



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

NORTHERN REGIONAL OFFICE

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Douglas W. Domenech
Secretary of Natural Resources

David K. Paylor
Director

Thomas A. Faha
Regional Director

September 15, 2010

RE: Notification of Proposed Project
Unit No. 3 at Dominion's North Anna Power Station
Part I – Surface Water Construction Related Impacts and Shoreline Wetland Impacts, Joint Permit Application (JPA) No. 10-1256
Part II – Minor Water Withdrawal for Construction Activities, JPA No. (Not yet Assigned)
Louisa, Orange, Spotsylvania, Hanover, Caroline and King William Counties, Virginia

Dear Sir/Madam:

This letter has been sent to your attention as required by Chapter 3.1, Section 62.1-44.15:4.D. of the Code of Virginia. This letter serves to notify you of Parts I and II of three of the Unit No. 3 at Dominion's North Anna Power Station project that proposes activities located in the vicinity of your property.

The Virginia Department of Environmental Quality (DEQ) has received two applications for Virginia Water Protection (VWP) individual permits for Parts I and II of the proposed Unit No. 3 at Dominion's North Anna Power Station. The applicant intends to apply for three VWP permits corresponding to three different parts of the current environmental permitting effort for the project. The applicant has indicated to DEQ that they will submit a Joint Permit Application for each part. An attached project summary includes an overview of all proposed project activities in addition to a detailed summary of the activities proposed under Parts I and II of the VWP permitting effort. DEQ will consider all parts of the project cumulatively and any comments received in response to the notification of Parts I and II of the VWP permitting effort will also be considered during the process of the Part III (Operational Water Withdrawal) VWP permit application. Also, an additional notification will be mailed upon receipt an additional VWP permit application. Please see the attached project summary for more information on the proposed activities.

DEQ will review the application(s) and may draft VWP individual permit(s) for this project. If DEQ prepares a draft permit, the applicant will be required to post a public notice in a newspaper that is circulated in the vicinity of the project site for each permit drafted and invites the public to make technically sound comments on the proposed project. The public comment period will be **30 calendar days** from the date the public notice is published in the newspaper. During the comment period, the public is welcome to review the permit application(s) and draft permit(s) at the appropriate DEQ office by scheduling an appointment during normal business hours.

Issuance of a permit for the proposed project in no way conveys property rights to the VWP individual permit applicant, his/her agent, or DEQ.

If you have any questions, please contact me at 703-583-3898, Sarah.Marsala@deq.virginia.gov or at the above letterhead address.

Respectfully,

A handwritten signature in black ink, appearing to read "Sarah K. Marsala".

Sarah K. Marsala
VWP Permit Writer

Enclosures: Project Summary and Location Maps

PROJECT SUMMARY

Virginia Electric & Power Company d/b/a Dominion Virginia Power (Dominion) proposes to construct a new nuclear unit (Unit 3) at the existing North Anna Power Station (NAPS) site to provide additional baseload electric service to meet growing demand. While Dominion has not at this time decided to build Unit 3, they have indicated to the Virginia Department of Environmental Quality (DEQ) that they intend to apply for certain permits now so that they can build and operate a new unit on schedule if they decide to move forward. The NAPS site is located at 1022 Haley Drive in Louisa County, Virginia. The construction and operation of Unit 3 requires permits from the DEQ's Virginia Water Protection (VWP) Permit Program for impacts to wetlands, streams, and Lake Anna and for two water withdrawals associated with the project. The activities associated with the project will occur in Louisa, Orange, Spotsylvania, Hanover, Caroline and King William Counties, Virginia.

Dominion intends to apply for three VWP Permits corresponding to three different parts of the current VWP permitting effort for the project. Dominion has indicated to DEQ that they will submit separate VWP applications for each part. The three parts of the current VWP permitting effort for the project are summarized below:

Proposed Unit 3 at Dominion's North Anna Power Station

- Part I – Surface Water Construction Related Impacts and Shoreline Wetland Impacts, Joint Permit Application (JPA) No. 10-1256. Part I of the VWP permitting effort proposes surface water impacts related to construction activities and shoreline wetland impacts associated with an increase in lake level. Part I is the subject of this notification.
- Part II – Minor Water Withdrawal for Construction Activities, JPA No. 10-XXXX (Number not yet assigned). Part II of the VWP permitting effort proposes a water withdrawal for construction related activities such as dust suppression and for soil moisture control. Part II is the subject of this notification.
- Part III – Major Water Withdrawal for Operational Activities (submittal of JPA pending). Part III of the VWP permitting effort proposes a water withdrawal associated with the operational activities of Unit 3 and will be addressed in the submittal of a subsequent VWP permit application that will require a separate notification.

