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**VIA HAND DELIVERY**

May 21, 2008

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

**Modified Request of Virginia Electric and Power Company  
To Participate in Pilot Project, and for Approval of Underground Transmission  
Line Construction, Under §2.A of HB 1319  
Case No. PUE-2008-000--**

Dear Mr. Peck:

Enclosed please find an original and fifteen (15) copies of Virginia Electric and Power Company's Modified Request to Participate in Pilot Project, and for Approval of Underground Transmission Line Construction, Under § 2.A of HB 1319.

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "L. S. Booth", written in a cursive style.

Lisa S. Booth  
Senior Counsel

cc: Arlen K. Bolstad, Esq.  
Wayne N. Smith, Esq.  
Mr. Michael W. Martin  
Mr. Thomas E. Lamm  
Mr. Todd Hafner  
Ms. Charlotte Morse  
Ms. Evelyn Walsh  
Margaret D. Farthing, Esq.  
Randolph A. Sutliff, Esq.  
James C. Dimitri, Esq.  
Stephen H. Watts, II, Esq.  
Vishwa B. Link, Esq.

COMMONWEALTH OF VIRGINIA  
before the  
STATE CORPORATION COMMISSION

MODIFIED REQUEST OF )  
)  
VIRGINIA ELECTRIC AND POWER COMPANY )  
) Case No. PUE-2008-000\_\_  
To participate in pilot project, and for approval of )  
underground transmission line construction, under )  
§ 2.A of HB 1319 )

MODIFIED REQUEST TO PARTICIPATE IN PILOT PROJECT,  
AND FOR APPROVAL OF UNDERGROUND TRANSMISSION  
LINE CONSTRUCTION, UNDER § 2.A OF HB 1319

Pursuant to § 2.A of HB 1319 (2008), Virginia Electric and Power Company (“Dominion Virginia Power” or the “Company”) hereby requests to participate in a pilot project for the construction of underground 230 kV transmission facilities for a portion of the transmission line previously approved by the State Corporation Commission (“Commission”) in Case No. PUE-2005-00018, and for approval to construct such underground transmission facilities, including associated terminal stations. This request (“Modified Request”) modifies the Company’s previous request filed April 18, 2008 (“Original Request”) and approved by the Commission’s Order Approving Request issued May 6, 2008 (“Order Approving Request”) in Case No. PUE-2008-00027. In support of this Modified Request, the Company respectfully shows as follows:

1. Dominion Virginia Power is a public service corporation organized under the laws of the Commonwealth of Virginia furnishing electric service to the public within its Virginia service territory. The Company also furnishes electric service to the public in portions of North Carolina. Dominion Virginia Power’s electric system, consisting of facilities for

generation, transmission and distribution of electric energy, as well as associated facilities, is interconnected with the electric systems of neighboring utilities, and is a part of the interconnected network of electric systems serving the continental United States. By reason of its operation in two states and its interconnections with other utilities, the Company is engaged in interstate commerce.

0. On April 14, 2005 in Case No. PUE-2005-00018, Dominion Virginia Power filed with the Commission an application for approval and certification of electric transmission facilities in Loudoun County, Virginia consisting of (a) a new overhead 230 kV single circuit transmission line from the Company's existing Pleasant View Substation to a new 230 kV-34.5 kV substation to be constructed at a location east of the Town of Purcellville ("Hamilton Substation") and (b) the Hamilton Substation. On February 18, 2008, the Commission issued a Final Order in Case No. PUE-2005-00018 approving the proposed overhead transmission facilities along a route identified in that proceeding as the "Modified D Route." The Modified D Route is located, in part, on or adjacent to existing Company right-of-way along the W&OD Trail Park, which is owned by the Northern Virginia Regional Park Authority and used by the general public for park and recreational purposes ("W&OD Trail"). The new overhead transmission line will have a summer rating of 1047 MVA.

