

Scot C. Hathaway
Vice President
Transmission

Dominion Virginia Power • Dominion North Carolina Power
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Mailing Address: P.O. Box 26532
Richmond, VA 23261



September 8, 2014

Dear Mr. Young:

Thank you for your continued engagement in the new infrastructure project proposed for the City of Alexandria and Arlington County.

Dominion's Project Team has been meeting weekly with your staff. This collaboration has allowed us to progress to a point where additional project details are available for review, as follows.

1. Project Need:

- The Federal Energy Policy Act of 2005 mandates compliance with North American Electric Reliability Corporation (NERC) Reliability Criteria for utilities like Dominion Virginia Power.
- The Alexandria/Arlington area lacks generation to serve its local electrical needs. Therefore, it is entirely dependent on Dominion's transmission system to import electricity to the area.
- NERC Reliability Criteria require the transmission system be continually evaluated to ensure a reliable electric transmission grid. With the loss of one or more lines or transformers, the grid must remain stable.
- Reliability studies indicate that by summer 2018, the existing transmission facilities will no longer be adequate to meet mandatory NERC Reliability Criteria. If the transmission system in the City of Alexandria and Arlington County is not reinforced, the Company will not be able to continue to provide reliable service to the area.
- As was stated at the June 11 City Council meeting, various HOA meetings and the Project Team's weekly meetings with your staff, the 230 kV transmission lines in the Van Dorn, Franconia, South Carlyle and North Alexandria areas, along with the 500-230 kV transformers at Ox Substation, are at risk; potentially, and unacceptably, hampering our ability to transfer electricity into the area.
- The PJM report you requested is a sensitive security issue, since our transmission system is part of the national grid. I trust your staff has conveyed to you the nature of the discussions on this topic with regard to Critical Energy Infrastructure Information (CEII). The team is in the process of summarizing the report with information that can be shared publicly.

2. Alternatives:

- We discussed alternatives to the Glebe-Potomac River project with your staff on August 20th. Your staff requested further explanation on each alternative, which we will have to them by the end of next week.
- Our Project Team discussed with your staff the level of project detail to be made public during the SCC filing process. Our cost analyses become more detailed and accurate —on each of the alternatives-- even after we propose a solution. Surmising costs and all impacts at this stage is premature.
- We are continuing to seek input and conduct analyses so that we can file as soon as possible. Our target is to file toward the end of November and make the application available to you. We continue to reiterate that the SCC filing is indeed the beginning of the official process for government, business and citizen comment and involvement.

3. Alternatives Analysis Report:

- What you refer to as an “Alternative Analysis Report” will be presented in the SCC filing.
- We are researching the geographic areas you mentioned and will provide an analysis on each as part of the SCC submission. We do not as yet have a recommended route. We will have preliminary routes within the next two weeks and will make them available to the community at our open house on October 1st between 5 p.m. and 8 p.m. at the Mt. Vernon Community School. Letters with the proposed routes will be sent to citizens in addition to media ads announcing the open house.

4. Potomac River Substation at Station C:

- Dominion has the responsibility to build the line and Pepco must receive the line by building the necessary facilities. We have provided contact information to your staff so that discussions can begin on Pepco’s plan.
- Neither Maryland nor the District of Columbia was seriously considered as interconnection locations since the transmission project addresses City of Alexandria and Arlington County needs.

5. EMF:

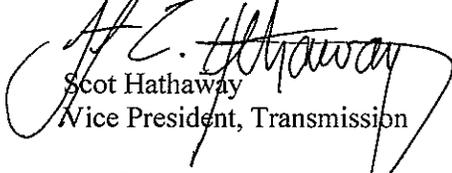
- We will conduct an EMF analysis of this project. Research materials have been provided to your staff for their review.

Finally, we have offered and continue to be willing to have a work session with City Council, you and your executive team. We propose an overview and open discussion on transmission needs, the decision milestones and the SCC process.

Please contact Deborah Johnson, Project Managers Wes Keck or Steve Quarberg, and/or me if you would like to discuss any of the above in more detail.

Thank you again for your engagement with this important infrastructure project.

Sincerely,



Scot Hathaway
Vice President, Transmission

cc: Congressman James Moran
Delegate Rob Krupicka
Senator Adam Ebbin
The Honorable Mayor and Members of City Council
Mark Jinks, Deputy City Manager
Rich Baier, Director, Department of Transportation & Environmental Services
Yon Lambert, Acting Director, Department of Transportation & Environmental Services
Karl Moritz, Acting Director, Department of Planning & Zoning
Jeffrey Farner, Deputy Director, Department of Planning & Zoning
William Skrabak, Deputy Director, Infrastructure & Environmental Quality, Department of Transportation & Environmental Services
Maurice Daly, Division Chief, Infrastructure/ROW, Department of Transportation & Environmental Services
William Eger, Energy Manager, Facilities, Department of General Services
James Spengler, Director, Department of Recreation, Parks & Cultural Activities
Christopher Spera, Deputy City Attorney
Dana Wedeles, Park Planner, Department of Recreation, Parks & Cultural Activities