DEQ received an application on July 16, 2010, submitted by Dominion, for a VWP Individual Permit for Part I. In addition, DEQ received on September 9, 2010 an application from Dominion for a VWP Individual Permit for Part II of the VWP permitting effort.

This notification serves for Parts I and II of the VWP permitting effort for the project. This project summary includes an overview of all proposed VWP permit-related project activities in addition to a detailed summary of the activities proposed under Parts I and II. DEQ will consider all parts of the project requiring VWP permit authorization cumulatively and any comments received in response to the notification of Parts I and II will also be considered during the processing of the Part III (Operational Water Withdrawal) application. An additional notification will be mailed upon receipt of a VWP permit application for Part III.

Part I – Surface Water Construction Related Impacts and Shoreline Wetland Impacts,
JPA No. 10-1256

Part I of the VWP permitting effort for the project proposes surface water impacts related to construction activities and shoreline wetland impacts associated with an increase in lake level and is the subject of this notification. Activities associated with this part are grouped into the following categories: construction related activities to support Unit 3, large component transport route, shoreline wetland impacts, transmission line and compensation for proposed impacts. Below summarizes each of the activities associated with Part I.

Construction Related Activities to support Unit 3

Construction activities associated with Unit 3 will occur at the NAPS site and on property owned by the applicant known as the Route 700 Parcels. The Route 700 Parcels are located southwest of NAPS, adjacent to Haley Drive and Kentucky Springs Road in Louisa County. Construction activities propose to permanently impact 4.14 acres of palustrine forested (PFO) wetland, 0.40 acre of palustrine emergent (PEM) wetland, 0.26 acre of open water (of which 0.24 acre is associated with dredging 637 cubic yards of lake-bottom for the water intake structure) and 6,380 linear feet of stream channel. The proposed impacts are associated with the following activities:

- Site separation activities to separate support facilities for Units 1 and 2 from the proposed construction area for Unit 3.
- Footprint of the nuclear unit, including cooling towers.
- Construction of stormwater management facilities.
- Modification of an existing berm for the water intake structure for Unit 3.
- Placement of spoils/excavated material from the construction of Unit 3 on the Route 700 Parcels site.

Large Component Transport Route

The activities associated with this aspect of the project consist of transport of the reactor pressure vessel and other oversized/overweight equipment required to construct Unit 3. Portions of the proposed route were previously used to transport large components associated with the construction of Units 1 and 2.

The route proposed is as follows: Travel by barge up the York River to the Mattaponi River, where the barge will continue until Walkerton Bridge. Off-loading of the large components will occur on the downstream (east) side of Walkerton Bridge. The components will then travel west on Route 30, crossing the North Anna River on the upstream (west) side of the Route 30 Bridge on a bridge constructed solely for these activities. The path continues west on Route 30, crossing Interstate 95 at the area of Exit 98, and continuing on Doswell Road to U.S. Route 1, then an unnamed road to Verdon Road (SR 684) and from there, to Flat Iron Road (SR 738) to Beaverdam School Road (SR 739) changing to Beaverdam Road (SR 715) and changing again to Bumpass Road (SR 601). The path continues north on Frederick's Hall Road (SR 618) to Haley Dive (SR 700) ending at the NAPS.

The surface water impacts proposed due to these activities are temporary and located at the Walkerton Bridge off-loading area. The proposed temporary impacts consist of 0.05 acre of PEM wetland and 115 linear feet of stream channel.

