15. MISCELLANEOUS

A. MEETING WITH CONGRESSMAN RANDY FORBES

I was contacted by Congressman Forbes' office last week regarding his interest in scheduling a meeting with the Board on Friday, October 19. He's planning to speak to the Franklin Rotary Club at lunch that day and wanted to meet with you all either before, or after, the Rotary meeting. Once you determine your preference (before or after lunch), a motion is required to continue your meeting until that time.

MOTION REQUIRED: A motion is required to continue your meeting until October 19 at a time TBD.

B. NOTICES

Attached for your reference please find copies of various notices.

C. INCOMING CORRESPONDENCE

Please find various items of incoming correspondence attached.

D. OUTGOING CORRESPONDENCE

Please find various items of outgoing correspondence attached.

E. ARTICLES OF INTEREST

Please find copies of various newspaper articles attached for your reference.

VERNIE W. FRANCIS, JR.
P. O. BOX 362
COURTLAND, VA 23837
(757) 653-8183

Vernie W. Francis, Jr. offers the following contract for Management/Maintenance of the Southampton County Communications system.

GENERAL PROVISIONS

Vernie W. Francis, Jr. will provide contact information to the Sheriff's Office Dispatch at all times during the term of this contract.

Vernie W. Francis, Jr. will at all times keep the Sheriff and County Administrator informed of actions taken concerning the radio system, either verbally or in writing as deemed necessary.

Vernie W. Francis, Jr. will maintain contacts with Gately Communications, Standby Systems, Inc., BFPE and others and coordinate with each in a professional manner.

Vernie W. Francis, Jr. will maintain as necessary and provide copies to the Sheriff's Office designee in a timely manner.

The term of this contract shall begin on September 1, 2012 and continue until 11:59 PM August 31, 2013. The contract shall automatically renew unless Southampton County provides notice of termination 90 days prior to the expiration date. Vernie W. Francis, Jr. may terminate this contract without cause with a 90 day notice.

SEMI-MONTHLY

1. Review request to new/replacement radio equipment for Fire-EMS and Sheriff's Office. Confer with communications committee and order as necessary.
2. Program new/replacement pagers as necessary.
3. Pick up and deliver equipment for repair/repaired equipment between Sheriff's Office and Gately Communications.
4. Schedule any Fire-EMS in-house repairs or installations for mobile radio equipment.
5. Inspect and maintain inventory.

MONTHLY

1. Inspect radio tower sites.
2. Inspect and clean interior buildings.
3. Address fault indicators in radio equipment as necessary.
4. Inspect and perform PMI's on tower site generators, jail farm generator, EOC and Sheriff's Office generators as recommended in maintenance documents. (Documentation of inspection to be provided Sheriff's Office designee). These are recommended monthly service inspections and are not a replacement for Standby Systems semi-annual service contract.

SEMI-ANNUALLY

1. Schedule and accompany BFPE during fire suppression system inspection.
2. Schedule and accompany Standby Systems, Inc. during radio system generator inspections.
3. Schedule and accompany Standby Systems, Inc. during jail-farm, jail and Sheriff's Office generator inspections.
4. Install rodent and insect repellant/poison.
5. Vacuum and clean generator and enclosures.

ANNUALLY

1. Schedule PMI's with Gately Communications as needed.
2. Apply round-up at radio sites. **(Or as necessary to comply with FCC Tower site rules)**
3. Meet with Fire-EMS communications committee as needed.

MATERIALS

1. Vernie W. Francis, Jr. will provide all necessary cleaning supplies and materials.
2. Vernie W. Francis, Jr. will check all fluids, such as oil, anti-freeze for the purpose of bringing fluid levels to normal.
3. Vernie W. Francis, Jr. will conduct minor miscellaneous repairs, replace lamp bulbs, touch up painting, etc.
4. Vernie W. Francis, Jr. will provide all tools and equipment necessary to accomplish inspections and minor repairs.

EMERGENCIES

1. Vernie W. Francis, Jr. will respond to emergency request for generator faults to determine if fault may be corrected locally or notification of Standby Systems, Inc. is required.
2. Vernie W. Francis, Jr. will respond to emergency request concerning radio communications. This response may either be by phone or in person. Response mode will be determined by the nature of the complaint as described. **(It may be deemed more practical to contact Gately Communications direct).**
3. At the discretion of Sheriff, a designee may contact Gately directly for emergency repairs of mobile communications equipment, in-car camera repairs, or EOC issues, or these may be scheduled at the same time as Fire-EMS.
4. Vernie W. Francis, Jr. will be available during local emergencies, (Flood, hurricanes, winter storms, etc.) to the EOC.

