

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, MARCH 12, 2026

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2025-00032

For approval and certification of electric transmission facilities: Culpeper Technology Zone 230 kV Loop and Lines #2 and #1065 Conversion Project

FINAL ORDER

On February 20, 2025, Virginia Electric and Power Company (“Dominion” or the “Company”) filed with the State Corporation Commission (“Commission”) an application (“Application”) for approval and certification of electric transmission facilities in Culpeper County, the Town of Culpeper, Orange County, and Fauquier County, Virginia.<sup>1</sup> Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia (“Code”) and the Utility Facilities Act, Code § 56-265.1 *et seq.*<sup>2</sup>

Through its Application, the Company proposed to complete the following (collectively, the “Project”):<sup>3</sup>

- (1) Construct new approximately 5.2-mile overhead 230 kilovolt (“kV”) double circuit transmission lines: Mt. Pony–Potato Run Line #2437 (“Mt. Pony–Potato Run Line”) and the Mt. Pony–Oak Green Line #2438 (“Mt. Pony–Oak Green Line”) (collectively, the “Mt. Pony Lines”) primarily on new right-of-way. The new transmission lines will extend from the converted Potato Run–Remington and Oak Green–Potato Run Lines near Structures #1065/496 / #2331/110, as described below, to the proposed Mt. Pony Substation. The proposed Mt. Pony–Potato Run Line and the

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<sup>1</sup> Ex. 2 (Application) at 1, 2. The Company subsequently filed errata to its Application on March 7, 2025, May 9, 2025, July 11, 2025, and July 24, 2025.

<sup>2</sup> *Id.* at 1.

<sup>3</sup> *Id.* at 2-4.

Mt. Pony–Oak Green Line will be constructed primarily with double circuit weathering steel monopole structures, utilizing two circuits of three-phase twin-bundled 768.2 Aluminum Conductor Steel Supported/Trapezoidal Wire (“ACSS/TW”) type conductor with a summer transfer capability of 1,573 megavolt amperes (“MVA”). The Mt. Pony Lines will utilize a total of 100 to 160 feet of right-of-way, which includes both new 100-footwide right-of-way, and collocated 160-foot right-of-way. The amount of new right-of-way width for this line will vary from 60 feet to 100 feet.<sup>4</sup>

- (2) Construct a new approximately 3.7-mile<sup>5</sup> overhead 230 kV double circuit transmission line (the Cirrus–Mt. Pony Line of the “Tech Park Lines”) primarily on new right-of-way and planned data center campuses. The Tech Park Lines will extend from the proposed 230 kV Mt. Pony Substation to the future 230 kV Cirrus Switching Station<sup>6</sup> and interconnect the proposed 230 kV Chandler, McDevitt, and Palomino Substations. The Tech Park Lines will be constructed primarily with double circuit pre-dulled galvanized steel monopole structures, utilizing two circuits of three-phase twin-bundled 768.2 ACSS/TW type conductor with a summer transfer capability of 1,573 MVA. The amount of new

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<sup>4</sup> The Company stated that approximately 1.5 miles of its proposed route for the Mt. Pony Lines (the “Mt. Pony Proposed Route” or “Mt. Pony Route 1,” described *infra*) will be within new 100-foot-wide right-of-way, including a 1.2-mile segment from the cut-in at existing Structures #2/496 / #2199/110 and the 0.3-mile segment along James Madison Highway that terminates at the proposed Mt. Pony Substation. Ex. 2 (Application) at 2-3 n.2. The Company represented that approximately 3.7 miles, or approximately 71% of the total length, will be collocated along the existing right-of-way. *Id.* The Company further stated that this collocated 3.7 miles will have 60 feet of new right-of-way adjacent to the Company’s existing 100-foot right-of-way, utilizing a total right-of-way width of 160 feet. *Id.*

<sup>5</sup> According to the Company, if the Mt. Pony Proposed Route and the Company’s proposed route for the Tech Park Lines (the “Tech Park Proposed Route” or “Tech Park Route 1,” described *infra*) are selected by the Commission, then a 0.3-mile segment of 100-foot-wide right-of-way along the south side of US 15/29 will not be needed by the Tech Park Proposed Route, as the Tech Park Proposed Route will tap into the Mt. Pony Proposed Route at proposed Structure #2437/168 / 2438/126 rather than beginning at the proposed Mt. Pony Substation. *Id.* at 3 n.3. Alternatively, the Company stated that if the alternative route for the Mt. Pony Lines (“Mt. Pony Alternative Route 2,” described *infra*) is selected by the Commission, this 0.3-mile (3.7 acre) segment will be included. *Id.* The Application explained that in order to ensure all potential Project impacts are evaluated, this 0.3-mile segment was included in both the Mt. Pony Proposed Route and Tech Park Proposed Route impacts in this filing. *Id.*