Shoreline Wetland Impacts

Dominion requires a water withdrawal for operation of the cooling towers for Unit 3, and they propose to apply for this withdrawal in Part III of the project. To mitigate the affects of the consumptive withdrawal on lake level and downstream flow, the applicant proposes to raise the normal pool elevation of Lake Anna by three (3) inches from 250.0 above mean sea level (msl) to 250.25 msl. Similarly, the water elevation in the Waste Heat Treatment Facility (WHTF) will also increase by three (3) inches, with the resulting water level dependent on the configuration of stop logs at dike 3 and the number of operating circulating water pumps at the existing Units 1 and 2.

The proposed three (3) inch increase in water elevation in Lake Anna and the WHTF could result in conversion impacts to approximately 8.14 acres of wetlands due to a potential change in wetland type and function.

Transmission Line

The activities proposed with this portion of the project include the construction of an additional 500-kV transmission line to maintain grid reliability within the interconnection of the proposed Unit 3 into the existing transmission system. The proposed line will be constructed within an existing transmission corridor that is approximately 275 feet wide. The existing line begins at the NAPS substation and travels 15 miles east to the Ladysmith switching substation. No impacts to surface waters are proposed as part of these activities.

Compensation for Proposed Surface Water Impacts

Compensation for permanent wetland and open water impacts associated with Part I is proposed through the purchase of 17.08 wetland credits from an approved wetland mitigation bank at the following mitigation to loss ratios: 2:1 for PFO wetland (8.28 wetland credits), 1:1 for PEM wetland (0.40 wetland credit), 1:1 for open water (0.26 wetland credit), and 1:1 for the conversion of shoreline wetlands (8.14 wetland credits).

The compensation requirement for the proposed stream channel impacts is 7,762 as determined by the Unified Stream Methodology. Compensation proposed to meet this requirement is through on-site preservation of 11,775 linear feet of stream channels with riparian buffers 400 feet in total width and the purchase of 5,353 stream credits from an approved stream mitigation bank.

Part II – Minor Water Withdrawal for Construction Activities, JPA No. 10-XXXX (Number not yet Assigned)

Part II of the VWP permitting effort for the project proposes a water withdrawal for construction related activities such as dust suppression and for soil moisture control to ensure proper compaction during

backfill operations and is the subject of this notification. The Dominion proposes initiating withdrawals from Lake Anna for construction activities in April of 2011 and ceasing this withdrawal upon completion of construction activities associated with Unit 3.

The proposed location of the water intakes is along the Lake Anna shoreline on Dominion owned property west of the existing intake for Units 1 and 2. The proposed withdrawal amounts from Lake Anna are up to a maximum of 0.75 million gallons per day. The amount of water to be withdrawn will be less than the proposed maximum amount during periods of precipitation events and during wet weather seasons. Additionally, withdrawal amounts are proposed to vary over the period of construction, depending on the specific activities taking place. Dominion anticipates the proposed water usage will be heaviest during the major portions of clearing, grubbing, excavation and backfill activities, which are expected to occur during 2012 – 2013. Water withdrawals are expected to decline after 2013 and for the balance of the construction portion of the project.

Part III – Major Water Withdrawal for Operational Activities, (submittal of JPA pending)