Monthly Total : $ 1,800.00 **Yearly Total: $21,600.00**

Seen and agreed to:
Chairman

Vernie W. Francis, Jr.

Seen and agreed to:
Vice Chairman

Michael W. Johnson
County Administrator

RECEIVED AUG 2 8 2012

COMMONWEALTH of VIRGINIA

Karen Remley, MD, MBA, FAAP
State Health Commissioner

J.Wesley Kleene, PhD, PE
Director, Office of Drinking Water

DEPARTMENT OF HEALTH

OFFICE OF DRINKING WATER

Southeast Virginia Field Office

830 Southampton Avenue
Suite 2058
Norfolk, VA 23510
Phone (757) 683-2000
Fax (757) 683-2007

AUG 2 0 2012

NOTICE OF VIOLATION

SUBJECT: SOUTHAMPTON COUNTY
Water - Courtland Inn
PWSID : 3175755

Mr. Manoj M. Desai
Courtland Inn
23615 Jerusalem Road
Courtland, Virginia 23837

Re: Failure to Provide Public Notification
Failure to Submit Certification of Public Notice

Dear Mr. Desai:

This notice is to advise that you may be in violation of § 12 VAC 5-590-540 of the Commonwealth of Virginia *Waterworks Regulations* for failure to conduct the required public notification for a second quarter total coliform monitoring violation and to notify this office of completion of any public notification. According to our records, public notification was required for the second quarter total coliform monitoring violation in 2011. Our records do not indicate that notice distribution or confirmation occurred as required.

Required Actions

Public Notice: Section § 12 VAC 5-590-540 of the *Waterworks Regulations* requires you to notify consumers that the prescribed public notification was not performed, as follows:

- You must provide notice to consumers no later than 30 days from the date of this letter.
- Your notice to consumers must be posted in conspicuous locations throughout the area served by your waterworks, or directly delivered to the persons served by your waterworks.
- Posted notices must be readable and be protected by glass, plastic, or other suitable covering. Posted notices must be posted for a minimum of seven days even if the violation has been resolved, and must remain in place as long as the violation persists.

RECEIVED SEP 7 2012

COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
TIDEWATER REGIONAL OFFICE
5636 Southern Boulevard, Virginia Beach, Virginia 23462
(757) 518-2000 Fax (757) 518-2009
www.deq.virginia.gov

Doug Domenech
Secretary of Natural Resources

David K. Paylor
Director

Maria R. Nold
Regional Director

September 4, 2012

Administrator
Southampton County
PO Box 400
Courtland, VA 23837

Re: VPDES Permit No. VA0082767
Dominion Southampton Power Station – Franklin
30134 General Thomas Highway, Franklin, VA 23851

Dear Sir/Madam:

This is to inform you that the Department of Environmental Quality has received a modification request for a Virginia Pollutant Discharge Elimination System (VPDES) permit modification from the applicant referenced above. The applicant proposes to discharge treated storm water from a storage area for biomass fuel material (wood chips). The new outfall will be identified as "outfall 004" and proposes to discharge into Will's Gut, a tributary to the Nottoway River. The Southampton Power Station is located at the above address. Section 62.1-44.15:4 of the Code of Virginia requires DEQ to notify localities and adjoining landowners when a permit application is received. Your name was provided to DEQ by the Commissioner of Revenue.

The Department will review the application and may draft a modified permit for this discharge. If the Department drafts a permit a notice will appear in **The Tidewater News** announcing our intention to issue the modified permit and inviting public comment on its content. This public comment period will run for 30 days from the date the notice first appears in the newspaper. In the meantime, you are welcome to review the permit application at our office during normal business hours.

Please feel free to contact me at our Virginia Beach office if you have any questions about this notification. I can be reached at 757-518-2162 or by email: debra.thompson@deq.virginia.gov

Sincerely,

Debra L. Thompson

Debra L. Thompson
Environmental Engineer Senior

cc: DEQ-TRO File

Virginia Association of Counties

Connecting County Governments since 1934

Virginia Association of Counties

President
Catherine M. Hudgins
Fairfax County

President-Elect
John D. Miller
Middlesex County

First Vice President
Harrison A. Moody
Dinwiddie County

Second Vice President
Pablo Cuevas
Rockingham County

Secretary-Treasurer
Penny Gross
Fairfax County

Immediate Past President
Robert R. Adkins
Wise County

Executive Director
James D. Campbell, CAE

General Counsel
Phyllis A. Errico, Esq., CAE

RECEIVED SEP 1 2 2012

September 11, 2012

Ms. Judy S. Lyttle
Supervisor
Surry County
3893 Colonial Trail E.
Surry, VA 23883

Dear Judy:

Your current term on the Board of Directors expires at the end of this year. According to VACo's By-Laws, you are eligible to serve additional terms.

