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Congress of the United States
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May 3, 2007

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Mr. Paul Koonce
Dominion Virginia Power
1 James River Plaza
Richmond VA 23219

Dear Mr. Koonce:

Thank you for your testimony and participation at the Subcommittee on Domestic Policy of the Oversight and Government Reform Committee hearing on the implementation of Section 1221 of the Energy Policy Act of 2005. I ask that you answer the following questions for the official hearing record within the next 30 days.

1. The KEMA study included in your filing with the SCC stated on page 60 that less than 10 percent of the load on the congested lines serves northern Virginia. How can you then claim that northern Virginia is the reason you need a new line?
2. You mentioned that Dominion is working with industrial and commercial partners to reduce demand during peak energy usage. What percentages of your industrial and commercial customers are in these programs? How do you market these programs?
3. What is the last date you can get your permits and still have your line in service by 2011?
4. Have you looked at the possibility of using superconductor technology to increase the efficiency of existing lines therefore reducing the need for completely new lines? How long have you been using the same transmission grid infrastructure technology?
5. DOE's August 8, 2006 study p. 41 defines the Atlantic coastal Critical Congestion Area. Is your "greater Northern Virginia" not a relatively small part, electrically speaking, of the Atlantic coastal Critical Congestion Area? How would you account for congestion north of Maryland? It seems that a line as massive as the one Dominion proposes is intended to address the needs of the larger area. How is it that a 3,000-MW line is the only way to solve a few hundred MW shortfall in Northern Virginia? The PJM Regional Electric Transmission Plan report dated February 27, 2007, says that, "[This line] is needed to . . . serve the Delmarva Peninsula and other eastern PJM load centers."
6. In your opinion does the present rate structure in Virginia compensate Dominion fairly for loss of electricity sales due to conservation? Specifically, does Dominion make more, about the same, or less money on conservation than it does on electricity sales, per kW or per kWh? What are the total expenditures for conservation and energy efficiency by Dominion in each of the past 10 years?
7. 2005 EIA Data show that Dominion Virginia Power ranked 39th overall in terms of spending on Demand Side Management (DSM) ($5.8 million on load management for about 77.5 million customers), the least amount of money of any company at a similar

level of sales. How do you justify this low level of spending?

8. Are there any conceivable changes in the regulatory environment or other government actions that could cause your projections of load management - including conservation - to increase or decrease?
9. American Electric Power and Allegheny Power propose to build a 765-kV line from West Virginia to just north of Washington, DC . To what extent will this line reduce flows on your proposed Loudoun Line? Would this other line reduce the need for the Loudoun Line?
10. How much has Dominion Virginia Power been fined to date for violations of NERC reliability criteria? Do you anticipate any such fines in 2007? In 2008?
11. According to the American Council for an Energy-Efficient Economy (ACEEE), the Commonwealth of Virginia and its franchise and municipal utilities rank near the bottom of states on electric energy efficiency spending per capita. Do you have any basis for disagreeing with this ranking? What level of expenditures would be necessary to reduce peak loads by 750 MW in Northern Virginia? What specific DSM measures could be implemented for $50 million? $100 million? $200 million?
12. Would you support a requirement that would condition FERC authority to grant construction applications and confer federal eminent domain authority on the applicant utility demonstrating that it achieves some minimum level of demand reduction through utility-financed demand-side management and efficiency programs?
13. At page 8 of your prepared remarks, you testify that "we looked at potential best-in-class conservation efforts and other alternatives [to your proposed Northern Virginia 500 kV transmission line] from across the country." Can you provide the Subcommittee with a listing of the best-in-class measures that you looked at, indicating where each measure has been implemented, and most importantly, tell us whether and how your company has implemented these measures?
14. Assuming the DOE's draft mid-Atlantic NIET Corridor designation is approved, would you deem it appropriate for Dominion Virginia Power to seek federal "backstop" siting for a proposed transmission project if the Virginia Department of Transportation (VDOT) were to refuse to grant use of its right-of-way for such a project?
15. On page 7 of your testimony, you state that "It (Dominion Power's six-volume filing) is, without a doubt, the most thoroughly researched and prepared application for a high-voltage transmission line in our country's history." Could you please explain why Dominion Power's application failed to fully analyze the significant extent to which multiple combinations of DSM programs, transmission and generation options, and large-scale conservation efforts could collectively assist the electric grid?
16. On page 9 of your testimony, you state, "Further we asked KEMA...(to) give us an independent assessment of how we could solve the potential overloads without building a multi-million dollar transmission line." Did Dominion ask KEMA to analyze multiple combinations of DSM programs, transmission and generation options, and large-scale conservation efforts?

17. NOVEC offers a load management program to all of its residential customers. The program involves switches installed free of charge on air conditioning units and hot water heaters that can be activated during peak demand periods via a transmitted signal to cycle off the units for brief periods to curtail usage during peak demand times. Has Dominion Power ever offered its residential customers a program equivalent to NOVEC's load management program? If so, when? If not, why not?

If you have any questions regarding this letter please contact Elizabeth Becker on my staff at (202) 225-5136.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:eb