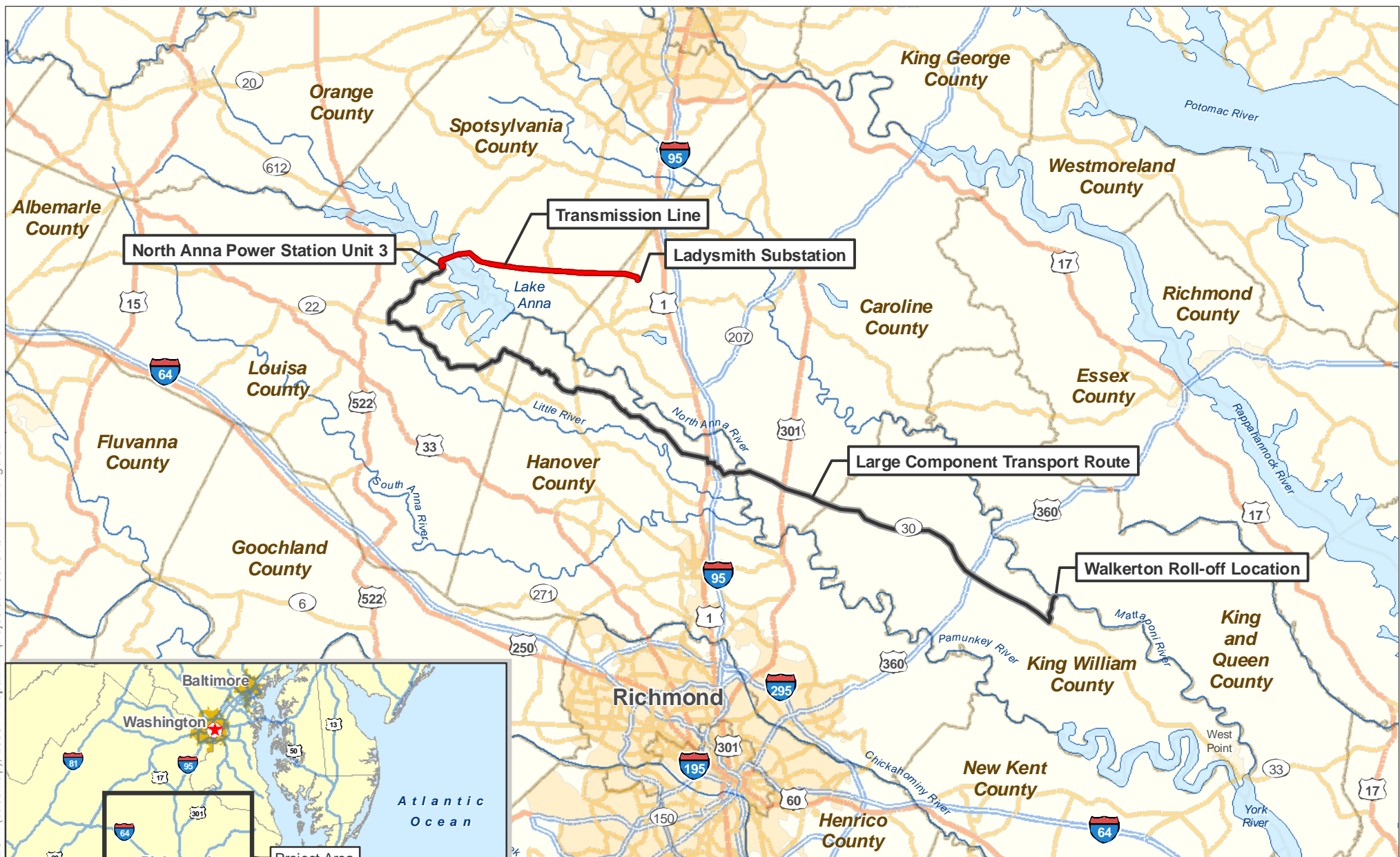
Part III of the VWP permitting effort for the project proposes a water withdrawal for operation of the cooling towers for Unit 3. The total maximum daily withdrawal for operational activities is proposed to be approximately 37 million gallons per day from Lake Anna. Dominion anticipates submitting an application for this withdrawal in October 2010.

An Instream Flow Incremental Methodology (IFIM) study was conducted by Dominion upon the request of DEQ and the Virginia Department of Game and Inland Fisheries during their review of the project under Virginia's Coastal Zone Management Act. The IFIM study evaluated dam releases to the North Anna River and reviewed potential impacts on aquatic habitats and recreation, especially under low flow conditions. As a result of the IFIM study, it was concluded that the effects of the Unit 3 operational withdrawal would be mitigated by increasing the lake level of Lake Anna by three (3) inches.