0. During its 2008 Session, the Virginia General Assembly passed, and Governor Kaine signed into law on April 2, 2008, House Bill 1319, which establishes a pilot program for the placement of new transmission lines of 230 kV or less underground, either in whole or in part ("HB 1319"). Section 2.A of HB 1319 identifies the following as a qualifying project for the pilot program:

a transmission line of 230 kilovolts or less that has received a certificate of public convenience and necessity from the State

Corporation Commission prior to the effective date of this Act that approved construction of an electrical transmission line in right of way located upon land owned by a regional park authority used by the general public for park and recreation purposes. . . .

\* \* \*

The Commission shall approve the underground construction of one contiguous segment of the transmission line that is approximately 1.8 miles in length that was previously approved for construction upon or immediately adjacent to the right of way of the regional park authority, provided that the underground portion shall be located within the boundaries of such existing right of way upon the land owned by the regional park authority, excluding any substation or transition locations which may be required as a part thereof. The Commission shall make a finding establishing the termini of the underground portion of the line. The remainder of the construction of the approved transmission line shall be aboveground pursuant to the terms of the certificate of public convenience and necessity.

HB 1319 includes an “emergency clause” that makes it immediately effective as of April 2, 2008.

0. HB 1319 § 2.A requires that such qualifying project be constructed in part underground, that the underground portions consist of a double circuit and that the Commission approve such underground construction within 30 days of the Company’s written request to participate in the pilot program pursuant to § 2.A of HB 1319.

0. In its Original Request, the Company proposed to construct underground an approximately 1.7 mile section of the previously approved Pleasant View-Hamilton transmission line. The Original Request was approved by the Commission’s Order Approving Request, which states, on page 5:

Finally, we note that this Order Approving Request is without prejudice in that it permits, but does not obligate, the Company to construct the underground portion of this line as set forth in its Request. That is, Virginia Power is free to file a subsequent request, if it chooses, again under HB 1319, changing its intended route for the underground portion of the line; and if such request complies with HB 1319, we must approve it within 30 days.

6. In accordance with HB 1319 § 2.A, the Company now proposes this Modified Request to construct underground an approximately 2 mile section<sup>1</sup> of the previously approved overhead Pleasant View-Hamilton transmission line as shown on Attachment A hereto (the “Underground Transmission Line”). In order to transition from the overhead transmission line to the underground transmission cables, two terminal stations will be constructed on certain parcels of private property<sup>2</sup> proximate to the W&OD Trail identified on Attachments A, B and C hereto (together with the Underground Transmission Line, the “Pilot Project”).<sup>3</sup> The proposed Underground Transmission Line will be located entirely within existing, Company-owned right-of-way along the W&OD Trail, except for the short distances where the underground line will enter the two terminal stations. This Pilot Project will require the purchase of land on which to construct the two terminal stations (a minimum of 1.2 acres each including screening)<sup>4</sup> and the acquisition of a new 40-foot wide permanent right-of-way, plus temporary 10-foot wide right-of-way for construction,<sup>5</sup> between the terminal stations and the W&OD Trail.<sup>6</sup>

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<sup>1</sup> The minor difference of approximately 1,200 feet from the approximately 1.8 mile length of the underground transmission line identified in the Company’s testimony on remand in Case No. PUE-2005-00018 is explained by locating the underground portion on W&OD Trail property rather than on Shenstone residential properties and locating the terminal stations immediately adjacent to the W&OD Trail property. The additional length of the Underground Transmission Line in this Modified Request compared to the approximately 1.7 miles referenced in the Original Request results from relocating the northern terminal station approximately 1,900 feet to the northwest to address concerns of affected landowners.

<sup>2</sup> Attachments A, B and C show the approximate locations of the terminal stations on the identified parcels. As with any transmission project, the Company needs to retain flexibility to determine the specific locations of the terminal stations on the identified parcels based on final engineering and field conditions present at the time of construction, but subject to the approved route in PUE-2005-00018.