As the incumbent regional representative, you are urged to assemble a caucus of the counties from your region (Region 1) to determine who will represent your region on the VACo Board of Directors for the 2-year term ending December 31, 2014. We have scheduled the Dominion Room for your regional caucus at VACo's annual conference at 4:15 p.m., Sunday, November 11, 2012.

Should you need additional information, please call me.

Sincerely,

James D. Campbell, CAE
Executive Director

Copies to:
Region 1 County Administrators
Region 1 Board of Supervisors Chairmen

1207 E. Main St., Suite 300
Richmond, Va. 23219-3627

Phone: 804.788.6652
Fax: 804.788.0083

E-mail: mail@vaco.org
Web site: www.vaco.org

NiSource

James S. Copenhaver
Assistant General Counsel
Legal

1809 Coyote Drive
Chester, VA 23836
Office: (804) 768.6408
Cellular: (804) 357.6195
jcopenhaver@nisource.com

RECEIVED SEP 6 2012

September 4, 2012

To: Chairmen of Boards of Supervisors
County Attorneys
Mayors or City Managers
Equivalent Officials in Cities, Towns or Counties
Having Alternate Forms of Government

Re: Application of Columbia Gas of Virginia, Inc.
For approval to implement a 2013 SAVE Plan
Infrastructure Replacement Current Rate
in accordance with Section 20 of its
General Terms and Conditions

Dear Sir or Madam:

Attached is a copy of the August 24, 2012 Order for Notice and Comment ("Order") in the above-referenced proceeding before the Virginia State Corporation Commission ("Commission") as required by Paragraph 3 of the Order. Please take notice of its contents.

Sincerely,

James S. Copenhaver

Enclosure

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 24, 2012

120830172

SCC-CLERK'S OFFICE
DOCUMENT CONTROL CENTER

2012 AUG 24 A 10: 47

APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

CASE NO. PUE-2012-00097

For approval to implement a 2013 SAVE Plan
Infrastructure Replacement Current Rate
in accordance with Section 20 of its
General Terms and Conditions

ORDER FOR NOTICE AND COMMENT

On August 10, 2012, Columbia Gas of Virginia, Inc. ("Columbia Gas" or the "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval to implement a 2013 Infrastructure Replacement Current Rate ("IRCR") in accordance with Section 20 of its General Terms and Conditions, as contemplated in the Commission's November 28, 2011 Order Approving SAVE Plan and Rider in Case No. PUE-2011-00049 ("SAVE Order").[1] The Company's SAVE Plan, authorized pursuant to the Steps to Advance Virginia's Energy Plan ("SAVE") Act,[2] is a five-year program that commenced on January 1, 2012. The Company's SAVE Plan cost recovery mechanisms are designed to facilitate the accelerated replacement of $100 million of SAVE eligible natural gas infrastructure, in addition to recovering the costs associated with an estimated $2.9 million of incremental infrastructure replacements occurring in 2011 that were not included in the Company's non-gas base rates.[3] The eligible infrastructure projects to be completed under the

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[1] *Application of Columbia Gas of Virginia, Inc., For approval of a SAVE Plan and Rider as provided by Virginia Code § 56-604*, Case No. PUE-2011-00049, 2011 S.C.C. Ann. Rept. 501, Order Approving SAVE Plan and Rider (Nov. 28, 2011).

[2] Sections 56-603, *et seq.*

[3] Application at 1.