<sup>6</sup> See *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Cirrus–Keyser 230 kV Loop and Related Projects*, Case No. PUR-2022-00198, 2023 S.C.C. Ann. Rept. 317, Final Order (Oct. 23, 2023).

right-of-way width for this line will vary from 100 feet to 160 feet.<sup>7</sup>

- (3) Convert and rebuild the Company's existing 2.5-mile overhead double circuit 115 kV Oak Green–Potato Run Line #1065 to 230 kV and rebuild Gordonsville–Oak Green Line #11 to 230 kV<sup>8</sup> from the existing Oak Green Switching Station to existing Structure #2199/164 / #11/550 / #1065/550. This update of Line #1065 will create the new Oak Green–Mt. Pony Line #2438. A 25-foot expansion of the existing 75-foot right-of-way is required, except where not feasible on Virginia Outdoors Foundation conservation easements. Construct approximately 0.2 mile of two new single circuit 230 kV lines to extend Line #1065 and Line #11 into the relocated Oak Green Switching Station within a variable width right-of-way. The relocation of the existing Oak Green Switching Station will also require construction of 0.2-mile of new single circuit 115 kV transmission line (designed to 230 kV) to extend the existing Oak Green–Pine Glade Line #153 into the new Oak Green Switching Station. Relocation of the existing Oak Green Switching Station is necessary to accommodate the installation of 230 kV and 115 kV ring busses and two 230-115 kV transformers (“Oak Green Rebuild and Relocation”).
- (4) Convert and rebuild an approximately 0.7-mile segment of the Company's existing 115 kV Potato Run–Remington Line #2 from existing Structure #2/147 to Remington Substation as double circuit 230 kV. This portion of Line #2 is currently double circuit with the Company's distribution Line #655, which will be rebuilt and converted to 230 kV to accommodate a double circuit 230 kV line, with Line #655 operating at distribution voltage (“Remington Rebuild”).
- (5) Construct four new 230 kV substations and one relocated 230 kV switching station (*i.e.*, the Oak Green Switching Station, as described previously) in Culpeper County, the Town of Culpeper, and Orange County, Virginia (the “Mt. Pony Substation,”

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<sup>7</sup> The Application represented that approximately 3.3 miles of the total 3.7-mile Tech Park Proposed Route would be located within new 100-foot-wide right-of-way, with one 0.2-mile segment collocated with the existing Company Lines #2 and #70, and one 0.2-mile segment collocated with the Company's existing Line #2 rights-of-way that require only 60 additional feet in width. Ex. 2 (Application) at 3 n.5. The Company stated that approximately 0.4 mile, or approximately 11% of the total length, will be collocated with the existing right-of-way. *Id.* According to Dominion, this collocated 0.4 mile will require 60 feet of new right-of-way width adjacent to the Company's existing 100-foot right-of-way, utilizing a total 160-foot-wide right-of-way. *Id.*

<sup>8</sup> The Company asserted that this portion of Line #11 will initially operate at 115 kV but will be constructed for operations at 230 kV. *Id.* at 3 n.6.

“McDevitt Substation,” “Chandler Substation,” “Palomino Substation,” and “Relocated Oak Green Switching Station”). The proposed Mt. Pony Substation and Palomino Substation will be on an easement to be acquired by the Company, and the proposed Chandler Substation, McDevitt Substation, and Relocated Oak Green Switching Station will be on Company property. The Mt. Pony Substation will be in Culpeper County; the Chandler, McDevitt, and Palomino Substations will be in the Town of Culpeper; and the Oak Green Switching Station will be relocated within Orange County, Virginia.

Dominion asserted that the proposed Project is necessary to interconnect and provide electric service requested by three data center customers that are developing three separate, new data center campuses in Culpeper County and the Town of Culpeper, Virginia; to maintain reliable service for the overall load growth in the area; and to comply with mandatory North American Electric Reliability Corporation Reliability Standards.<sup>9</sup>

Dominion stated that for the Mt. Pony Lines, the Company identified one approximately 5.2-mile overhead proposed route, the Mt. Pony Proposed Route, in an approximately 100-foot-wide new right-of-way or within a new 60-foot-wide right-of-way collocated with existing Company rights-of-way, as well as one overhead alternative route, the Mt. Pony Alternative Route 2, entirely in a new 100-foot-wide right-of-way.<sup>10</sup> Dominion further stated that the Mt. Pony Lines are entirely within Culpeper County, Virginia.<sup>11</sup>

Dominion stated that for the Tech Park Lines, the Company identified one approximately 3.7-mile overhead proposed route, the Tech Park Proposed Route, as well as two overhead alternative routes (Tech Park Alternative Route 2 and Tech Park Alternative Route 3).<sup>12</sup> The

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<sup>9</sup> Ex. 2 (Application) at 2, 4-5.