<sup>3</sup> Attachments A and B reflect the relocation of the northern terminal station referenced in footnote 1. Attachment C relates to the southern terminal station and is unchanged from the Original Request.

<sup>4</sup> The landowners (Josephine Shepard and Mary H. Shepard) of the private property on which the northern terminal station is proposed to be located do not oppose the Company’s Modified Request.

<sup>5</sup> The Modified Request requires an additional 10 feet of temporary construction easement because extending the Underground Transmission Line to relocate the northern terminal station will cause the project to encounter a hillside that will require more room during construction.

<sup>6</sup> The landowners (Donald and Gretchen Kuney, James Presgraves, Jonathan Miller and Elizabeth Thompson and the Northern Virginia Conservation Trust) of the private property between the W&OD Trail and the northern terminal station that will be crossed by the Underground Transmission Line do not oppose the Company’s Modified Request and have agreed to grant to Dominion Virginia Power at no cost the required easements.

7. The Pilot Project will construct underground facilities with a total transfer capability of 1047 MVA in order to provide transfer capability equivalent to the previously approved overhead line and redundancy in the event of an outage on one of the underground cables comprising the underground circuit. The Underground Transmission Line will utilize cross-linked polyethylene (“XLPE”) solid dielectric underground cable encased in concrete ductbank for protection, with two cables per phase, conduit for communications and shield wires and spare cable conduits for additional underground transmission facilities if needed in the future. The proposed XLPE cable system will consist of two parallel ductbanks, each with three (3) cables installed for a total of six (6) cables. The two ductbanks will be separated by a minimum of 8 feet to 15 feet to reduce mutual heating effects in order to maximize the ampacity of the circuit. See Attachment D<sup>7</sup> hereto for a diagram of the ductbank configuration. The Pilot Project will meet or exceed the standards of the National Electrical Safety Code in effect at the time of construction.

0. Each terminal station will include a fenced area of approximately 80 feet by 180 feet and will have a landscaped buffer area 50 feet wide along the periphery. These graveled, fenced areas will contain equipment necessary for the transition of the line from overhead to underground and vice versa, including the following equipment:

- Steel H-frame structure for terminating the overhead line
- Underground cable terminations
- Current transformers
- Surge Arresters
- Disconnect switches for cable isolation

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<sup>7</sup> Attachment D is unchanged from the Original Request

- Small station service transformer
- Control house (approximately 10 feet by 12 feet) for protective relays, communications equipment, batteries and battery charger.

See Attachments E and F hereto for a plan view and site arrangement map of the terminal stations and the landscaping plan<sup>8</sup>. As shown on Attachments E and F, the terminal stations also will provide adequate space for future expansion to accommodate additional underground transmission facilities if needed.

9. The Pilot Project proposed in the Original Request was estimated in Case No. PUE-2005-00018 to cost approximately \$25.6 million.<sup>9</sup> Based on that estimate, the Pilot Project proposed in this Modified Request is estimated to cost approximately \$28.2 million.<sup>10</sup>

10. If the Commission does not approve this Modified Request, the Company requests that the Commission leave intact the Commission's Order Approving Request issued May 6, 2008, so that the Company can proceed to construct the Underground Transmission Line portion of the Pleasant View-Hamilton project in accordance with that Order.

WHEREFORE, Dominion Virginia Power respectfully requests that the Commission:

(a) approve the Company's participation in the proposed pilot project, as described in this Modified Request, including construction of underground transmission

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<sup>8</sup> Attachments E and F are unchanged from the Original Request.

<sup>9</sup> The approximately \$25.6 million cost estimate (in 2007 dollars) from Case No. PUE-2005-00018 includes: \$20,292,000 for construction of the Underground Transmission Line, \$222,600 for clearing, including stump removal, \$2,802,500 for construction of the terminal stations, including the required land purchases, and \$2,300,000 for shunt reactors at Hamilton Substation.

