

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 14, 2022

SEC. CLERK'S OFFICE
GOVERNMENT CONTROL CENTER

2022 APR 14 A 11: 04

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2019-00040

For approval and certification of electric
facilities: Potomac Yards Undergrounding
and Glebe GIS Conversion

ORDER GRANTING MOTION FOR EXTENSION
OF CONSTRUCTION AND IN-SERVICE DATE

On March 7, 2019, Virginia Electric and Power Company ("Dominion" or "Company") Company filed an application and supporting documents for State Corporation Commission ("Commission") approval (i) to convert the overhead portion of 230 kilovolt ("kV") Glebe-Ox Line #248 and 230 kV Glebe-North Alexandria Line #2023 between Glebe Substation (located in Arlington, Virginia), and Potomac Yards North Terminal Station (located in the City of Alexandria, Virginia) to underground lines and to tie the converted lines into Glebe Substation; and, (ii) to convert and rebuild the Company's existing Glebe Substation to a gas insulated substation (collectively, the "Project").

On September 27, 2019, the Commission issued its Final Order on the Project ("Final Order"),¹ which, among other things, authorized the Company to construct and operate the Project, and specified the in-service date for the Project. Ordering Paragraph (6) of the Final

¹ *Application of Virginia Electric and Power Company, For approval and certification of electric Facilities: Potomac Yards Undergrounding and Glebe GIS Conversion, Case No. PUR-2019-00040, 2019 S.C.C. Ann. Rept. 385, Final Order (September 27, 2019).*

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Order provided: "The Projects approved herein must be constructed and in service by May 2022; however, the Company is granted leave to apply for an extension for good cause shown."²

On March 7, 2022, Dominion moved the Commission to extend from May 2022 to May 31, 2026, the date for placing and energizing in-service facilities included as part of the 230 kV transmission project previously approved by the Commission in this case ("Motion"). The Motion states that the Company reasonably believed at the time the Final Order was issued that a May 2022 in-service date would allow sufficient time to construct and energize the Project, subject to outage scheduling.³ However, since receiving approval of the Project in September 2019, the Company states that it has encountered several unexpected challenges that have resulted in delays to the Project schedule and increased conceptual cost estimates.⁴

Among the multiple reasons given for the requested extension, the Company cites the following developments and events following Commission approval: (i) delays in completing transmission and substation engineering design;⁵ (ii) delays associated with labor shortages due to COVID-19;⁶ (iii) work to the distribution side of the Glebe Substation proving to be more complicated and extensive than anticipated;⁷ (iv) challenges related to underground construction for this Project, combined with the complexities of rebuilding a substation that has a limited

² 2019 S.C.C. Ann. Rept. at 389.

³ Motion at 3.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.* at 4.

⁷ *Id.*

footprint that cannot be expanded and that must remain energized and serving load;⁸ and (v) outages associated with the remaining work of (a) undergrounding Lines #248 and #2023, and, (b) converting the Glebe Substation to GIS, that cannot be performed simultaneously, as originally believed, and which due to other work in the region, must be conducted sequentially.⁹

The Company also states that the delay related to engineering work has increased Project costs by approximately \$1.731 million, including: (i) an additional approximately \$1.09 million for substation physical engineering; and (ii) an additional approximately \$641,000 for transmission engineering work.¹⁰ The Company also identifies additional distribution work that has resulted in an approximately \$2 million increase in costs. The Company further states that the delay in construction will result in other increased costs; however, it is unable to quantify the full cost increase at this time.¹¹

The Company further states that the Staff of the Commission ("Staff") is supportive of the requested extension if the Company files a report within 90 days of a Commission Order granting extension that provides the following: (i) lessons learned from each of the challenges encountered, and how those lessons will be applied in future projects; (ii) identification of which of the challenges were unique to the instant project; and (iii) an explanation for why the non-unique challenges or lessons learned from previous projects could not be applied to prevent or

⁸ *Id.* at 5.

⁹ *Id.* at 5, 6.

¹⁰ *Id.* at 7.

¹¹ *Id.* at 7. The Company also states that in addition to these increases to actual costs, extending the Project schedule will increase the Allowance for Funds Used During Construction. According to the Company, these increases in costs could be partially offset by decreases in other Project costs. The Company states in the Motion that it will file a letter in this docket providing an update on Project costs within 90 days of the completion of the design and bidding processes. *Id.*

mitigate the current occurrence.¹² This report would be updated, if necessary, as any other challenges arise during the completion of the Project.¹³ The Company states that it does not oppose this requirement.¹⁴

The Company further asserts that the requested extension will provide sufficient time to complete the construction of the Project, and asserts that this delay will not prejudice Staff or any party to this proceeding.¹⁵ Further, the Company states that granting of the requested extension will not lead to any known North American Electric Reliability Corporation violations.¹⁶

No responses to the Motion were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company has established good cause to extend the current deadline for completing and energizing the Project from May 2022 to May 31, 2026, and to establish the reporting requirements proposed by the Staff.

Accordingly, IT IS ORDERED THAT:

- (1) This case is reopened for the limited purpose of considering the Motion.
- (2) The deadline for completing and energizing the Project established under the Final Order herein, is hereby extended from May 2022 to May 31, 2026.
- (3) The Company shall file a report in this docket within 90 days of this Order as described herein and file such updates as may be necessary.

¹² *Id.* at 8.

¹³ *Id.* at 9.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

(4) 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.