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September 9, 2011

Mr. David H. Meyer
Office of Electricity Delivery and Energy Reliability (OE-20)
U.S. Department of Energy
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RE: DOE Delegation to FERC

Dear Mr. Meyer:

Dominion Resources Services, Inc. (Dominion) provides these comments on the proposal that the Department of Energy (DOE) delegate certain legal authority to the Federal Energy Regulatory Commission (FERC). Dominion Resources, Inc. (DRI) is a public utility holding company under the Public Utility Company Holding Act of 2005 and is the parent of Dominion, Virginia Electric and Power Company (Dominion Virginia Power) and various wholly-owned companies that are members of ISO-NE, PJM, or MISO and transact in these wholesale power markets. Dominion provides various management services to DRI and its affiliates.

In Section 216 of the Federal Power Act, 16 U.S.C. § 824p, Congress required DOE to conduct, not later than August 8, 2006 and every three years thereafter, a study of electric transmission congestion and to issue a report, based on the study, designating as national interest electric transmission corridors (NIETCs) areas experiencing electric energy transmission constraints or congestion that adversely affects consumers. Section 216 also gives the Federal Energy Regulatory Commission (FERC) authority, under certain circumstances, to issue permits for the construction or modification of electric transmission facilities located within a NIETC. FERC's electric transmission siting authority under Section 215 has been described as a "backstop" to the historical siting jurisdiction of the states with respect to such facilities, which would be preempted to the extent FERC's authority is exercised.

DOE issued its first congestion study in 2006 and, based on that study, issued a report in 2007 designating two NIETCs, the Mid-Atlantic (extending from mid-state New York through Northern Virginia) and Southwest (spanning the metropolitan areas of Los Angeles and San Diego) and stating that these designations were to stay in effect until October 7, 2019. DOE issued a second congestion study in 2009, making no material changes to the results of the 2006 study. FERC promulgated regulations to implement its backstop siting authority.

It has now been proposed that DOE delegate to FERC DOE's authority and obligation to conduct the required congestion studies and to designate NIETCs and that FERC issue narrower, project-specific NIETC designations where appropriate. The proposal envisions a three-step process: first, delegation by DOE to FERC authorizing FERC to conduct the triennial congestion studies; second, delegation by DOE to FERC authorizing FERC to designate NIETCs; and, third, concurrent consideration by FERC of applications for both project-specific NIETC designations and permits for construction of interstate transmission projects within project-specific NIETCs. Under the proposal, these FERC proceedings could be conducted concurrently with state siting proceedings.

To enable the Secretary to make a more informed decision, DOE announced on September 2 that it seeks comments by September 9 from interested persons on the proposal, including the question of whether a delegation should be subject to specific conditions. DOE and FERC have explained that they wish to resolve the delegation question within a few weeks, so as to enable DOE or FERC to initiate plans for conducting the 2012 Congestion Study. Further, if DOE decides to delegate these authorities, FERC proposes to initiate a rulemaking that would specify its processes for conducting congestion studies and designations of NIETCs. If, on the other hand, DOE were not to delegate these authorities, it would wish to initiate a proceeding of its own to clarify these questions.

Dominion urges the DOE to consider carefully the comments of the electric utility industry and its stakeholders and, particularly, the impact of the proposal on the authority of the states that have the primary responsibility for siting transmission lines. Dominion Virginia Power has invested \$1.7 billion in transmission enhancements over the past five years and plans to invest \$2.9 billion more over the next five years. Dominion Virginia Power works closely with PJM's planning processes and the siting processes in Virginia, West Virginia, and North Carolina and has not experienced from the Virginia State Corporation Commission, Public Service Commission of West Virginia, or the North Carolina Utilities Commission significant delays or major obstacles in obtaining siting authority. Indeed, since 2002, those state commissions have authorized, between them, the construction of over 30 Dominion Virginia Power transmission projects at 115 kV, 230 kV and 500 kV, including major interstate projects at 500 kV.

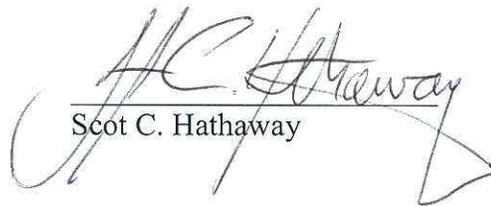
Should the Secretary determine that delegation is appropriate, Dominion urges that the delegation authority be conditioned so that the states are not hindered in their siting processes and decisions. Dominion is concerned that, after delegation, FERC will initiate transmission siting proceedings that are simultaneous with state proceedings thereby preventing meaningful participation by the affected states in the FERC proceedings. To assure that states will be permitted to have effective participation, Dominion recommends that DOE's delegation to FERC, if granted, be conditioned so that FERC siting process is not initiated until after the state siting process has run its course.

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Dominion further urges that due process be observed in DOE and FERC processes for consideration of the current proposal so that the views of stakeholders, including operating utilities and their state regulators, are fully considered.

Dominion appreciates the opportunity to provide these comments.

Respectfully,



Scot C. Hathaway