

STATEMENT OF VIRGINIA ELECTRIC & POWER CO. ON THE PROPOSED SALEM CHURCH PROJECT BEFORE THE SUBCOMMITTEES ON FLOOD CONTROL AND RIVERS AND HARBORS OF THE COMMITTEE ON PUBLIC WORKS OF THE UNITED STATES SENATE, SEPTEMBER 21, 1967

Mr. Chairman and Members of the Committee my name is E. B. Crutchfield. I am Senior Vice President of Virginia Electric and Power Company. I appreciate the opportunity to be heard here today on what is a matter of vital importance to my Company and to help the people of the area we serve.

Virginia Electric and Power Company generates and distributes electric Power to 924,000 customers throughout a 32,000 square mile area that extends over two-thirds of Virginia and parts of North Carolina and West Virginia. We have consistently supported sound development of the resources of our service area whether by private enterprise, or by state or federal government.

We are on record in support of the Salem Church Project to the extent the proposed project will economically provide necessary flood control, low flow augmentation, municipal and industrial water supply, and recreation. We do, however, oppose the inclusion of hydroelectric generating facilities in the development. We have given considerable thought and study to the recommended plan for development of the Salem Church site and believe the inclusion of power generating facilities is unnecessary and is not economically justified. If these power facilities were constructed and the rates charged for the power generated were based on the unrealistic figures as to the power cost given in the Corps report, it would amount to a hidden subsidy to a special group of electric consumers paid for by all taxpayers.

1. THERE IS NO NEED FOR POWER GENERATING FACILITIES AT SALEM CHURCH

The Salem Church site is located well within the boundaries of the Vepco transmission system. This system is an extensive network of 115 kv, 230 kv and 500 kv lines with strong interconnections to the systems of all neighboring utilities. It provides a ready means for exchanging power for reliability and economy operation. The system, which experienced a 1967 peak load of 3,499,000 kilowatts, is supplied by 4,135,000 kilowatts of steam and hydro generation at eleven strategic locations. The fact that this network has withstood the sudden loss of nearly one million kilowatts of generation without loss of service to a single customer attests to its strength and reliability.

In addition, we now have projects under construction, or authorized for construction, that will add 2,495,000 kilowatts of generating capacity to our system through 1972 and expect to add to this a unit of 800,000 to 1,000,000 kilowatts in 1974. This construction program includes three very economical units which will be supplied with nuclear fuel.

We are prepared to meet the present and future needs for power in Northern Virginia, including the Salem Church area, as demonstrated by the recent construction of our 500 kv system and purchase in 1962 of a generating station site in Stafford County that can be developed to provide capacity of more than 2,000,000 kilowatts. It is clear that Salem Church power is not needed to satisfy the power needs of the area.

2. THE INCLUSION OF POWER IN THE SALEM CHURCH PROJECT IS NOT ECONOMICALLY JUSTIFIED

The economic criteria which the Corps of Engineers applied to formulate the project are those specified in Senate Document No. 97, 87th Congress, entitled, "Policies, Standards, and Procedures in the Formulation, Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources". Under this criteria a showing must be made that there is no more economical means, evaluated on a comparable basis, of accomplishing the same purpose or purposes which would be precluded from development if the plan were undertaken. In its showing that the power feature of Salem Church meets this standard, the Corps of Engineers accepted the determinations of the Federal Power Commission which considered only one alternative, a base load steam station. The proper alternative to Salem Church peaking power is another form of peaking generation. Had the Corps used combustion turbine generation, a modern low cost peaking generation source, as the alternative, the criteria set forth in