

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 29, 2016

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PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE-2016-00072

For authority to transfer utility assets  
pursuant to Chapter 5 of Title 56 of the  
Code of Virginia and for expedited consideration

ORDER GRANTING APPROVAL

On June 27, 2016, Virginia Electric and Power Company ("DVP" or "Petitioner") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> requesting authority for a transfer from Panda Stonewall LLC ("Panda Stonewall") to DVP of certain interconnection facilities ("Interconnection Facilities")<sup>2</sup> associated with Panda Stonewall's generating facility<sup>3</sup> ("Panda Plant") located in Loudoun County, Virginia ("Transfer"). DVP asked for expedited consideration of the Transfer in order for Panda Stonewall to commence energized testing of the Panda Plant by the end of July 2016.

Pursuant to an Interconnection Construction Service Agreement<sup>4</sup> between DVP, Panda Stonewall, and PJM Interconnection, L.C.C., Panda Stonewall financed the Interconnection Facilities construction costs of \$7,231,536 and will transfer the Interconnection Facilities without

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<sup>1</sup> Va. Code § 56-88 *et seq.*

<sup>2</sup> An itemized list of the Interconnection Facilities being transferred is attached as Attachment E to the Petition.

<sup>3</sup> *Application of Green Energy Partners/Stonewall LLC, For a certificate of public convenience and necessity for a 750 MW electric generating facility in Loudoun County*, Case No. PUE-2013-00104, 2014 S.C.C. Ann. Rept. 309, Final Order (May 13, 2014).

<sup>4</sup> Attachment C to the Petition.

consideration to DVP, which will operate the facilities on Panda Stonewall's behalf.<sup>5</sup> DVP will record the Interconnection Facilities as "contributed plant," with a "contribution in aid of construction" credit entry to offset the plant costs on its books.

The Petition represents that DVP ratepayers in Virginia will not be adversely affected by the Transfer. DVP states that any rate impacts will be reflected in its Code § 56-585.1 A 4 rate adjustment clause ("A 4 RAC") filings. Since DVP will book Interconnection Facilities as "contributed plant," the only costs that will initially flow through the A 4 RAC will be operating and maintenance expenses and property taxes. The Petition represents that any future capital costs associated with replacements or upgrades to the Interconnection Facilities will be booked to "plant," included in rate base, impact the Petitioner's federally approved wholesale Formula Rate, and flow through the A 4 RAC.

NOW THE COMMISSION, upon consideration of the Petition and the Petitioner's response to Staff's draft action brief, and having been advised by its Staff, is of the opinion and finds that the proposed Transfer will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved subject to certain requirements listed in the Appendix attached hereto, which are necessary to protect the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) The Transfer as described herein is approved, subject to the requirements contained in the Appendix attached hereto.
- (2) This case is hereby dismissed.

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<sup>5</sup> Attachment D to the Petition.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:  
Charlotte P. McAfee, Esquire, Dominion Resources Services, Inc., 120 Tredegar Street,  
Riverside 2, Richmond, Virginia 23219 and Elaine S. Ryan, Esquire, McGuireWoods LLP,  
Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219. A copy hereof also shall be  
delivered to the Commission's Office of General Counsel and Divisions of Utility Accounting  
and Finance, Public Service Taxation, and Energy Regulation.

APPENDIX

- 1) The Commission's approval shall have no ratemaking implications. In particular, it shall not guarantee the recovery of any costs directly or indirectly related to the Transfer.
- 2) Within sixty (60) days of completing the Transfer, DVP shall file a Report of Action ("Report") with the Commission. Included in the Report shall be: (1) the effective date of the Transfer; (2) an executed copy of the Bill of Transfer and Assignment; (3) the actual accounting entries on DVP's books to record the Transfer; and (4) a reconciliation schedule to reconcile any differences between the accounting entries provided in the Chapter 5 application and the accounting entries actually made at closing to record the Transfer. Such accounting entries shall be in accordance with the Uniform System of Accounts ("USOA") for electric utilities.
- 3) DVP shall be directed to obtain all records, including any source documentation supporting the original cost of the Interconnection Facilities, at closing, and henceforth shall be directed to maintain them in accordance with the USOA.