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March 11, 2015

US Army Corps of Engineers
Norfolk District Regulatory
Office
Received by: RLS
Date: March 11, 2015

Mr. Randy L. Steffey
Norfolk District, Corps of Engineers
ATTN: CBNAO-WR-R
803 Front Street
Norfolk, VA 23510-1096

RE: NAO-2012-00080/13-V0408, Proposed Electric Power Transmission Line Known as the Surry-Skiffes Creek-Wheaton Project, Application of Dominion Virginia Power Chickahominy – Skiffes Creek 500 kV Line Route through Lanexa Substation (Lanexa Route)

Dear Randy,

This letter is in response to your inquiry about the NERC criteria and the Chickahominy – Lanexa Route alternative. Virginia Electric and Power Company d/b/a Dominion Virginia Power (the Company) is required to ensure that its transmission system remains compliant with NERC Reliability Standards, as mandated by FERC in accordance with the Energy Policy Act of 2005. As a member of PJM, the Company transmission planning is conducted in concert with PJM’s Planning Department. PJM’s Regional Transmission Expansion Planning Process (RTEPP) is conducted through an open and transparent FERC-approved process to ensure that the transmission system remains compliant with federally-mandated Reliability Criteria (NERC Planning Standards).

Mandatory NERC Reliability Standards require that the interconnected transmission system be analyzed both in the near term (years 1-5) and long term (years 6 -10) for compliance with NERC Reliability Standards. When planning studies identify a NERC Reliability Standard violation for a future year on the Company’s Transmission System within the required planning horizon the Company is required to resolve this identified deficiency. The NERC Reliability Standards require that the transmission system be planned to operate within acceptable voltage range without damage to equipment from overloading and without uncontrolled loss of load (cascading outages).

The NERC Reliability Standards require that the transmission system be assessed for a range of operating conditions and load levels and that the transmission system remain within acceptable levels for these events. These events fall into four basic categories and commonly referred to as: Categories A, B, C and D studies. These four different Categories require different system responses based on the severity of the system test (Category A is the least severe test and Category D is the most severe test). More specifically, the four contingency categories defined

in the table are as follows: Category A - No Contingencies; Category B - Event resulting in the loss of a single element; Category C - Event(s) resulting in the loss of two or more (multiple) elements; and Category D - a event resulting in two or more (multiple) elements removed or cascading out of service. For Category A, B and C events, it is expected that the system will remain stable and that both thermal and voltage limits will remain within applicable ratings. For Category D events the system should not experience uncontrolled cascading (e.g., the 2003 blackout in the Northeast). As previously noted, NERC Reliability Standards require that the Company and PJM identify and implement solutions which will resolve the NERC Criteria violations.

The Lanexa Route was analyzed as a considered but rejected alternative to the proposed Surry to Skiffes Creek Route and included as part of the Company's initial application for state regulatory approval filed with the Virginia State Corporation Commission (SCC) on June 11, 2012. This alternative had several flaws which were both electrical and environmental in nature. Electrically, this alternative failed to resolve all the identified NERC Criteria violations because the loss of all the transmission lines, currently four transmission lines are located within this corridor, in the right-of-way (ROW) between Chickahominy and Lanexa (Lanexa ROW) resulted in cascading outages impacting the reliable electric service to the Company's customers located in Virginia and North Carolina along with also impacting reliable electric service to other areas outside of Virginia. Quite simply if an outage of electrical facilities located within a single corridor results in cascading outages, then installing more electrical facilities within that corridor or expanded corridor will not resolve the previously identified cascading outages. As noted in the Company's filings with the Virginia SCC there were multiple NERC Reliability Criteria violations driving the Surry-Skiffes Creek-Wheaton project, of which the Lanexa ROW outage was only one of the identified NERC Reliability Criteria violations. These criteria violations were also verified by independent consultants.

The Company also identified several environmental and permitting issues of concern, identified in its filings with the Virginia SCC. As previously noted, four transmission lines currently occupy the Lanexa ROW. Therefore, to add a fifth transmission line along this corridor would require expansion and the acquisition of new ROW. The potential new ROW alternatives were identified as the Chickahominy – Lightfoot North and South alternatives. The North Alternative required the expansion and acquisition of 310 acres of new ROW, including 473 homes located within 500 feet of the ROW with 15 of which that would need to be purchased or condemned and removed by the Company. The North Alternative also included the clearing of 171 acres of forested land and potential impacts to a wetlands mitigation bank. The South Alternative required the expansion and acquisition of 312 acres of new ROW, including 438 homes with 17 homes that would need to be purchased or condemned and removed by the Company. In addition the South Alternative required the clearing of 209 acres of forested land and potential impacts to a pipeline pumping station.

Because the Lanexa ROW Alternative failed to resolve all the NERC Criteria violations and had additional severe environmental and permitting impacts, with additional costs compared against the proposed project; the Company did not consider it a viable alternative to the proposed project. No party to the SCC Case pursued the Lanexa ROW Route as an alternative to the proposed project.

In regards to your request for a contact at NERC, please direct your inquires to;

James McGrane, SERC Legal Counsel

jmcgrane@serc1.org

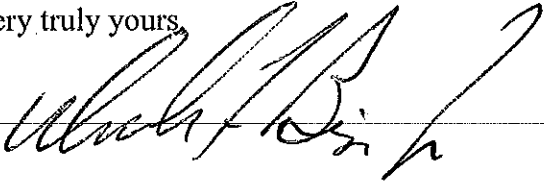
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SERC is the regional reliability, compliance, and enforcement branch of NERC for this region.

For information on SERC please visit the following web site:

<http://serc1.org/Application/HomePageView.aspx>

Very truly yours,



Wade F. Briggs, Jr.
Project Manager III
Dominion Virginia Power

Cc (via e-mail only):

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