SAVE Plan reduce system integrity risks associated with customer outages, corrosion, equipment failures, material failures, or natural forces to enhance the system's safety and reliability.[4]

The Company recovers the costs incurred in replacing eligible natural gas infrastructure through a SAVE Rider, which is defined in the Company's tariff as "Infrastructure Reliability and Replacement Adjustment" ("IRRA").[5] The IRRA, set forth in Section 20 of the Company's General Terms and Conditions, is comprised of two components: an IRCR and an Infrastructure Replacement Reconciliation Rate ("IRRR").[6] The two components collectively constitute a single IRRA, which the Company bills as a fixed charge each month.[7] The IRCR applicable during 2012 is based on $20 million of annual expenditures in 2012 plus an estimated $2.9 million incurred in 2011; the IRCR for subsequent years (2013-2016) is to be based on the cumulative impact of the $20 million annual investments to be made in each subsequent year.[8] On an annual basis, the Company will use the IRRR to true-up the actual IRRA revenues against the preceding year's actual cost of service as determined from actual SAVE eligible expenditures.[9]

In its Application, the Company documents actual SAVE eligible expenditures incurred during the calendar year 2011; identifies the manner in which the Company will allocate capital expenditures among the five categories of SAVE eligible infrastructure categories for 2013; and supplies required schedules and materials in compliance with the Save Order.[10] The Company requests that the Commission: (i) approve its IRCR as set forth in Schedule 14(f) of its

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[4] *Id.* at 2.

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Id.*

[10] *Id.* at 4.

Application to be effective with the first billing unit of January 2013 through the last billing unit of December 2013; (ii) approve the filing of rate sheets implementing the IRCR in a manner consistent with the authority requested in the Application; and (iii) grant such other and further relief as may be necessary and proper.[11]

NOW THE COMMISSION, having considered the Company's Application and the applicable law, is of the opinion and finds that this matter should be docketed; that Columbia Gas should provide public notice of its Application; that interested persons should be afforded an opportunity to file comments on the Company's Application and request a hearing; and that the Commission Staff should investigate the Application and file a Report containing the Staff's findings and recommendations.

Accordingly, IT IS ORDERED THAT:

(1) Columbia Gas's Application shall be docketed as Case No. PUE-2012-00097.

(2) On or before September 17, 2012, Columbia Gas shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY COLUMBIA GAS OF VIRGINIA, INC., FOR APPROVAL TO IMPLEMENT A 2013 SAVE PLAN INFRASTRUCTURE REPLACEMENT CURRENT RATE IN ACCORDANCE WITH SECTION 20 OF ITS GENERAL TERMS AND CONDITIONS
CASE NO. PUE-2012-00097

On August 10, 2012, Columbia Gas of Virginia, Inc. ("Columbia Gas" or the "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval to implement a 2013 Infrastructure Replacement Current Rate ("IRCR") in accordance

[11] *Id.* at 6.

with Section 20 of its General Terms and Conditions, as contemplated in the Commission's November 28, 2011 Order Approving SAVE Plan and Rider in Case No. PUE-2011-00049 ("SAVE Order"). The Company's SAVE Plan, authorized pursuant to the Steps to Advance Virginia's Energy Plan ("SAVE") Act, is a five year program that commenced on January 1, 2012.

The Company's SAVE Plan cost recovery mechanisms are designed to facilitate the accelerated replacement of $100 million of SAVE eligible natural gas infrastructure, in addition to recovering the costs associated with an estimated $2.9 million of incremental infrastructure replacements occurring in 2011 that were not included in the Company's non-gas base rates. The eligible infrastructure projects to be completed under the SAVE Plan reduce system integrity risks associated with customer outages, corrosion, equipment failures, material failures, or natural forces to enhance the system's safety and reliability.

The Company recovers the costs incurred in replacing eligible natural gas infrastructure through a SAVE Rider, which is defined in the Company's tariff as "Infrastructure Reliability and Replacement Adjustment" ("IRRA"). The IRRA, set forth in Section 20 of the Company's General Terms and Conditions, is comprised of two components: an IRCR and an Infrastructure Replacement Reconciliation Rate ("IRRR"). The two components collectively constitute a single IRRA, which the Company bills as a fixed charge each month. The IRCR applicable during 2012 is based on $20 million of annual expenditures in 2012 plus an estimated $2.9 million incurred in 2011; the IRCR for subsequent years (2013-2016) is to be based on the cumulative impact of the $20 million annual investments to be made in each subsequent year. On an annual basis, the Company will use the IRRR to true-up the actual IRRA revenues against the preceding year's actual cost of service as determined from actual SAVE eligible expenditures.