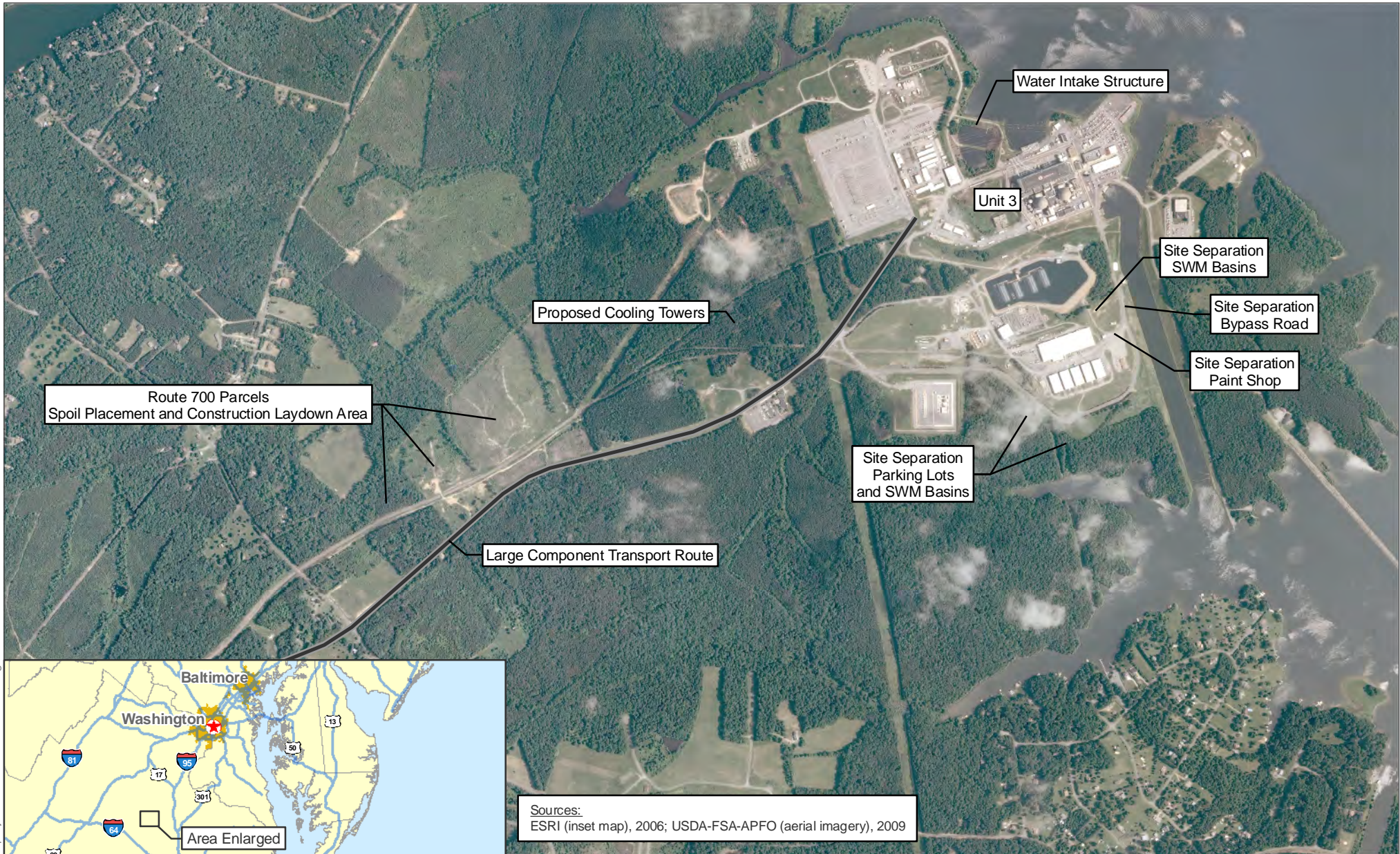
The applicant proposes to mitigate the affects of the consumptive withdrawal on lake level and downstream flow by raising the normal pool elevation of Lake Anna by three (3) inches from 250.0 above mean sea level (msl) to 250.25 msl. Similarly, the water elevation in the WHTF will also increase by three (3) inches, with the resulting water level dependent on the configuration of stop logs at dike 3 and the number of operating circulating water pumps at the existing Units 1 and 2. Proposed impacts to shoreline wetlands due to proposed increase in water elevation are addressed in Part I of the VWP permitting effort for the project.

Detailed information on Part III of the VWP permitting effort for the project will be provided in a subsequent notification following submittal of the JPA for the operational water withdrawal.

