

FRANK R. WOLF
10TH DISTRICT, VIRGINIA



241 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4610
(202) 225-5136

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:

RANKING MEMBER—COMMERCE-JUSTICE-
SCIENCE

TRANSPORTATION-HUD

CO-CHAIR—TOM LANTOS
HUMAN RIGHTS COMMISSION

Congress of the United States
House of Representatives

February 2, 2011

13873 PARK CENTER ROAD
SUITE 130
HERNDON, VA 20171
(703) 709-5800
(800) 945-9653 (IN STATE)

110 NORTH CAMERON STREET
WINCHESTER, VA 22601
(540) 667-0990
(800) 850-3463 (IN STATE)

wolf.house.gov

The Honorable James C. Dimitri
Chairman
State Corporation Commission
PO Box 1197
Richmond VA 23218

Dear Chairman Dimitri:

I appreciate the opportunity to again voice my strong opposition to the PATH Allegheny Virginia Transmission Corporation's (PATH-VA) line application (case number PUE-2010-00115). I urge the hearing examiners to listen to the calls of those who will be directly impacted by any decision to grant a new right-of-way to construct this massive power line.

I still have yet to see anything to convince me that our region needs this transmission line project. Instead, all I see is that regions along the East Coast where the power will be shipped will reap the benefits while our region will only see huge, ugly towers strung with wire dotting the countryside, parks and backyards of the places we call home.

The executive summary of the 2011 PJM Interconnection Load Forecast is instructive. According to this report, demand during peak summer times is projected to decrease when compared to the 2010 Load Report-- a decrease of 2.2 percent for 2011, a decrease of 2.7 percent in 2014, and a decrease of 3.4 percent in 2016.

Further, I understand that Dominion Virginia Power, a certified Virginia public utility that operates within the territory through which the PATH-VA project seeks to traverse, is seeking approval for its plans to rebuild the Mt. Storm to Doubs transmission line. That upgrade on an existing right-of-way which should greatly improve line capacity, transmission efficiency, and service to Virginians. Further, as you may be aware, the Virginia Air Pollution Control Board unanimously approved an air permit for Dominion's Warren County Power Station, a planned natural gas plant near Front Royal, which will benefit the impacted service territory.

I believe that an honest analysis of these projects, which are being constructed with the input of the impacted local communities, further point to the need to scuttle the misguided PATH-VA project now.

I also urge the members of this commission to revisit and take to heart the arguments filed by commission staff, in which they accurately point out that Virginia Code § 56-254.4 has not been satisfied. I have not seen any reports which indicate that Dominion Virginia Power,

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Northern Virginia Electric Cooperative, and Shenandoah Valley Electric Cooperative are providing inadequate capacity to residents in Frederick, Clarke, and Loudoun counties. In fact, it is particularly telling that these companies are failing to vocally oppose the application that is being considered. Consider that, from 2000 to 2008, the population of Loudoun County increased by 71 percent, while Frederick and Clarke Counties saw percent change increases of 25 and 14, respectively. Why would businesses dependent on a growing population base stay silent when another company builds within their certified service area? Could it be that they are fully aware that the builders of this line have no interest in providing electricity to residents of the Commonwealth?

Building massive transmission lines directly affects thousands of my constituents who live near these planned lines and those who will pay higher rates to provide increased transmission service that will benefit areas other than Virginia.

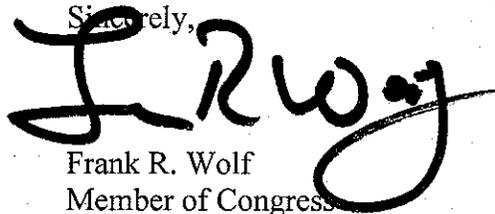
Except for the 2011 PJM forecast and planned construction by Dominion Virginia Power, it appears that this case is at the place it was on January 20, 2010, when the commission allowed PATH to withdraw its previous line application. I enclose my earlier comments from the 2009 commission hearing in Winchester and ask you to continue to consider my arguments. My position has not changed.

