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June 2, 2014

Mr. Scot C. Hathaway
Vice President, Transmission
Dominion Resources
P.O. Box 26666
Richmond, Virginia 23261

Re: Proposed Dominion Virginia Power 230 KV Infrastructure between the Dominion Virginia Power Four Mile Run Substation in Arlington and the PEPCO Switching Station at the NRG facility in Alexandria.

Dear Mr. Hathaway:

This letter follows your meeting with representatives of the City to inform us about Dominion's proposal to install major new electrical infrastructure in Alexandria. After an initial review of Dominion's proposal, the City has a number of serious and material concerns.

As we understand your proposal from the oral information you provided at the meeting, the project would involve constructing a new 230-KV underground electrical line between the existing Dominion Virginia Power Four Mile Run substation facility in Arlington and the parking lot located adjacent to the PEPCO switching station facility located within the NRG site in Alexandria. The proposal also involves substantial expansion of the switching station facility site on about half of the existing parking lot between the existing PEPCO substation and Abington Drive. You indicated that Dominion's desire was to submit the proposal for this 230KV infrastructure to the State Corporation Commission (SCC) in the first quarter of 2015.

Dominion represented that the construction of the proposed 230 KV lines and associated infrastructure would enable better regional electrical reliability and capacity by connecting Dominion's and PEPCO's systems. We have subsequently learned from our own research efforts that part of the need for this project is to feed data centers being constructed in Fairfax and Loudoun Counties. You further indicated that you would propose to include the previously planned North Potomac Yard substation relocation to the Arlington substation as a part of this project.

While we appreciate the initial meeting with you and your colleagues, the scale and magnitude of this \$160 million dollar infrastructure project requires a great deal more community discussion. We will need a clearly identified process to adequately inform and involve the Alexandria City Council, applicable boards and commissions, impacted neighborhoods and business enterprises, and the community at large.

To assist in the City review of the proposed infrastructure and ensure a timely and coordinated review of the proposal, we request preparation of the following:

- A. A Needs Assessment Report;
- B. An Alternatives Feasibility Report;
- C. A Civic-Community Outreach Process and Plan; and
- D. An overall Work Program that identifies dates, milestones, deliverables, City meetings and community meetings.

A. Needs Assessment:

As discussed in our meeting, it was represented to us that because of Dominion's projection of long-term regional growth of electricity demand, the planned infrastructure needs to be constructed and completed by 2018. This seems very ambitious given the importance, complexity and long term impact of such a facility will have to Alexandria and its residents. As part of the City's review of the proposal, we are requesting the communication of a Needs Assessment Report that quantifies and analyzes the need for the proposed infrastructure in regard to the various types of electricity demands (residential development, data centers, etc.) and identifies the time frames within which the infrastructure would be required to be operational in order to address projected needs. We assume that this type of report has been prepared by Dominion for its internal use.

This analysis is necessary in part in order to enable the City and the Alexandria community to better understand the requested time frames for planning, regulatory reviews and construction. This information should also include analysis of the planned and projected development within the City and the region to ensure that the proposed infrastructure adequately addresses the short-term and long-term electrical needs of the City and the region. Further, we believe it necessary for Dominion to examine other methodologies to meet growing electricity needs, such as the construction of natural gas-fed mini power generating stations which would be located on data center sites.

We understand from our meeting with you that there was a report and/or request filed with the PJM Interconnect, which triggered PJM's endorsement of this proposal. We request a copy of that report in order to better understand the justification for this project.

B. Alternatives Feasibility Report:

If the proposed 230 KV line connection is constructed between the Four Mile Run substation facility and the PEPCO switching station at NRG, all potential reasonable alignments need to be carefully analyzed to evaluate potential opportunities and challenges for each alternative. We request that, as part of the analysis of the planned infrastructure, all viable alternatives be considered and evaluated as part of the Alternatives Analysis Report.

The alternatives report should include:

- Potential routes;
- Potential opportunities and challenges for each Route;
- Projected Cost and timing for each Alternative;
- Impacts to existing residential development;
- Impacts to existing residences and businesses;
- Potential impacts to traffic-circulation, existing roadways and rail corridors;
- Potential impacts to existing and planned development;
- Potential impacts to existing and planned public open space and City parks ;
- Alternatives to minimize the proposed footprint of the proposed facilities at the Four Mile Run substation and PEPCO switching station facilities;
- Design concepts in regard to the size, height and outside appearance of the substations in relation to compatibility with the surrounding neighborhood (including the adjacent George Washington Memorial Parkway). Design alternatives to reduce the overall size of this new substation should be carefully considered, as this proposed site for the new substation is part of the overall NRG redevelopment site and to put an industrial type use on this site is counter to the City's vision.
- Potential environmental impacts and necessary Federal and State approvals.
- Proposed mitigation for each Alternative; and
- Matrix evaluating each Alternative.

