

The Recorder

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Dominion Energy is fooling no one

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“Nothing new here.”

That was the Dominion Energy CEO’s rather smug remark to company investors recently, about the proposed Atlantic Coast Pipeline and its progress. Or lack thereof.

Tom Farrell has been leading his company through myriad hairballs related to that gas transmission project for more than four years.

And now, after all he’s put thousands of landowners through already, he is saying there are alternatives to “get the job done” if the U.S. Fourth Circuit’s ruling stands and Dominion cannot use its currently proposed pipeline route through our region.

Gee, thanks. Tell us something we didn’t already know.

Residents and experts for years have strenuously pointed out the chosen route was unnecessary and hazardous, while Dominion continuously said it was the only way to go. And now, with flippant statements reflecting a lack of concern for the years of tortuous work by landowners to show Dominion how wrong it was, Farrell appears to have known there were other options all along. He just didn’t want to take them because they might cost more money and alter the plan Dominion spent not-enough time developing. Now that Dominion’s project has ballooned to \$7.5 billion, and faces dozens of roadblocks, most importantly in the courts, he’s ready to talk “alternatives.”

We note, of course, that he didn’t say what those alternatives might be.

He didn’t mention how capital costs could be passed to cooperative members and ratepayers.

As Recorder editor John Bruce reported last week, Dominion sells wholesale electricity through purchased-power agreements to Old Dominion Electric Cooperative, which is owned by BARC and Shenandoah Valley Electric Cooperatives, plus nine other member-owned electric coops in Virginia, Maryland and Delaware. Highland County, served by both BARC and SVEC, would be the gateway for the ACP from West Virginia to Virginia. Northern Bath County, served by BARC, would bridge the route into western Augusta County.

So, not only do our residents and landowners face the prospect of environmental ruin and water quality degradation, they might also find themselves paying more for the electricity they use because of it.

Hence, the lawsuits. Farrell's response?

No surprise there. Dominion just needs to stay "determined."

He insists construction on the ACP will resume by the end of September on some portions, and feels confident an expected June appeal filed to the U.S. Supreme Court to overturn the lower court's decision will prevail. And that, if it does, full construction could be under way by June 2020.

Farrell didn't mention that chances for an appeal are slim. As we reported a couple of weeks ago, the high court receives 7,000-8,000 petitions each term seeking review of lower court decisions, and the court only grants a hearing for about 80 of them — about 1 percent per term.

Furthermore, if the court did grant Dominion a hearing, that doesn't necessarily mean it would make a decision before the court breaks for the summer.

Farrell also made a loose reference to other alternatives besides the court, such as an act of Congress, but he didn't mention the current Democratic majority hold in the House, which isn't likely to see things his way.

It didn't take long for investors to rethink their confidence in the company's lightweight analysis of its options going forward. Zacks Investment Research downgraded Dominion from a "hold" rating to a "sell" rating, noting further delays for its projects would impact profitability. Likewise, Bank of America lowered Dominion from a "neutral" rating to an "underperform rating" and reduced the company's stock target price.

Even Duke Energy, a major partner in the ACP project, seems to understand what's going on here. Its CEO suggested one option could be an east-west pipeline across North Carolina instead.

No one in this neck of the woods is fooled by Farrell's empty bravado.

Let's hope all the tough-minded pipeline opponents across the region keep up the pressure they've so expertly applied to this boondoggle so far. It's working.