<sup>10</sup> *Id.* at 5.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

Company represented that the Tech Park Lines would be primarily within new 100-foot-wide rights-of-way, except for two 0.2-mile segments within a new 60-foot-wide right-of-way collocated within existing Company rights-of-way.<sup>13</sup> According to the Application, approximately 1.5 miles of each of the Tech Park Lines is within the Town of Culpeper, with the remainder (2.2 miles of the Proposed Route and 2.0 miles of each Alternative Route) within Culpeper County, Virginia.<sup>14</sup>

Dominion stated that for the Oak Green Rebuild and Relocation, the Company identified one approximately 2.9-mile overhead proposed route (Oak Green Rebuild Proposed Route), comprised of 2.5 miles of existing and 0.4 mile of new right-of-way.<sup>15</sup> The Company asserted that the existing 2.5-mile right-of-way is 75 feet wide; of this, approximately 2.0 miles of the existing right-of-way will be expanded by 25 feet to a new total of 100 feet wide, while approximately 0.5 mile will be maintained at 75 feet due to conservation easements which prevent right-of-way expansion.<sup>16</sup> Additionally, Dominion stated that approximately 0.2 mile of new variable width right-of-way will be acquired to connect the existing Oak Green Switching Station to the proposed Relocated Oak Green Switching Station, and 0.2 mile of new 100-foot-wide right-of-way will be acquired to connect the proposed Relocated Oak Green Switching Station to the existing Oak Green–Pine Glade Line #153.<sup>17</sup>

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 5-6.

<sup>15</sup> *Id.* at 6.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

Dominion stated that for the Remington Rebuild, the Company identified one approximately 0.7-mile overhead proposed route (“Remington Rebuild Proposed Route”) located in Fauquier County, Virginia, which is entirely within an existing Company right-of-way or on Company-owned lands.<sup>18</sup> Dominion further stated that because the Remington Rebuild Proposed Route is entirely within existing Company right-of-way, no alternative routes were identified.<sup>19</sup>

According to the Company, the four new proposed substations will be constructed with 112 MVA 230-34.5 kV transformers with a six circuit breaker configuration (McDevitt Substation, Chandler Substation, and Palomino Substation) or a four circuit breaker configuration (Mt. Pony Substation), along with other associated equipment.<sup>20</sup> The Application identified the total area of the Mt. Pony Substation as approximately 5.0 acres, the McDevitt Substation as approximately 4.5 acres, the Chandler Substation as approximately 4.7 acres, and the Palomino Substation as approximately 4.4 acres.<sup>21</sup> The Company represented that the Mt. Pony Substation will be in Culpeper County, while the Chandler, McDevitt, and Palomino Substations will be in the Town of Culpeper.<sup>22</sup>

The Company stated that the desired in-service target date for the proposed Project is May 1, 2028. The Company represented that the total estimated conceptual cost of the Project is

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<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* at 6-7.

<sup>21</sup> *Id.* at 7.

<sup>22</sup> *Id.*

approximately \$253.7 million, which includes approximately \$163.5 million for transmission-related work and approximately \$90.1 million for substation-related work (2024 dollars).<sup>23</sup>

On March 26, 2025, the Commission issued an Order for Notice and Hearing (“Procedural Order”), which, among other things: docketed the Company’s Application; established a procedural schedule; directed Dominion to provide notice of its Application to interested persons and the public; scheduled a public witness hearing and an evidentiary hearing for the purpose of receiving testimony and evidence on the Application; provided interested persons an opportunity to file comments on the Application or participate as respondents; directed the Commission’s Staff (“Staff”) to investigate the Application and file testimony and exhibits containing its findings and recommendations; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission and file a final report.

Staff requested that the Department of Environmental Quality (“DEQ”) coordinate an environmental review of the proposed Project by the appropriate agencies and provide a report on the review.<sup>24</sup> On April 18, 2025, DEQ filed its report on Dominion’s Application (“DEQ Report”), which includes the Wetland Impact Consultation provided by DEQ’s Office of Wetlands and Stream Protection.

The Company filed its proof of notice and service on May 21, 2025. Timely notices of participation were filed by the Society for Worldwide Interbank Financial Telecommunication, Inc. (“SWIFT”), and Old Dominion Electric Cooperative (“ODEC”) and Rappahannock Electric

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<sup>23</sup> *Id.* at 8.

<sup>24</sup> Letter from Clay F. Kulesza, State Corporation Commission, dated February 25, 2025, to David L. Davis, Department of Environmental Quality, filed in Case No. PUR-2025-00032; Letter from Clay F. Kulesza, State Corporation Commission, dated February 25, 2025, to Bettina Rayfield, Department of Environmental Quality, filed in Case No. PUR-2025-00032.