The Alternatives Feasibility Report should be modeled after the environmental alternative analysis process outlined within a standard National Environmental Policy Act (NEPA) document. This will ensure a full and complete examination of environmental, transportation, and construction impacts inclusive of noise, adjacent land uses, constructability etc. We would like to discuss the scope of the feasibility report as part of a subsequent meeting.

In internal City discussions over the last month, it has become clear that routing buried 230-KV lines in City streets presents both short term traffic and development issues during the construction period, but more importantly it perpetually complicates any future utility work or changes in road structure or alignment in any place where the line is buried. The existing 230-KV lines also presented significant challenges to the streetscape and placement of buildings on Route 1 within Potomac Yard, and the design and configuration of the Route 1 Transitway. We have seen this impact along the Route 1 corridor adjacent to Potomac Yard, where the presence of an existing 230-KB line has complicated the moving or the constructing of public infrastructure and has impacted the planned development. As indicated by Dominion's interest in the use of City Right of Way, it is unfortunate that Dominion did not plan this project just a few years ago when it might have been possible to analyze the incorporation of the 230-KV lines into the City's Bus Rapid Transit lanes construction project in the Route 1 corridor. It is now too late for that alternative to be considered.

While the City has not undertaken the studies necessary to recommend a specific alternate route for your proposed line, preliminary staff discussions have yielded several underground/underwater alignments that Dominion should seriously consider:

- Potomac River / Four Mile Run ;
- George Washington Memorial Parkway roadway and/or median (the roadway already has underground electrical lines running from the PEPCO substation north into Arlington);
- Norfolk Southern spur and CSX main line tracks; and
- Abandoned Old Dominion Railroad right-of-way

C. Civic Community – Outreach

As we discussed in the meeting, the proposed infrastructure will potentially be located within or in close proximity to existing and planned commercial and residential uses, businesses and neighborhoods. Therefore, we request that you prepare an outreach strategy to involve stakeholders, including potential businesses and residents which may be impacted by the planned routes. We also request that Dominion incorporate the values, best practices, and innovate approaches consistent with the Civic Engagement Principles in the City's "What's Next Alexandria" Handbook.

Because of the potential impacts, we request regular community meetings to discuss the proposals, alternatives and timing. We also request that your outreach include updates to the City Council and applicable boards and commissions.

We are in the process of reviewing what City consideration and or approval processes would be necessary for this project, and once we receive more information we will further refine this process. In the meantime, we plan to share this letter with the community so that potential stakeholders are aware of the City's concerns.

D. Overall Work program.

As part of the City and community review of the proposal, we request development and dissemination of an overall work program to better understand Dominion's proposed schedule, milestones and anticipated timing. The schedule should also include all applicable meeting with the City Council and the community, as proposed as part of the community outreach process.

E. Next Steps

The process outlined above will not only enable the City to understand the need, timing, potential alternatives and potential mitigation to be evaluated but also involve the community as part of the process.

We invite Dominion to make a presentation on this proposal at the regular legislative meeting of Alexandria City Council scheduled for June 11, 2014, at 7 p.m. This will allow members of Council to ask questions, and will permit Dominion to introduce the project directly to the public. Please confirm your willingness to participate in this meeting, and we will coordinate further logistics.

We then recommend scheduling meetings between Dominion Power and the community, so potential stakeholders can learn of Dominion's proposal first hand and have a chance to ask questions. Subsequently, Dominion and the City staff should meet to discuss the process, reports and to work out community process as part of a follow-up meeting. The City would like Dominion to

avoid any route that negatively impacts residents and businesses, and we want to alert you that the City has not supported such transmission projects in the recent past. Due to the proximity of the George Washington Memorial Parkway to the proposed new substation facility in Alexandria, we also strongly recommend that Dominion meet soon with the National Park Service.

Rich Baier, Director of Transportation and Environmental Services, will be the City's point staff person on this issue. If you have questions or comments, do not hesitate to contact me, or Rich. We look forward to working with Dominion to finding the right solution for our region's electricity needs.

Sincerely,



Rashad M. Young
City Manager

cc: The Honorable Mayor and Members of City Council
Mark Jinks, Deputy City Manager
James Banks, City Attorney
Rich Baier, Director, Department of Transportation & Environmental Services
Faroll Hamer, Director, Department of Planning & Zoning
James Spengler, Director, Department of Recreation, Parks and Cultural Activities
Christopher Spera, Deputy City Attorney
Jeffrey Farnier, Deputy Director, Department of Planning & Zoning
Deborah Tompkins Johnson, State and Local Affairs, Dominion Resources