives Act of 1999 (Section 58.1-510 *et seq.* of the Code of Virginia (1950), as amended).

R-9. This Easement is intended to be a grant "exclusively for conservation purposes" under IRC Section 170(h)(1)(C), because it effects "the preservation of open space (including farmland and forest land)" under IRC Section 170(h)(4)(A)(iii); specifically the preservation of open space on the Property is pursuant to clearly delineated state governmental conservation policies and will yield a significant public benefit.

R-10. This open-space easement in gross constitutes a restriction granted in perpetuity on the use that may be made of the Property and is in furtherance of and pursuant to the clearly delineated governmental conservation policies set forth below:

(i) Land conservation policies of the Commonwealth of Virginia as set forth in:

a. Section 1 of Article XI of the Constitution of Virginia, which states that it is the Commonwealth's policy to protect its atmosphere, lands and waters from pollution, impairment, or destruction, for the benefit, enjoyment, and general welfare of the people of the Commonwealth;

b. The Open-Space Land Act cited above;

c. Grantee's practice in reviewing and accepting this Easement. Grantee has engaged in a rigorous review, considered and evaluated the benefits provided by this Easement to the general public as set forth in these recitals, and concluded that the protection afforded the open-space character of the Property by this Easement will yield a significant public benefit and further the open-space conservation objectives of Grantee and the Commonwealth of Virginia. Treasury Regulation Section 1.170A-14(d)(4)(iii)(B) states that such review and acceptance of a conservation easement by a governmental entity tends to establish a clearly delineated governmental conservation policy as required under IRC Section 170(h)(4)(A)(iii); and

(ii) Land use policies of the County of Prince William as delineated in:

a. its Comprehensive Plan, adopted on various dates, depending on the applicable chapter (the "Plan"), to which Plan the restrictions set forth in this Easement conform and which contains the following:

(1) The Parks, Open Space and Trails chapter of the Plan provides as follows:

PK-POLICY 1 (policy): "Preserve at least 70 acres per 1,000 population of Prince William County in parks accessible to the general public."

PK-POLICY 2 (policy): "The County shall encourage the preservation and use of private lands for park and recreation facilities."

NCR-POLICY 1, AS 4 (action strategy): "At least 50% of county park lands shall be left undeveloped for resource protection, open space or passive recreation."

NCR-POLICY 1, AS 5 (action strategy): "Prioritize identified sensitive ecological resources and corridors for acquisition, and encourage the dedication of land or easements for such sites by private property owners."

OS-POLICY 2 (policy): "Partner with other government agencies, businesses, and non-government organizations, including nonprofit organizations and home owner associations to permanently protect open space and increase public access to open space areas."

R-11. This Easement will yield significant public benefit to the citizens of the Commonwealth as set forth in these recitals.

R-12. Grantor and Grantee desire to protect in perpetuity the conservation values of the Property by restricting the use of the Property.

R-13. Grantee has determined that the restrictions on the Property set forth below will preserve and protect in perpetuity the conservation values of the Property and will limit use of the Property to those uses consistent with, and not adversely affecting, the conservation values of the Property and the governmental conservation policies furthered by this Easement.

R-14. Grantee, by acceptance of this Easement, designates the Property as property to be retained and used in perpetuity for the preservation and provision of open-space land pursuant to the Open-Space Land Act.

R-15. Grantee desires to accept this conveyance pursuant to Virginia Code §§ 10.1-1700 et seq.

NOW THEREFORE in consideration of the foregoing recitals, which are incorporated herein, and for such other valuable consideration, the receipt and sufficiency of which County and Association expressly acknowledge, Association hereby grants and conveys to County, its successors and assigns, the following easements:

TRAIL EASEMENT

A 10' Wide Trail Easement is hereby granted to the County, as more particularly described on the Plat as "10' Wide Trail Easement Hereby Created" or "Existing 10' Wide Trail Easement", subject to the following terms and conditions:

1. The Trail Easement is for public pedestrian and off-road bicycle access.
2. The Grantor will be responsible for the operation and maintenance of the Trail within the Trail Easement. This easement shall grant the appropriate County authorities the right to enter the property that is the subject of this easement for the purposes of inspection of the Trail. If, upon such inspection, the County determines that the Trail is not being maintained to the appropriate standard of public use, the County shall have the right to perform such maintenance as is necessary to make the Trail suitable for such public use, at the Grantor's expense.
3. Use of the trail by the public shall be in accord with Prince William County and the Department of Park and Recreation rules.