Cooperative (“REC”) (collectively, “Cooperatives”). On July 15, 2025, the Cooperatives filed an Unopposed Motion to Revise Procedural Schedule with Request for Expedited Treatment (“Motion to Revise Schedule”) requesting to extend the deadline for filing respondent testimony from July 18, 2025 to August 1, 2025, while otherwise maintaining the Procedural Order’s schedule. The Chief Hearing Examiner granted the Motion to Revise Schedule by ruling entered July 15, 2025.

On August 1, 2025, SWIFT filed the testimony of Brian C. Andrews, and the Cooperatives filed the testimonies of Kevin C. Miller and Christopher Stoia. On August 29, 2025, Staff filed the testimony of Carlos Gil with an attached Staff Report. On September 19, 2025, the Company filed its rebuttal testimony, and simultaneously filed a legal memorandum pertaining to legal issues, such as cost allocation and preemption, presented in the case. On October 10, 2025, the DEQ’s Department of Conservation and Recreation, Division of Natural Heritage (“DCR-DNH”) filed a response to Dominion’s rebuttal testimony, updating, clarifying, and reinstating DCR-DNH’s support of certain recommendations set forth in the DEQ Report. On October 14, 2025, the Cooperatives filed a legal memorandum in response to Dominion’s legal memorandum. The Commission received five public comments on the Company’s Application.

The Chief Hearing Examiner convened an evidentiary hearing in the Commission’s courtroom on October 14, 2025. Counsel for Dominion, SWIFT, the Cooperatives, and Staff were in attendance. One public witness testified at the hearing.<sup>25</sup>

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<sup>25</sup> Tr. 10-18.

On November 14, 2025, the Chief Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner (“Report”). In the Report, the Chief Hearing Examiner made the following findings:<sup>26</sup>

- (1) The proposed Project is needed to ensure reliable electric service to the planned data center developments of three Dominion customers in the Culpeper Technology Zone, while also maintaining transmission system reliability in compliance with mandatory federal reliability standards;
- (2) Even without the three Dominion customers in the Culpeper Technology Zone, a third transmission source into the load area would still be needed to address an identified 300 MW load drop violation, based on the projected load of REC’s data center customer that drove the need for the approved Cirrus-Keyser Project;
- [3] The estimated cost of the Project ranges between approximately \$249.6 million and \$253.7 million, depending on the route selected;
- [4] Existing rights-of-way cannot adequately serve the identified needs for the Project, regardless of the route;
- [5] Due in part to its more extensive collocation with an existing transmission line and avoidance of greenfield environmental impacts, Dominion’s proposed Mt. Pony Route 1 has an overall environmental advantage and comparable cost to Mt. Pony [Alternative] Route 2. While Mt. Pony Route 1 is the preferable option based on my weighing of the evidence, the Commission could weigh the evidence differently and approve Mt. Pony [Alternative] Route 2 instead;
- [6] Due in part to its coordination with the interests of property owners and relevant State and local government entities in an area that is being developed for a significant amount of data center construction, Dominion’s proposed Tech Park Route 1 is preferable. However, the Commission could weigh the evidence differently and approve Tech Park [Alternative] Routes 2 or 3 instead;
- [7] The proposed Project – including Mt. Pony Route 1 and Tech Park Route 1 – would avoid or reasonably minimize adverse impact, to the greatest extent reasonably practicable, on the scenic assets, historic and cultural resources recorded with [the Department of Historic Resources], cultural resources identified by federally recognized Tribal Nations in the Commonwealth, and environment of the area concerned;

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<sup>26</sup> Report at 71-72. The Hearing Examiner made two findings labeled as Finding (2). This Order rennumbers the Findings to identify only one Finding (2) and thus reflects a total of 17, rather than 16 Findings.