Further, yesterday, the United States Court of Appeals for the Ninth Circuit issued a ruling in the case California Wilderness v. U.S. Department of Energy (DOE) that vacates the National Interest Electric Transmission Corridors (NIETC) designation and remands the case to the DOE for further proceedings. I am still studying the implications of this decision to understand how it will impact the speed at which states must consider transmission planning applications within the PJM region and urge you to do the same. As you are fully aware, the project being considered today falls entirely within the East Coast NIETC Corridor.

Again, I strongly urge the commission to reject the PATH-VA application by dismissing it with prejudice.

Best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "FRW", with a large, sweeping flourish extending from the end of the signature.

Frank R. Wolf
Member of Congress

FRW:ml
Enclosure

N E W S R E L E A S E

FRANK R. WOLF

Member of Congress 10th District, Virginia



United States House of Representatives, Washington, D.C. 20515
Phone (202) 225-5136 • Fax (202) 225-0437 • Web site: www.house.gov/wolf/

Contact: Dan Scandling
(202) 225-5136

WOLF STATEMENT ON PATH POWER LINE PROJECT

Winchester, VA -- Rep. Frank Wolf (R-10th) today made the following statement at a State Corporation Commission hearing in Winchester on the PATH power line transmission project:

"Members of the Commission, I appreciate the opportunity to speak today on the matter of Allegheny Energy and American Electric Power's (AEP) application pending before the Virginia State Corporation Commission (SCC) to build the Potomac-Appalachian Transmission Highline (PATH) project.

"I sincerely appreciate that the chairman of the commission is here today. As I have stated on numerous occasions, I believe that having a commissioner in attendance benefits the SCC's decision-making process down the road. The Supreme Court justices listen to the cases they preside over so they will have the full benefit of hearing what each side puts forward. Members of Congress sit at committee hearings as they formulate legislation to listen to testimony from interested parties and ask questions as part of the legislative process.

"The standard SCC practice of having a hearing examiner oversee public hearings and provide a written summary of events for the commissioners does not serve the people well.

While I do not mean to disparage the work of the hearing examiner, a lot can get lost in translation as the hearing is summarized. A written report of the hearing certainly cannot convey the intensity of a witness's statement. I also worry that a summary may be written perhaps with a specific agenda to be met.

"Governor Kaine, recognizing the importance of this case, even wrote the SCC asking that a commissioner attend the hearings. Hopefully there will be a commissioner at each of the hearings this week. And maybe this will start a precedent for commissioners to attend other hearings. If that is case, that will be good news, and I want to thank the commission.

"I do want to say that I was disappointed that these hearings are being held in August - a month when many families take vacation trips prior to the start of the new school year in the fall. Many people plan their vacations and book accommodations further in advance than when these hearings were scheduled less than two months ago. I fear that many more people are likely to be out of town on vacation rather than here testifying before the SCC. I recently wrote the governor expressing my concern that this was a poor choice of dates for these hearings.

"The decision to hold these hearings during prime family vacation time could well prevent the commission from hearing from those who otherwise would be here to share their comments. I also must admit that I remain disillusioned by some of the actions of the SCC.

"One of the clauses in the SCC's code of ethics states that the SCC will 'discharge our duties and regulatory responsibilities in a manner that instills public confidence in the Commission.' I believe that actions in the recent past have contributed to the public's perception that the mission of the SCC to balance the interests of citizens and the businesses it regulates has been tilted excessively toward the business end.

"Of particular concern and relevance to this case are the SCC processes and procedures that led to the Trans-Allegheny Interstate Line (TrAIL) project approval. During consideration of the TrAIL project I wrote to the CEO of Dominion Power and to the SCC urging consideration as part of the review process of alternatives to building huge new transmission lines, especially energy efficiency and conservation programs. I quoted Duke Energy, which had sent a proposal to the North Carolina Utilities Commission outlining ways to expand energy efficiency and calling it a 'fifth fuel.' I received no indication that my suggestions were ever looked at.

"I also was disappointed to hear that the data given to the SCC by Dominion Power in its application for the TrAIL project, which plays a huge role in determining the need of the line, was taken as gospel. I understand it was never independently double-checked or re-analyzed by SCC experts, but instead accepted as Dominion's word. How do you explain to the public that a policy of accepting an applicant's data without verification isn't skewed toward the power companies?