OPEN-SPACE EASEMENT

An Open-Space Easement in gross over, and the right in perpetuity to restrict the use of, the portion of the Property shown on the Plat as "CONSERVATION AREA HEREBY CREATED" is hereby granted to the County for the purpose of conserving and preserving undisturbed the natural vegetation, topography, habitat and other natural features now existing on and across the Property of Owner, said Property and easement being more particularly bounded and described on the Plat attached hereto and incorporated herein. Even if the Property consists of more than one parcel for real estate tax or any other purpose or if it may have been acquired previously as separate parcels, it shall be considered one parcel for purposes of this Easement, and the restrictions and covenants of this Easement shall apply to the Property as a whole.

SECTION I -PURPOSE

The purpose of this Easement is to preserve and protect the conservation values of the Property in perpetuity by imposing the restrictions on the use of the Property set forth in Section II and providing for their enforcement in Section III. The conservation values of the Property are described in the above recitals and include the Property's open-space, scenic, natural and recreational values.

Pursuant to the County's open space and recreational goals, the further purpose of this Easement is preservation of land for natural resource-based outdoor recreation and preservation of scenic open space.

Grantor covenants that no acts or uses that are inconsistent with the purpose of this Easement or the conservation values herein protected shall be conducted on the Property.

SECTION II – RESTRICTIONS

Restrictions are hereby imposed on the use of the Property pursuant to the public policies set forth above. The acts that Grantor covenants to do and not to do upon the Property, and the restrictions that Grantee is hereby entitled to enforce, are and shall be as follows:

1. No use shall be made of, nor shall any improvements be made within, the open-space easement area without prior written authorization of the County.
2. All existing vegetation in the open-space easement area shall be preserved and protected and no clearing or grading shall be permitted, nor shall the easement area be denuded, defaced or otherwise disturbed without the prior written approval of the appropriate County agency or department.
3. In the event of any violation of this open-space easement, the Owner shall be solely responsible for the restoration of the open-space easement area to its condition as of the execution of this Deed. Further, the County and its agents shall have the right, but not the obligation, to enter upon the property and restore the open-space easement area to the extent the County may deem necessary. The cost of such restoration by the County shall be reimbursed to the County by the Owner, its successors and assigns, upon demand.

SECTION III – ENFORCEMENT

1. **RIGHT OF INSPECTION.** Representatives of Grantee may enter the Property from time to time for purposes of inspection (including photographic documentation of the condition of the Property) and enforcement of the terms of this Easement.
2. **ENFORCEMENT.** Grantee, in accepting this Easement, commits to protecting the conservation purposes of the Easement and has the resources necessary to enforce the restrictions set forth herein. Grantee has the right to bring a judicial proceeding to enforce the restrictions, which right specifically includes the right (i) to require restoration of the Property to its condition at the time of the conveyance or to require restoration of the Property to its condition prior to a violation hereof, provided that such prior condition was in compliance with the restrictions of and consistent with the purpose of this Easement; (ii) to recover any damages arising from non-compliance; and (iii) to enjoin non-compliance by temporary or permanent injunction. If the court determines that Grantor failed to comply with this Easement, Grantor shall reimburse Grantee for any reasonable costs of enforcement, including costs of restoration, court costs, and attorney's fees, in addition to any other payments ordered by the court. Grantee's delay shall not waive or forfeit its right to take such action as may be necessary to

ensure compliance with this Easement, and Grantor hereby waives any defense of waiver, estoppel or laches with respect to any failure to act by Grantee. Notwithstanding any other provision of this Easement, Grantor shall not be responsible or liable for any damage to the Property or change in the condition of the Property (i) caused by fire, flood, storm, Act of God, governmental act, or other cause outside of Grantor's control or (ii) resulting from prudent action taken by Grantor to avoid, abate, prevent, or mitigate such damage to or changes in the condition of the Property from such causes. Nothing in this Easement shall create any right in the public or any third party to maintain any judicial proceeding against Grantor or Grantee.