- [8] The unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;
- [9] Dominion should mark and call out on erosion and sediment control plans any wells located within 1,000 feet of the Project site;
- [10] While Dominion does not expect any instream work for the Project, the Company should coordinate with the applicable agencies and adhere to the requirements associated with threatened and endangered species through the permitting process, if such work becomes necessary;
- [11] The Project would support economic development;
- [12] Dominion reasonably considered the requirements of the Virginia Environmental Justice Act and the proposed Project does not appear to adversely impact any goals established by the Virginia Environmental Justice Act. However, Dominion should ensure the residents of the Lightfoot Apartments (once occupied) receive notification of the Project construction schedule and any anticipated impacts, facilitate a mailer, and attempt to schedule a visit to the complex to discuss Project construction and answer resident questions, consistent with the Company's commitment;
- [13] Dominion's request for a desired in-service target date of May 1, 2028, and an authorization sunset date of May 1, 2029, for energization of the Project is not unreasonable;
- [14] If Dominion does not construct the infrastructure to bridge the upgraded 230 kV lines proposed by the Project to REC's system, REC would be required to construct and pay for such infrastructure at a cost that is not reflected in Dominion's estimated Project cost;
- [15] Although not recommended by this Report, should the Commission reconsider the scope of its [Certificate of Public Convenience and Necessity ("CPCN")] proceedings in the instant case and also conclude that it has the legal authority to establish transmission cost allocation between public utilities, further proceedings for the receipt of cost allocation evidence, presumably after broader notice, would appear warranted;
- [16] The record in this case shows legal and engineering disputes between Dominion and the Cooperatives related to the federally filed and accepted [Memorandum of Agreement ("MOA")]. The Cooperatives acknowledge that any disputes between Dominion and the Cooperatives related to the MOA are properly adjudicated by [the Federal Energy Regulatory Commission ("FERC")], not the Commission; and
- [17] While Staff would need to work through certain cost information details, an expansion of Staff's filing guidelines along the lines recommended by the

Cooperatives might, at a minimum, help improve pre-filing communications between Dominion and the Cooperatives.

On December 8, 2025, Dominion, SWIFT, the Cooperatives, and Staff filed comments on the Report.<sup>27</sup>

*Dominion*

In its comments, Dominion states that it supports the adoption of Findings (1) through [13] and [16], and does not provide additional discussion of those findings.<sup>28</sup> The Company next opposes Finding [14] as exceeding the proper scope of the Commission’s jurisdiction.<sup>29</sup> The Company argues that any dispute raised by the Cooperatives regarding the construction, ownership, or cost responsibility of the infrastructure needed to bridge the upgraded 230 kV lines to the Cooperatives’ system must be raised with FERC, as required by the MOA, and cannot properly be adjudicated before the Commission in a CPCN proceeding.<sup>30</sup>

Dominion next asserts that the Commission should not reconsider the scope of its CPCN proceedings as described in Finding [15]. The Company argues that the Commission does not have jurisdiction to determine utility-to-utility cost allocation where a pre-existing federal framework governs, which Dominion asserts is the case here—where the federally-filed MOA governs all cost allocation matters as between Dominion and the Cooperatives.<sup>31</sup> According to the Company, disturbing Dominion’s FERC-filed formula rate template would impinge upon

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<sup>27</sup> Respectively, “Dominion Comments,” “SWIFT Comments,” “Cooperatives Comments,” and “Staff Comments.”

<sup>28</sup> Dominion Comments at 5-6.

<sup>29</sup> *Id.* at 6-10.

<sup>30</sup> *Id.* at 7-10.

<sup>31</sup> *Id.* at 11-15.

FERC's exclusive jurisdiction over rates for transmission service.<sup>32</sup> Dominion further argues that the scope of the Commission's CPCN proceedings is typically narrow and focused, that there are process and record deficiencies in this proceeding that would preclude the Commission from making a broader decision regarding transmission cost allocation, and that such cost allocation issues would be better addressed in a broader, stakeholder-inclusive venue that the Commission has already noticed to the public.<sup>33</sup> Dominion concludes its comments by asserting that the Commission should not re-notice this proceeding, as it would delay the reliability benefits from this Project and would further risk conflicting determinations or impinging upon FERC's exclusive jurisdiction over the federal tariff and the MOA.<sup>34</sup>

Finally, Dominion opposes Finding [17] insofar as it recommends incorporating cost-information requirements into Staff's filing guidelines, though the Company did not oppose a general update to said guidelines.<sup>35</sup>

#### *SWIFT*

SWIFT reiterates its request that the Commission approve Tech Park Route 1, and requests that the Commission adopt the Hearing Examiner's related recommendations.<sup>36</sup>

#### *Cooperatives*

The Cooperatives first argue that the Commission has both the authority to establish a methodology to allocate transmission facility costs to customers causing those costs, and that it

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<sup>32</sup> *Id.* at 11-12.

<sup>33</sup> *Id.* at 13-14.

<sup>34</sup> *Id.* at 15-17.

<sup>35</sup> *Id.* at 17-18.

