

**Dominion Transmission, Inc.**  
120 Tredegar Street, Riverside Building - 6th Floor, Richmond, VA 23219



April 3, 2008

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: Dominion Transmission, Inc.  
Storage Factory Project  
PF07-12-000  
Alternative Sites Update**

Dear Secretary Bose:

Dominion Transmission, Inc. (DTI) would like to provide the Commission with an update regarding alternative sites for the Storage Factory Project, as filed under the above referenced docket, for the proposed compressor station in Frederick County, Maryland.

In response to comments received from interested stakeholders during the pre-filing project review process, DTI has examined and considered three alternative sites for the construction of the compressor station associated with the Project in Frederick County. The alternative sites considered were all within a six-mile radius of the proposed Marker Road site while remaining within the limits of the expanded study area and in close proximity to DTI's existing PL-1 pipeline corridor. Two of the three alternative sites are located outside of the Rural Legacy Program as well as being located adjacent to properties of an existing industrial nature. Of the three sites reviewed, one was omitted due to limited size and poor topography. A second alternative was not as well suited for development due to topography and existing surface infrastructure restrictions. DTI is now concentrating its efforts on the third and most viable of these alternative sites.

This site is located outside the Rural Legacy Program area and adjacent to property currently designated for industrial use. This site is located approximately 1.9 miles west of Jefferson, Maryland and bounded by Route 180 (Jefferson Pike), US Route 340, and Gene Hemp Road. The 13.36-acre site adjoins property owned by DTI that is currently being utilized for operating its existing Jefferson Metering and Regulation gas transmission facility (see attached location map).

This third alternative site was also highly recommended by a member of the Citizens for the Preservation of Middletown Valley (CPMV) who provided comments during the process. CPMV acknowledged the benefits of its member's proposal in its March 18, 2008, filing in this proceeding (under bullet no. 4), which attached the member's alternative site study and included this recommended alternative site. This site also avoids the key opposition points that have been enumerated by CPMV in the other attachment to their filing. The CPMV reported

that they also requested the Commission to consider this alternative site as presented in its meeting with staff of the Commission's Office of External Affairs on March 18, 2008, and in a subsequent filing by a principal of the organization.

During the coming weeks, our environmental/engineering team will be performing environmental surveys and noise studies to make further determinations regarding the suitability of this site. We also plan to hold an Open House to meet with nearby residents and interested stakeholders to discuss the alternative site, and will notify the Commission and stakeholders of that event as soon as it is planned.

Complete and comprehensive information regarding the proposed location for the compressor station, along with the alternative sites, will be included in the Draft Resource Reports expected to be filed with the Commission in June of this year.

DTI remains committed to working with the local municipalities and residents to resolve issues associated with the Project. DTI will also continue to be active in the community during construction and operations, and will strive to eliminate and/or minimize any potential impacts, whenever possible. DTI has undertaken a concerted effort on a corporate, regional, and site-specific level to place great emphasis on environmental compliance, facility safety, and overall stewardship of its facilities. DTI values its "good neighbor" relationships, and will strive to maintain such a relationship with the Frederick County community.

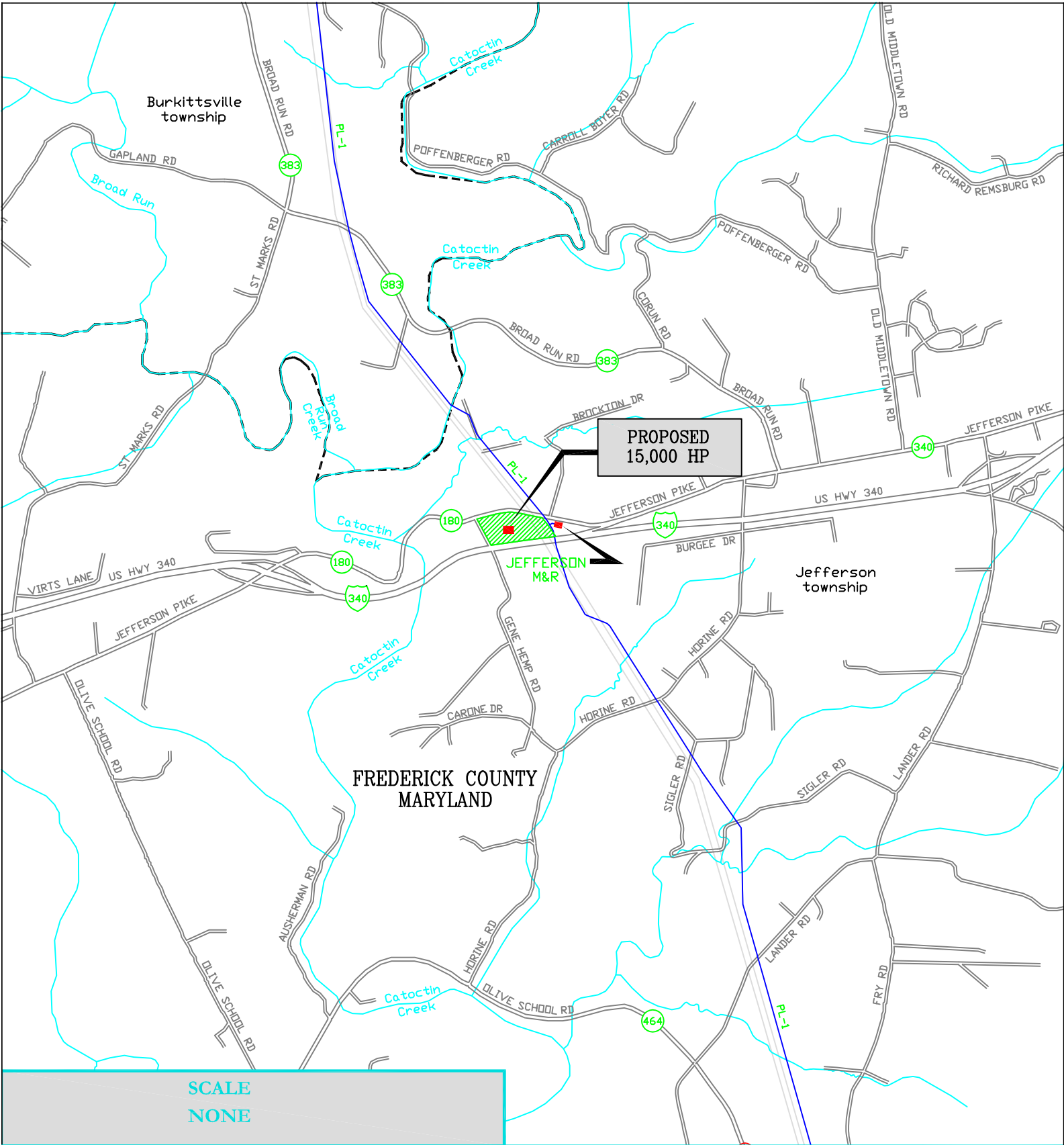
If you have any questions, please contact me at 804-819-2877.

Respectfully submitted,

*Matthew R. Bley*

Matthew R. Bley  
Manager, Gas Transmission Certificates

cc: David Hanobic, FERC  
Carolyn Moss, DTI

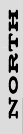


SCALE  
NONE

**Legend:**

- = DTI FACILITY
- = EXISTING DTI PIPELINE
- ▨ = AREA OF NEW COMPRESSOR STATION

PREPARED BY: JASON DAVIS, DTI



**Dominion Transmission, Inc.**

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**PROPOSED  
JEFFERSON STATION  
(15,000 HP)**