<sup>10</sup> The approximately \$28.2 million cost estimate (based on the cost estimate provided in Case No. PUE-2005-00018 in 2007 dollars) includes: \$22,800,000 for construction of the Underground Transmission Line, \$250,000 for clearing, including stump removal, \$2,802,500 for construction of the terminal stations, including the required land purchases and \$2,300,000 for shunt reactors at Hamilton Substation. The estimated cost of the overhead portion of the transmission project approved in PUE-2005-00018 is reduced by approximately \$1.1 million for the 1,900 feet of overhead construction and right-of-way purchases no longer required due to the extension of the underground portion of project proposed in this Modified Request.

facilities (including associated terminal stations), in accordance with, and within the time period provide under, § 2.A of HB 1319;

(b) make a finding establishing the termini of the Underground Transmission Line, including the locations of the associated terminal stations as described in this Modified Request; and

(c) grant such other and further relief as it deems just and proper.

VIRGINIA ELECTRIC AND POWER COMPANY

By: 

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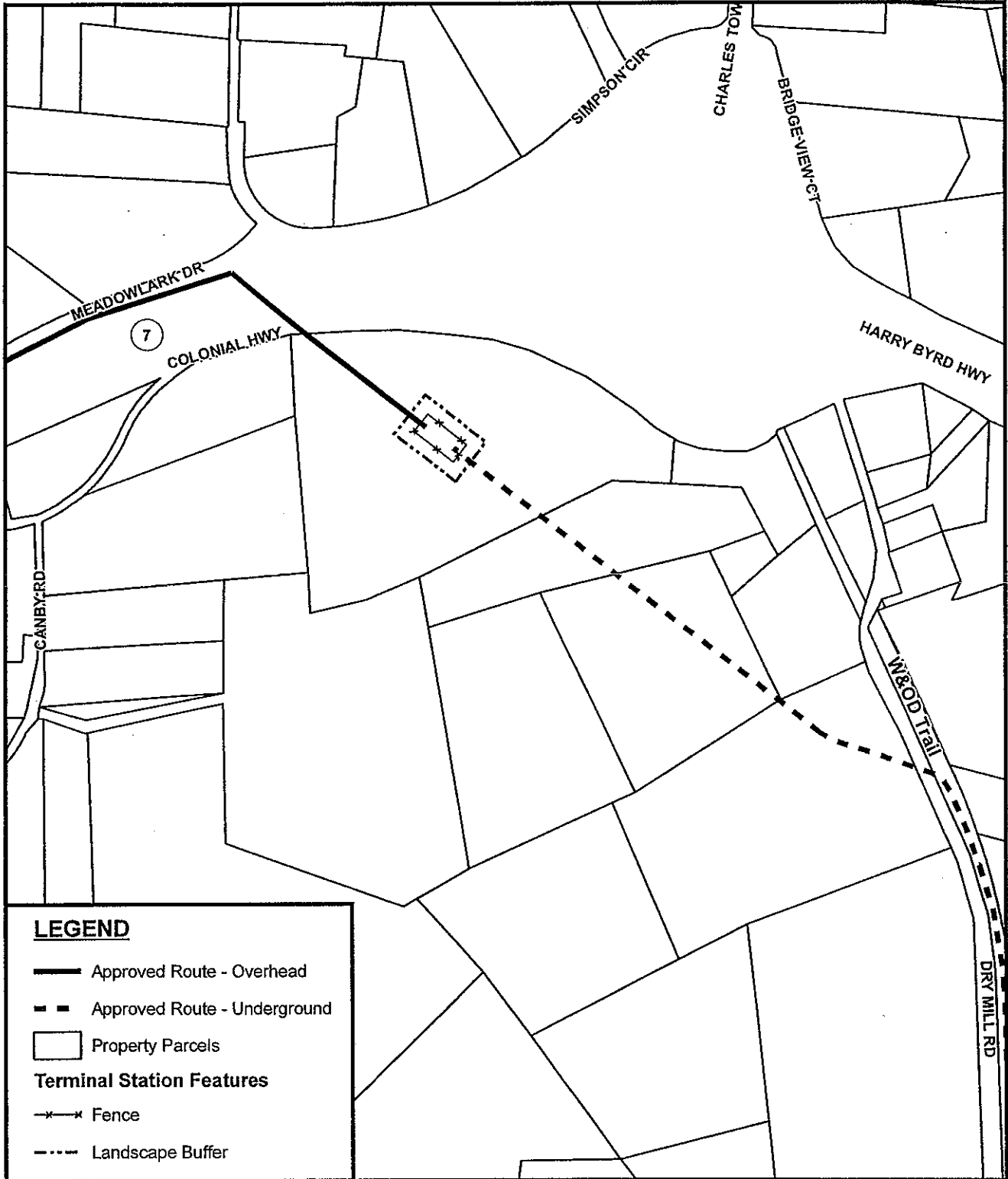
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May 21, 2008