<sup>36</sup> SWIFT Comments at 2.

should establish such a methodology to allocate transmission costs arising from the Project to the three data center customers causing those costs.<sup>37</sup> They posit that the current system of transmission cost allocation forces all consumers in the DOM zone to pay for the transmission infrastructure needed solely to serve data centers, which is fundamentally unfair and results in unjust and unreasonable rates for Virginia citizens.<sup>38</sup> The Cooperatives point to the Virginia Constitution, the Code, and Virginia Supreme Court precedent as granting broad authority to the Commission to set just and reasonable rates for electric utilities, which according to the Cooperatives includes the authority to analyze cost allocation issues in CPCN proceedings and approve any such allocations in the same proceeding.<sup>39</sup>

The Cooperatives next assert that, although no party to the proceeding offered evidence regarding which cost allocation methodology would be most appropriate, the Cooperatives “would welcome the opportunity to provide additional evidence to support the record regarding an appropriate cost-allocation methodology.”<sup>40</sup> Although the Cooperatives do “not affirmatively argue for the Commission to allocate transmission costs in this proceeding,” they would not object to such a result.<sup>41</sup> The Cooperatives further contend that data center customers that require new or upgraded transmission facilities should be treated the same way as generators that

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<sup>37</sup> Cooperatives Comments at 2-10.

<sup>38</sup> *Id.* at 2-3.

<sup>39</sup> *Id.* at 4-6.

<sup>40</sup> *Id.* at 6-7.

<sup>41</sup> *Id.* at 6.

require new or upgraded transmission facilities in PJM's Interconnection Queue, with the latter required to pay for their proportionate share of all required transmission facilities.<sup>42</sup>

In the event that the Commission chooses not to allocate transmission costs in this proceeding, the Cooperatives request that the Commission direct the Company to construct additional facilities as part of a supplemental project to complete any required transmission facilities to bridge the gap between the Project and REC's Brandy and Mitchells substations.<sup>43</sup> The Cooperatives argue that it would be fundamentally unfair for REC's member-customers to be forced to pay for the \$39.53 million in transmission facility upgrades that would not be needed but for the three data center customers requesting service.<sup>44</sup>

The Cooperatives argue that a determination on cost allocation does not implicate FERC's federal jurisdiction.<sup>45</sup> The Cooperatives assert that the Commission, rather than FERC, has proper jurisdiction over the cost allocation issues raised in this proceeding.<sup>46</sup> They point to recent FERC precedent noting that it is the states, rather than FERC, that have jurisdiction to determine how FERC-approved rates are collected among the relevant retail customers, and reiterate their argument that this matter would entail direct assignment of costs to retail customers rather than allocating costs between utilities.<sup>47</sup> The Cooperatives next argue that the PJM Attachment M-3 process is neither a prerequisite for the Commission's consideration of

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<sup>42</sup> *Id.* at 9-10. "PJM" is PJM Interconnection LLC.

<sup>43</sup> *Id.* at 10-13.

<sup>44</sup> *Id.* at 11-13.

<sup>45</sup> *Id.* at 7-9.

<sup>46</sup> *Id.* at 14-20.

<sup>47</sup> *Id.* at 14-16.

supplemental transmission projects, nor a federal preemption that limits the Commission's regulatory authority over transmission facilities.<sup>48</sup> As a final point, the Cooperatives assert that the MOA is not dispositive of this matter, as the issues in this case arise out of a need to determine how to allocate costs between Virginia retail customers, and specifically to data center customers, rather than any dispute over whether Dominion or REC should be paying for transmission upgrades.<sup>49</sup>

Finally, the Cooperatives request that the Commission direct Staff to expand its transmission line guidelines to require the details and associated costs of any electric facility construction required by the proposed project in all CPCN applications, for both distribution and transmission facilities and regardless of who owns the affected facilities.<sup>50</sup>

*Staff*

In its comments, Staff first states that it would be willing to review and revise its current Guidelines for Transmission Line Applications as discussed in the Report, asserting that pre-filing communications between utilities are necessary for efficient and reasonable utility planning.<sup>51</sup> Staff next argues that the Commission has proper and broad jurisdiction to address the issue of cost allocation in the present proceeding, and that the Commission should exercise such jurisdiction to prevent an unjust result in this proceeding.<sup>52</sup> According to Staff, Dominion's Project as proposed would unfairly shift significant costs onto REC without giving REC the

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<sup>48</sup> *Id.* at 17.

<sup>49</sup> *Id.* at 17-20.

<sup>50</sup> *Id.* at 20-21.

<sup>51</sup> Staff Comments at 2.

<sup>52</sup> *Id.* at 3-8.

opportunity for meaningful involvement in the Company's planning process.<sup>53</sup> Staff concludes by asserting that the Commission has the discretion to take either of the following actions to prevent an unreasonable and unfair result: (1) deny the Project and either order Dominion to return to PJM with a proposal that eliminates all impacts to REC, or order Dominion and REC to develop a mutually acceptable solution; or (2) order Dominion to pay the costs necessary to upgrade REC's facilities, and to seek collection of these costs as capital in aid of construction from the three data center customers or through another reasonable form of recovery.<sup>54</sup>