SECTION V – GENERAL PROVISIONS

1. **DURATION.** This Easement shall be perpetual. It is an easement in gross that runs with the land as an incorporeal interest in the Property. The covenants, terms, conditions, and restrictions contained in this Easement are binding upon, and inure to the benefit of, the parties hereto and their successors and assigns, and shall continue as a servitude running in perpetuity with the Property. The rights and obligations of an owner of the Property under this Easement terminate upon proper transfer of such owner's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

2. **TITLE.** Grantor covenants and warrants that Grantor has good title to the Property, that Grantor has all right and authority to grant and convey this Easement, and that the Property is free and clear of all encumbrances (other than restrictions, covenants, conditions, and utility and access easements of record), including, but not limited to, any mortgages or deeds of trust not subordinated to this Easement.

3. **ACCEPTANCE.** Grantee accepts this conveyance pursuant to Virginia Code Section 10.1-1700 *et seq.*, which acceptance is evidenced by the signature of the Chairman of the Board of County Supervisors.

4. **INTERACTION WITH OTHER LAWS.** This Easement does not permit any use of the Property that is otherwise prohibited by federal, state, or local law or regulation. No development rights that have been encumbered or extinguished by this Easement shall be transferred to any other property pursuant to a transferable development rights scheme, cluster development arrangement, or otherwise.

5. **CONSTRUCTION.** Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purposes of the Easement and the policy and purposes of Grantee. If any provision of this Easement is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. Notwithstanding the foregoing, lawful acts or uses consistent with the purpose of and not expressly prohibited by this Easement are permitted on the Property. Grantor and Grantee intend that the grant of this Easement qualify as a "qualified conservation contribution" as that term is defined in IRC Section 170(h)(1) and Treasury Regulation Section 1.170A-14, and the restrictions and other provisions of this instrument shall be construed and

applied in a manner that will not prevent this Easement from being a qualified conservation contribution.

6. **REFERENCE TO EASEMENT IN SUBSEQUENT DEEDS.** This Easement shall be referenced by deed book and page number, instrument number or other appropriate reference in any deed or other instrument conveying any interest in the Property. Failure of Grantor to comply with this requirement shall not impair the validity of the Easement or limit its enforceability in any way.

7. **NOTICE TO GRANTEE AND GRANTOR.** For the purpose of giving notices hereunder the current address of Grantee is 1 County Complex Court, Prince William, VA 22192-9201, and any notice to Grantor shall be given to the recipient at the address at which the real estate tax bill is mailed for the Property or portion thereof that is the subject of the notice.

Grantor shall notify Grantee in writing at or prior to closing on any *inter vivos* transfer, other than a deed of trust or mortgage, of all or any part of the Property.

In addition, Grantor agrees to notify Grantee in writing before exercising any reserved right that Grantor believes may have an adverse effect on the conservation or open-space values or interests associated with the Property. (The purpose of requiring such notice is to afford Grantee an adequate opportunity to monitor such activities to ensure that they are carried out in a manner consistent with the purpose of this Easement; such notice shall describe the proposed activity in sufficient detail to allow Grantee to judge the consistency of the proposed activity with the purpose of this Easement.)

Failure of Grantor to comply with these requirements shall not impair the validity of the Easement or limit its enforceability in any way.

8. **TAX MATTERS.** The parties hereto agree and understand that any value of this Easement claimed for tax purposes as a charitable gift must be fully and accurately substantiated by an appraisal from a qualified appraiser as defined in Treasury Regulation Section 1.170A-13(c)(5), and that the appraisal is subject to review and audit by all appropriate tax authorities. Grantee makes no express or implied warranties that any tax benefits will be available to Grantor from conveyance of this Easement, that any such tax benefits might be transferable, or that there will be any market for any tax benefits that might be transferable. By its execution hereof, Grantee acknowledges and confirms receipt of the Easement and further acknowledges that Grantee has not provided any goods or services to Grantor in consideration of the grant of the Easement.

9. **NO MERGER.** Grantor and Grantee agree that in the event that Grantee acquires a fee interest in the Property, this Easement shall not merge into the fee interest, but shall survive the deed and continue to encumber the Property.

10. **ASSIGNMENT BY GRANTEE.** Assignment of this Easement by the Grantee shall be permitted by the terms of Virginia Code Section 10.1-1704.

