

Memorandum

To:	Energy and Infrastructure Committee
From:	Martha Little/Harry Hibbitts
CC:	Brett Glymph
Date:	January 10, 2018
Re:	Large-scale infrastructure project updates

BARC Fiber Optic Project – Status Report:

In late 2017, the BARC Electric Cooperative (**B**ath, **A**lleghany, and **R**ockbridge **C**ounties) contacted VOF regarding plans associated with the development of fiber optic project throughout Rockbridge County. The first phase of the project connects the co-op’s substations, for a high-speed backbone, thereafter BARC will focus on laterals and service drops for subscribers.

Approximately 37 VOF open-space conservation easements are within the phase one project corridor. Of these 37 intersections, BARC began with a submission of three Utility Applications to VOF, which describe a request for a 15’ right-of-way to construct, operate and maintain one underground conduit and fiber cable for telephone, television, internet and other communications purposes. The conduit will be buried at a minimum of 30” using a vibratory plow.

(Vibratory plow example video: <https://www.youtube.com/watch?v=5LHObecYJwU>)

After thorough review and analysis staff found that these projects would not impair conservation values, then worked with staff counsel to develop an *Underground Easement Agreement*, which can be used as a template for the remaining 34 intersections. Now that a template agreement has been produced, the cost recovery fee associated with the additional Utility Applications may be reduced to reflect the time savings.

Dominion Strategic Underground Project—Status Report:

In late 2014, Dominion Energy contacted VOF about a new pilot program to “underground” distribution lines to improve long-term stability. The project initially began in the Northern Piedmont region and has expanded to all service areas of Dominion’s territory. Dominion evaluates an individual property’s suitability for having the existing overhead utility lines, referred to as “tap” lines which extend from the main utility line along road or other public right-of-way (ROW) to a property’s infrastructure (dwellings, barns, etc), replaced with underground (UG) utility lines. Generally, Dominion is choosing lines based on their vulnerability to weather and number of outages within specific time periods.

VOF developed a streamlined process and template consent form to handle these reviews. For each request, stewardship staff reviews the proposal and the deed of easement to determine if the UG project is allowed under the terms of the easement. If there is no issue with approving the UG line, VOF Deputy Director signs a special consent form approving the project and Dominion Energy agrees to vacate the existing utility easement. Since the program’s inception, over 750 miles of overhead lines have been placed underground which represents over 2,160 individual tap lines and VOF has reviewed/approved well over 120 projects. To date, landowners seem to be have a very positive response to this effort.

Dominion Energy Information:

Background

The Strategic Underground Program is designed to replace the overhead electric distribution lines that are most prone to outages and that can be relocated cost-effectively. Burying the most outage prone tap lines, which serve neighborhoods and homes, will reduce the number of repairs needed to restore service following a major storm. This benefits all customers, even those whose lines remain overhead, because there will be fewer lines to repair and fewer repairs to make on a house-by-house basis, allowing line crews to focus on other outages.

Regulatory

The State Corporation Commission (SCC) is the regulatory body responsible for applying the legislations passed by the Virginia General Assembly. They must review and approve all programs of Dominion Energy that have an impact on the company's rates. They reviewed Dominion's Strategic Underground Program filing and have approved funding of the two phases of the program through a rider. The SCC also provides ongoing monitoring of costs and implementation of the undergrounding program.

In August 2016, the State Corporation Commission issued a Final Order that approved program funding for the first phase of the Strategic Underground Program. In September 2017, the SCC approved a partial recovery of the investment in Phase Two of the program. This phased approach allows for continual SCC review of the program's progress and customer satisfaction.