#### *Cooperatives' Additional Comments*

On January 21, 2026, the Cooperatives filed a Motion for Leave to File an Attachment to the Cooperatives' Comments on the Hearing Examiner's Report with Request for Expedited Treatment ("Motion for Leave"). The Motion for Leave describes how ODEC submitted comments, as part of the Attachment M-3 Process, to PJM and Dominion regarding cost allocation issues for certain Dominion Supplemental Projects presented at PJM's January 6, 2026 Transmission Expansion Advisory Committee meeting ("TEAC Comments").<sup>55</sup> The Motion for Leave further notes that PJM responded to ODEC's TEAC Comments on January 16, 2026, clarifying that the Commission has the authority to allocate costs for transmission projects that Dominion presents as Supplemental Projects during the Attachment M-3 Process ("PJM Response").<sup>56</sup> The PJM Response states, in part, that "state public utility commissions regulate retail electricity rates and service to end-use customers" and "the method that Dominion uses to

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<sup>53</sup> *Id.* at 4-5.

<sup>54</sup> *Id.* at 6.

<sup>55</sup> Motion for Leave at 3.

<sup>56</sup> *Id.*

recover costs associated with Supplemental Projects from [Dominion's] retail customers is part of the retail rate design which falls under state jurisdiction . . . ."<sup>57</sup> Through its Motion for Leave, the Cooperatives request that the Commission allow them to file ODEC's TEAC Comments and the PJM Response as an attachment to the Cooperatives' Comments on the Report.<sup>58</sup>

On February 5, 2026, Dominion filed a Response in Opposition to the Cooperatives' Motion for Leave, which opposed the Cooperatives' request to attach the TEAC Comments and the PJM Response to the Cooperatives' Comments citing that: (1) the Cooperatives failed to request a hearing; (2) Attachment A reflect no new facts or circumstances arising after the close of the evidentiary record; and (3) the positions in the Motion for Leave were repetitive of the Cooperatives' position at the hearing.<sup>59</sup> On February 20, 2026, the Cooperatives filed a Reply to the Response in Opposition of Virginia Electric and Power Company ("Cooperatives Reply") arguing that: (1) the contents of Attachment A did not exist at the time the record was closed;<sup>60</sup> and (2) the inclusion of Attachment A in the record will not cause prejudice.<sup>61</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

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<sup>57</sup> *Id.* at Attachment A, p.2.

<sup>58</sup> *Id.* at 3-4.

<sup>59</sup> Dominion Response at 4-5.

<sup>60</sup> Cooperatives Reply at 3.

<sup>61</sup> *Id.* at 6.

After analyzing the law and weighing the evidence – and providing a thorough and detailed analysis thereof – the Chief Hearing Examiner recommended that the Commission enter an order that:

- (1) **ADOPTS** the findings in [the] Report;
- (2) **AUTHORIZES** the Company to construct and operate the Project, using Mt. Pony Route 1 and Tech Park Route 1, subject to the findings and conditions recommended [in the Report];
- (3) **ISSUES** appropriate certificates of public convenience and necessity for the Project; and
- (4) **DISMISSES** this case from the Commission’s docket of active cases.

Upon consideration of this matter, the Commission adopts the Chief Hearing Examiner’s findings and recommendations, which we likewise conclude are supported by the law and record, subject to and modified by the additional discussion contained herein. The Commission finds that the public convenience and necessity requires the construction of the Project and that CPCNs authorizing the Project should be issued subject to the recommended findings and conditions contained in the Report.

In adopting the Chief Hearing Examiner’s findings and conclusions, the Commission has fully considered the evidence and arguments in the record.<sup>62</sup> That consideration has necessarily included all comments on the Report. The Commission grants the Cooperatives’ Motion for Leave and accepts Attachment A, giving it the weight it is due. Further, the Commission herein provides additional explanation and clarification on certain issues raised in comments.

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<sup>62</sup> See also *Board of Supervisors of Loudoun County v. State Corp. Comm’n*, 292 Va. 444, 454 n.10 (2016) (“We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission’s decision comes to us with a presumption that it considered all of the evidence of record.”) (citation omitted).

The Report correctly recognized that “[t]he Commission does not typically address cost allocation in transmission CPCN cases.”<sup>63</sup> The Commission continues to find that, at this time, cost allocation issues are properly addressed in the context of a rate proceeding.<sup>64</sup> The Commission thus declines to address the issue of cost allocation in the context of this case.<sup>65</sup> The Commission exercises its discretion without prejudice.

The Commission concurs that, within its jurisdiction, the fair allocation of transmission costs among retail customers is an important ratepayer issue that will have continuing significance.<sup>66</sup> To that end, the Commission has recently directed the Company to address transmission cost allocation in its next annual Rider T1 filing pursuant to Code § 56-585.1 A 4.<sup>67</sup> The Commission anticipates that the Rider T1 rate case, unlike the current case, could include actionable “recommend[at]ions on] cost allocation methodolog[ies]” and agrees that the current record is deficient in such regard.<sup>68</sup>

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<sup>63</sup> Report at 64.