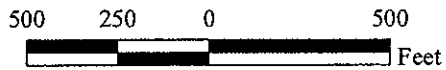


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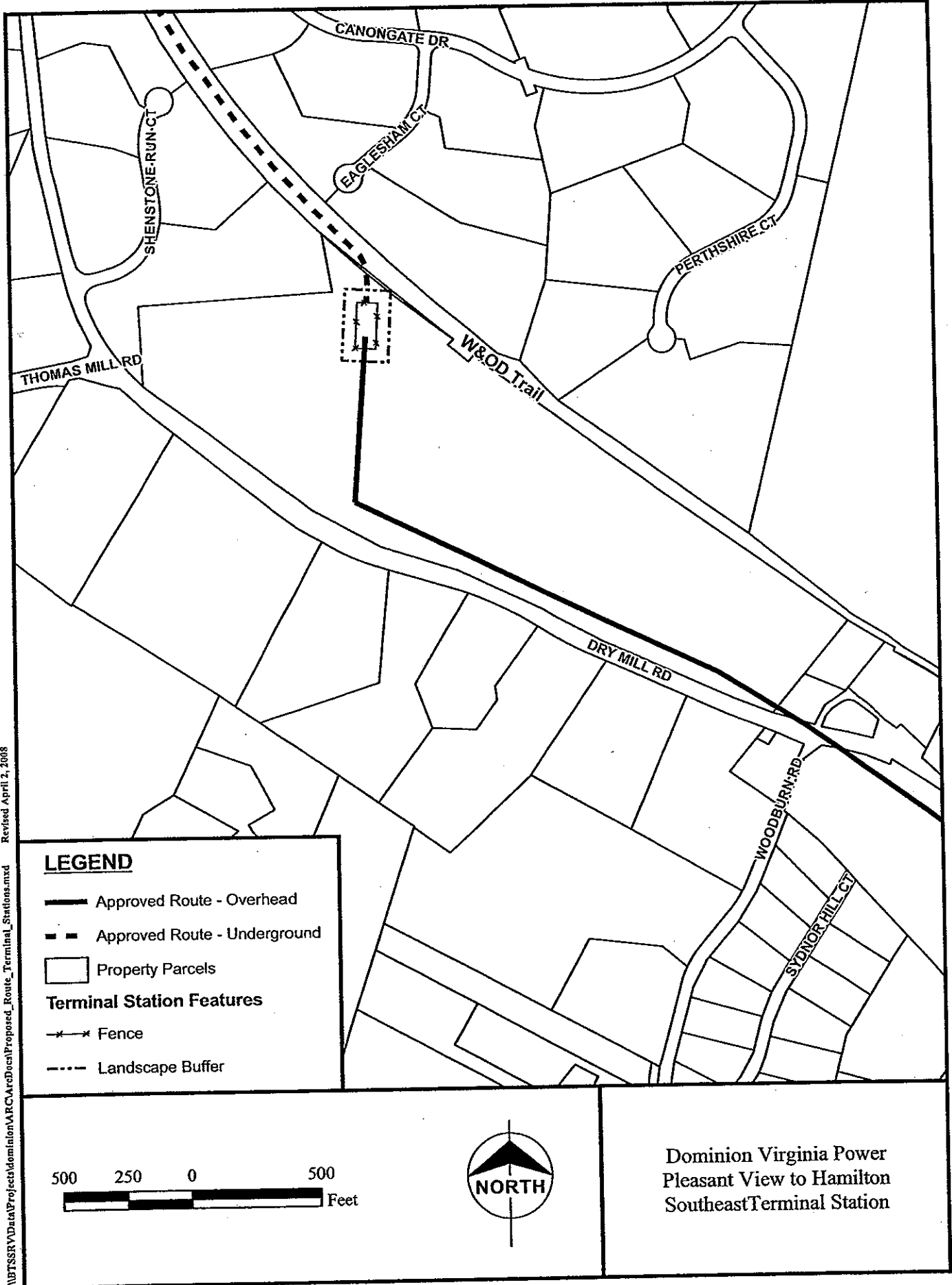