"I am worried that history will repeat itself and that the final decision on the PATH project will be a carbon copy of the SCC's final order on the TrAIL line. What is even more disconcerting is that the PATH project will carry a lot more power at a significantly higher voltage than the TrAIL line. PATH will be 765 kilovolts whereas the TrAIL line will carry 500 kilovolts.

"I make note of a couple of troubling conclusions from the TrAIL final order:

"First, the final order states that 'other options might be a more efficient use of capital and much less intrusive on the landscape.' I find it inexcusable that while there are alternatives that would put less of an economic burden on ratepayers, that the SCC can still approve what appears to be a flawed plan.

"Secondly, special Commissioner Preston Shannon states in his concurring statement that, 'transmission planning and interconnection of generating plants to the grid are no longer based solely on what is best for Virginia.' Shouldn't decisions made by an agency of the Commonwealth always put Virginia's needs before other states?

"I come here today because I remain extremely concerned that these hearings are merely a formality, a way to check the 'public process' box, and that the outcome of this application has already been decided. I sincerely hope that I am wrong. But given the precedent that has been set, I believe the decision has already been made on this project.

"If the process doesn't change to legitimately incorporate citizen concerns or fully vet data and claims made by the companies the SCC regulates, how is the SCC serving the citizens and consumers of Virginia? These concerns lead me to believe that it's time for the General Assembly to consider legislation to create a consumer watchdog agency that would participate in cases like these and ensure that Virginia citizens and consumers have a voice and that their interests are protected. Former SCC Chairman Ted Morrison recently advocated for just this type of oversight.

"I have been concerned about the PATH project since the proposed route was moved to traverse parts of Virginia. As soon as Allegheny began scheduling 'open house' meetings, I started hearing from concerned constituents raising serious questions about the project and the process by which the community was being informed about PATH.

"Many people have concerns about their property, about the need for the line, and about how this project could forever change the landscape and viewshed of rural areas. I have heard numerous complaints about the style of the meetings that were held by the companies to inform people in surrounding areas about the project. A number of constituents and local elected officials asked the companies directly for a question and answer session so that everyone attending the meetings could benefit from the information provided. The companies instead seemed to defer to the SCC hearings rather than provide a public give and take session.

"Rather than addressing citizen concerns directly, the power companies seemed to have focused a lot of effort on a widespread PR campaign. The power companies have run radio, TV and newspaper ads trying to convince people that these lines are needed. One ad even features a former SCC commissioner. Another former SCC Commissioner wrote letters to the editor to area papers. I understand that Allegheny and AEP recently held an extensive question and answer session for reporters that included a helicopter trip over some of the area. My constituents were never afforded anything remotely close to this type of attention.

The power companies seem more concerned about catering to the press than addressing the questions of the people whose property and homes will be affected and who pay the rates that will fund this project.

"Building massive transmission lines is an issue of critical importance in my congressional district. It directly affects thousands of my constituents who live in the vicinity of these planned lines and those who will pay higher rates to fund increased transmission service that will benefit areas other than Virginia. I have serious concerns about whether this line is truly needed. I have yet to see anything to convince me that our region needs this transmission line project.

"Instead, in my review of these plans, all I see is that regions along the East Coast where the power will be shipped will reap the benefits and the 'benefits' for our region will be towering structures strung with wire dotting the countryside and backyards of the places we call home.

"I do not understand why Virginia ratepayers should foot the bill to help power homes and businesses in New Jersey and New York. In fact, the SCC's chief goals state that they will 'assure that Virginians receive quality services at reasonable prices from businesses subject to

Commission oversight.' However, I do not see how Virginians paying for a power line that serves other states is a representation of 'receiving quality services at reasonable prices.'

"As I learn of additional power line expansion projects planned for Virginia, I wonder: where does it stop? Will we just open the door to let any project come through Virginia?"

"Let me close by saying I do appreciate the commission scheduling these hearings in Frederick and Loudoun counties to allow the people directly affected the opportunity to comment about the detrimental effect this power line project will have on their homes and the area."

"I also do sincerely appreciate a commissioner being here. It does make a difference."

"Thank you."