<sup>64</sup> See *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: 230 kV Lines #210 and #243 Extension and 230-34.5 kV Edsall Substation*, Case No. PUR-2024-00135, Doc. Con. Cen. No. 250820150, Final Order at 17 (Aug. 8, 2025).

<sup>65</sup> See *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: 230 kV Lines #210 and #243 Extension and 230-34.5 kV Edsall Substation*, Case No. PUR-2024-00135, Doc. Con. Cen. No. 250820150, Final Order at 17 (Aug. 8, 2025).

<sup>66</sup> Report at 65. The Commission agrees with the Cooperatives that in certain instances the direct assignment of transmission costs to retail customers (rather than allocating costs between utilities) is within the Commission’s jurisdiction. Cooperatives Comments at 14-16.

<sup>67</sup> *Application of Virginia Electric and Power Company, For a 2025 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2025-00058, Doc. Con. Cen. No. 251140150, Final Order at 17 (Nov. 25, 2025).

<sup>68</sup> Report at 64-65. The Commission anticipates that the Rider T1 rate case proceeding may examine, among other things, whether a cost allocation methodology that directly assigns the costs of certain transmission projects to retail customers under certain facts and circumstances may be appropriate. The Commission also anticipates that the Rider T1 case may address the proper proceeding (e.g., CPCN proceeding, rate proceeding, etc.) for determining potential direct assignments under any such proposed methodology.

The Commission modifies Finding [14] in the Report as follows:<sup>69</sup>

If Dominion does not construct the infrastructure to bridge the upgraded 230 kV lines proposed by the Project to REC's system, REC *may* be required to construct and pay for such infrastructure at a cost that is not reflected in Dominion's estimated Project cost;

The Commission declines to address the substantive requirements of the MOA, a federally filed and accepted document, and is not directing the construction of additional facilities in this case.

The Commission agrees with the Hearing Examiner, however, that the PJM Attachment M-3 process for planning supplemental projects has no preemptive effect on this Commission, nor is it dispositive on the appropriateness or need for transmission facilities (including additional transmission facilities) as determined pursuant the Commission's CPCN authority.<sup>70</sup>

While the Commission accepts Finding [17] in the Report, that Staff could address the inclusion of certain cost information details in revisions to its Guidelines for Transmission Line Application,<sup>71</sup> the Commission finds that it would be premature to direct any such revisions before considering the proposals and arguments pertaining to cost allocation in Dominion's upcoming Rider T1 proceeding. However, until any such changes are made, the Commission encourages Dominion to work with the Cooperatives to continue to improve pre-filing communications.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperatives' Motion for Leave is granted.

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<sup>69</sup> Report at 72.

<sup>70</sup> *Id.* at 69.

<sup>71</sup> *Id.* at 72.

(2) The Commission adopts the Chief Hearing Examiner's findings and recommendations in the Report as modified herein.

(3) The Chief Hearing Examiner's recommendations as set forth in the Report and as modified herein are ordered.

(4) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the recommended findings and recommendations in the Report, as set forth and modified herein.

(5) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCNs to construct and operate the Project is granted as provided for herein.

(6) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCNs to Dominion:

Certificate No. ET-DEV-CUL-2026-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines in Culpeper County and the Town of Culpeper, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2025-00032, and cancels Certificate No. ET-DEV-CUL-2024-A, issued to Virginia Electric and Power Company in Case No. PUR-2023-00206 on August 7, 2024.

Certificate No. ET-DEV-FAU-2026-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines in Fauquier County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2025-00032, and cancels Certificate No. ET-DEV-FAU-2023-A, issued to Virginia Electric and Power Company in Case No. PUR-2022-00123 on April 24, 2023.

Certificate No. ET-DEV-ORG-2026-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines in Orange County, all as shown on the map attached to the certificate, and to construct and

operate facilities as authorized in Case No. PUR-2025-00032, and cancels Certificate No. ET-99g, issued to Virginia Electric and Power Company in Case No. PUE-2015-00117 on August 9, 2017.

(7) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation electronic maps for the foregoing Certificate Numbers that show the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(8) Upon receiving the maps directed in Ordering Paragraph (7), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCNs issued in Ordering Paragraph (6) with the maps attached.

(9) The Project approved herein must be constructed and in service by May 1, 2028. The Commission approves a CPCN sunset date of May 1, 2029, for energization of the Project. No later than ninety (90) days before the CPCN sunset date approved herein, for good cause shown, the Company is granted leave to apply and to provide the basis for any extension requested.

(10) This matter is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.