11. **CONVERSION OR DIVERSION.** Grantor and Grantee intend that this Easement be perpetual and acknowledge that no part of the Property may be converted or diverted from its open-space use except in compliance with the provisions of Section 10.1-1704 of the Open-Space Land Act, which does not permit loss of open space.

12. **AMENDMENT.** Grantee and Grantor may amend this Easement to enhance the Property's conservation values or add to the restricted property by an amended deed of easement, provided that no amendment shall (i) affect this Easement's perpetual duration, (ii) conflict with or be contrary to or inconsistent with the conservation purpose of this Easement, (iii) reduce the protection of the conservation values, (iv) affect the qualification of this Easement as a "qualified conservation contribution" or "interest in land", (v) affect the status of Grantee as a "qualified organization" or "eligible donee", or (vi) create an impermissible private benefit or private inurement in violation of federal tax law. No amendment shall be effective unless documented in a notarized writing executed by Grantee and Grantor and recorded in the Clerk's Office of the Circuit Court of Prince William County, Virginia.

13. **SEVERABILITY.** If any provision of this Easement or its application to any person or circumstance is determined by a court of competent jurisdiction to be invalid, the remaining provisions of this Easement shall not be affected thereby.

14. **ENTIRE AGREEMENT.** This instrument sets forth the entire agreement of the parties with respect to this Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement.

15. **CONTROLLING LAW.** The interpretation and performance of this Easement shall be governed by the laws of the Commonwealth of Virginia, resolving any ambiguities or questions of the validity of specific provisions in order to give maximum effect to its conservation purpose.

16. **RECORDING.** This Easement shall be recorded in the land records in the Circuit Court Clerk's Office of the County of Prince William County, Virginia, and Grantee may re-record it any time as may be required to preserve its rights under this Easement.

The covenants and agreements stated in this easement agreement are not personal to the Association but are covenants running with the land that are binding upon the Association, and their successors, personal representatives and assigns.

IN WITNESS WHEREOF, the following signatures and seals:

SOMERSET CROSSING HOMEOWNERS
ASSOCIATION, INC., Grantor

James Napoli, President

160540011

Subscribed, acknowledged and sworn to before me, the undersigned Notary Public in and for the County of _____, in the Commonwealth of Virginia, this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

160540011

Attachment Heritage Set 3-1(b)

Executed and approved on behalf of the Board of County Supervisors of Prince William County, Virginia, by the authority granted by said Board.

APPROVED AS TO FORM:

Assistant County Attorney

Chairman, Board of
County Supervisors

Commonwealth of Virginia:
County of _____, to wit:

The foregoing instrument was acknowledged before me by _____
_____, Chairman, Board of County Supervisors for
Prince William County, this _____ day of _____, 20_____.

Notary Public

My commission expires:

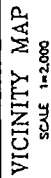
EXHIBIT A

Plat

K:\19\19926\00001\AGT\141209 Deed of Conservation Easement.doc

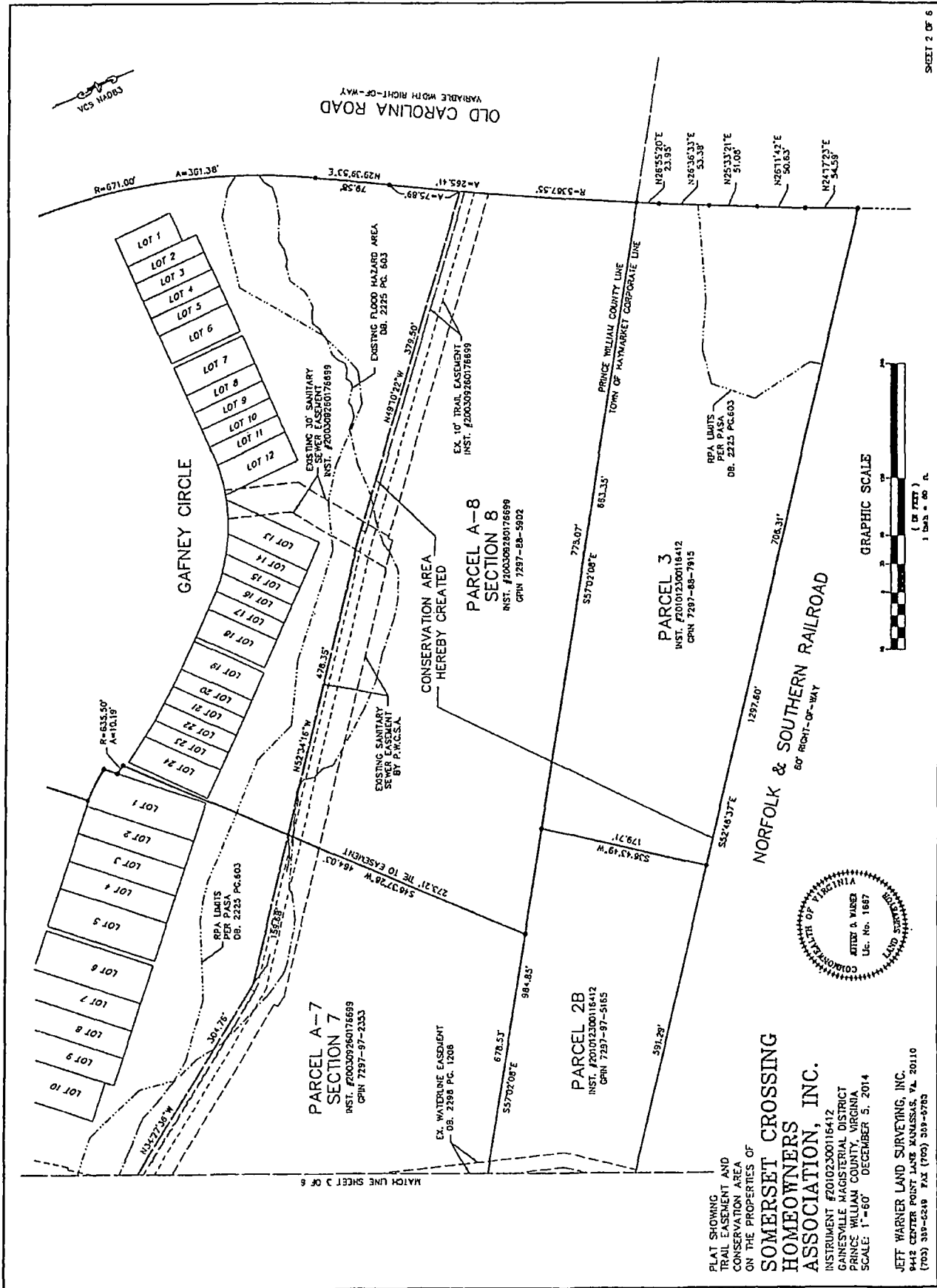
160540021

9. CONSERVATION AREA CONTAINS 52.72897 ACRES OF LAND.



JEFF WARNER LAND SURVEYING, INC.
9442 CENTER POINT LANE HAVASSAHS, FL 32110
(703) 368-5249 FAX (703) 368-5763

16054011













Attachment Heritage Set 3-1a
Railroad Alternative Conservation Easements
 Gainesville to Haymarket 230kV
 Transmission Line and Substation Project

FILE: M:\Clients\VD-FIDOM\Haymarket\ArcGIS\201604\Easements_PWC\DOM_HAY_Crsy_Easements_Trail.mxd | REVISED: 04/18/2015 | SCALE: 1:5,000
 DRAWN BY: 0239

Legend

- Railroad Alternative
- Existing Trail
- Protected Open Space
- Open Space and Trail Easement
- Railroad

Scale

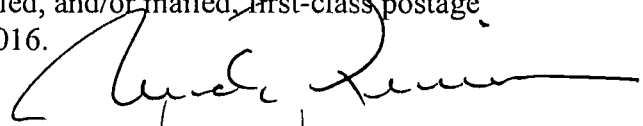
0 250 500 Feet

1:5,000

16015091

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Direct Testimony of Russell Gestl behalf of the Heritage Respondents was hand-delivered, emailed, and/or mailed, first-class postage prepaid, to the parties below on this 10th day of May 2016.


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William H. Chambliss
Andrea B. Macgill
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State Corporation Commission
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Vishwa B. Link
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