Sources: ESRI (basemap), 2006. Filepath: H:\projects\14391\01\JPAMXD\Figure2



Date July 2010		0 5 10 Miles	Figure 2. Project Area
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Sources:
 ESRI (inset map), 2006; USDA-FSA-APFO (aerial imagery), 2009

Date
 July 2010

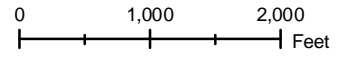


Figure 4. Proposed Project Locations with Wetland or Stream Impacts

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Filepath: H:\projects\1439\101\JPA\MXD\Figure6

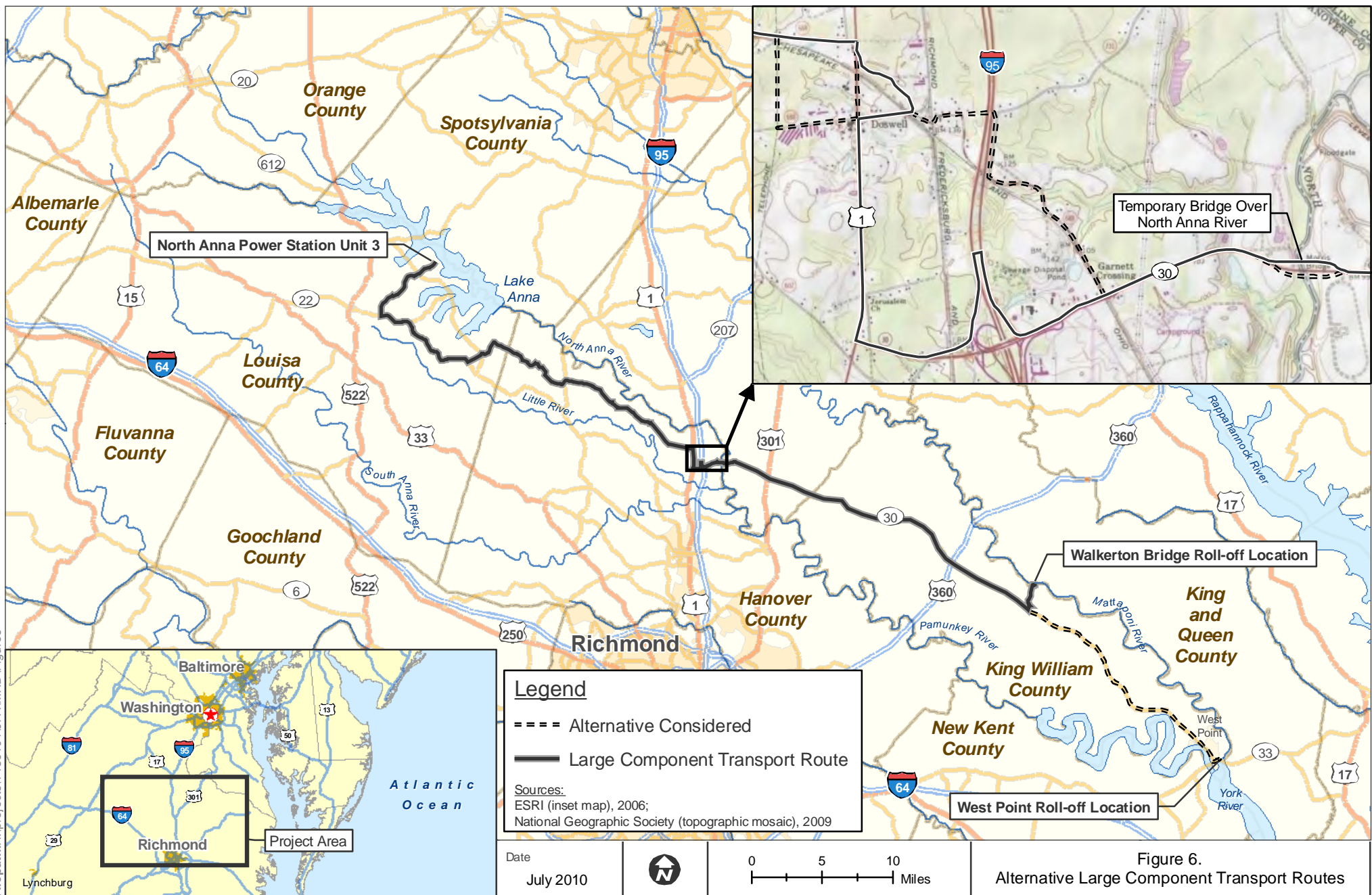


Figure 6. Alternative Large Component Transport Routes

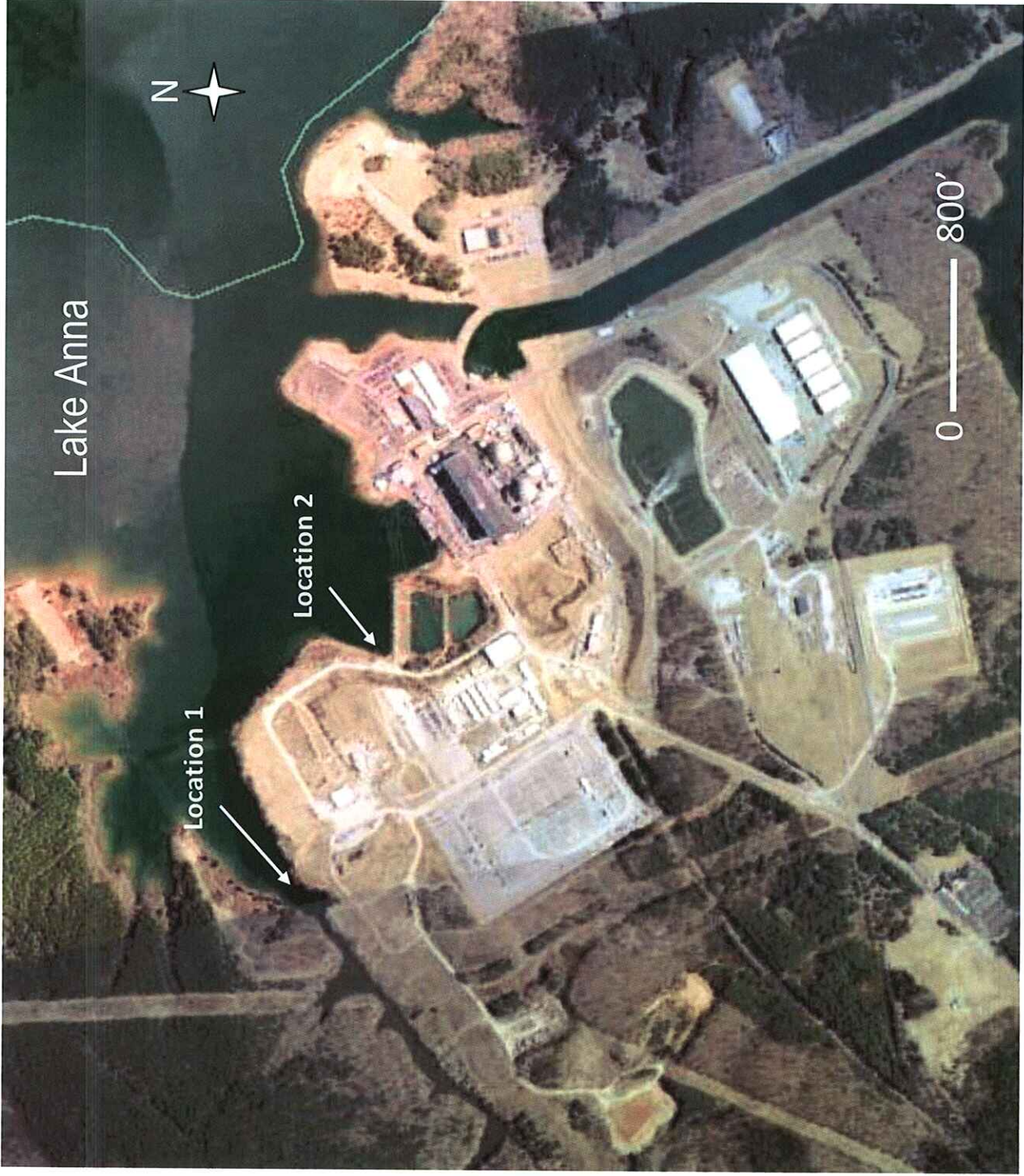


Figure 1. Proposed North Anna Power Station Unit 3 Potential Water Withdrawal Locations for Construction Activities