**LEGEND**

-  Approved Route - Overhead
-  Approved Route - Underground
-  Property Parcels
- Terminal Station Features**
-  Fence
-  Landscape Buffer



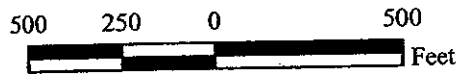
Dominion Virginia Power  
Pleasant View to Hamilton  
Northwest Terminal Station



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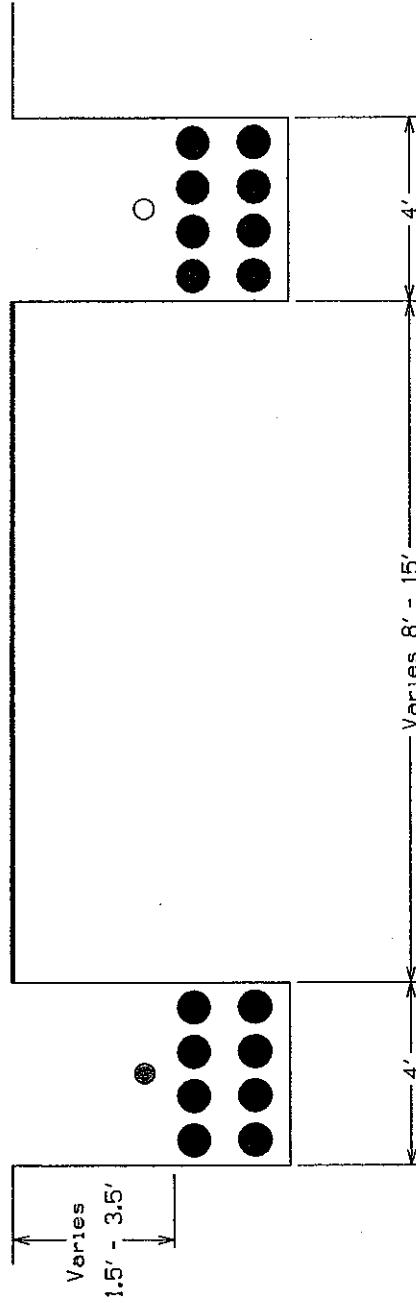
**LEGEND**

- Approved Route - Overhead
- - - Approved Route - Underground
- ▭ Property Parcels
- Terminal Station Features**
- x-x Fence
- ..... Landscape Buffer



Dominion Virginia Power  
Pleasant View to Hamilton  
Southeast Terminal Station

Pleasant View - Hamilton  
230kV Solid Dielectric Cable System  
Typical Configuration  
1047 MVA Capacity



- Fiber Optic Cable for Protective Relaying
- Spare 3" PVC Conduit
- Energized 230kV Cable (~1300 Amps) (3500 Cu) - Active
- Spare 6" PVC Conduit