In its Application, the Company documents actual SAVE eligible expenditures incurred during the calendar year 2011; identifies the manner in which the Company will allocate capital expenditures among the five categories of SAVE eligible infrastructure categories for 2013; and supplies required schedules and materials in compliance with the Save Order. The Company requests that the Commission: (i) approve its IRCR as set forth in Schedule 14(f) of its Application to be effective with the first billing unit of January 2013 through the last billing unit of December 2013; (ii) approve the filing of rate sheets implementing

the IRCR in a manner consistent with the authority requested in the Application; and (iii) grant such other and further relief as may be necessary and proper.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

A copy of the Company's Application may be obtained at no charge by requesting a copy of the same from the Company's counsel, James S. Copenhaver, Assistant General Counsel, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836. The Application and related documents shall also be available for review in the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons may also download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

On or before October 9, 2012, interested persons may file written comments on Columbia Gas's Application with Joel H. Peck, Clerk, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218. Interested persons desiring to submit comments electronically may do so, on or before October 9, 2012, by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. Comments shall refer to Case No. PUE-2012-00097.

COLUMBIA GAS OF VIRGINIA, INC.

(3) On or before September 17, 2012, Columbia Gas shall serve a copy of this Order for Notice and Comment on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager (or upon equivalent officials) of every city and town in which Columbia Gas provides service in the Commonwealth of Virginia. Service shall be made

by personal delivery or by first class mail, postage prepaid, to the customary place of business or residence of the person served.

(4) Columbia Gas shall promptly make a copy of the Application available to the public, who may obtain a copy of the Application at no charge by requesting a copy of the same in writing from the Company's counsel, James S. Copenhaver, Assistant General Counsel, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836. The Application and related documents shall also be available for interested persons to review in the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons may also download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(5) On or before October 9, 2012, interested persons may file comments concerning the issues in this case with Joel H. Peck, Clerk, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218. Interested persons desiring to submit comments electronically may do so, on or before October 9, 2012, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Comments shall refer to Case No. PUE-2012-00097.

(6) On or before October 9, 2012, any interested person may participate as a respondent in this proceeding by filing a notice of participation in accordance with 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (5). Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the

interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUE-2012-00097.

(7) On or before October 9, 2012, interested persons may request that the Commission convene a hearing on the Company's Application by filing a request for hearing with the Clerk of the Commission at the address set forth in Ordering Paragraph (5). Requests for hearing must refer to Case No. PUE-2012-00097 and include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

(8) A copy of any written comments, request for hearing, and notice of participation shall simultaneously be sent to counsel for the Company: James S. Copenhaver, Assistant General Counsel, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836.

(9) The Commission Staff shall investigate the Application. On or before October 16, 2012, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of a Staff Report containing its findings and recommendations and shall promptly serve a copy of the same on counsel to the Company and all respondents.

(10) On or before October 23, 2012, Columbia Gas may file with the Clerk of the Commission any response in rebuttal to the Staff Report and any comments filed by interested persons in this proceeding.

(11) On or before September 26, 2012, the Company shall provide the Commission with the proof of notice and service required by Ordering Paragraphs (2) and (3).

(12) The Company shall respond to written interrogatories or requests for the production of documents within seven (7) calendar days after the receipt of the same. Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

(13) This matter is continued generally pending further order of the Commission.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: James S. Copenhaver, Assistant General Counsel, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836; Bernard L. McNamee, McGuireWoods LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219; and C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; and a copy shall be delivered to the Commission's Office of General Counsel and Divisions of Energy Regulation and Utility Accounting and Finance.

A True Copy
Teste: Joel H. Peck

Clerk of the
State Corporation Commission

RECEIVED SEP 4 2012

LECLAIRRYAN

August 29, 2012

By U.S. Mail

Michael W. Johnson
County Administrator
Southampton County
Post Office Box 400
Courtland, VA 23837

Re: Application of Community Electric Cooperative For a general increase in electric rates
Case Nos. PUE-2012-00041

Dear Mr. Johnson:

On behalf of Community Electric Cooperative, as directed by the Virginia State Corporation Commission in Ordering Paragraph (8) of its July 18, 2012, *Order for Notice and Hearing* in the above-referenced proceeding, enclosed is a copy of that *Order*.

Thank you for your attention to this matter.

Sincerely,

John A. Pirko
Counsel to Community Electric Cooperative

Enclosure

E-mail: john.pirko@leclairryan.com
Direct Phone: 804.968.2982
Direct Fax: 804.783.7680

4201 Dominion Boulevard, Suite 200
Glen Allen, Virginia 23060
Phone: 804.270.0070 \ Fax: 804.270.4715

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 18, 2012

120720258

2012 JUL 18 P

APPLICATION OF

COMMUNITY ELECTRIC COOPERATIVE

CASE NO. PUE-2012-00041

For a general increase in electric rates

ORDER FOR NOTICE AND HEARING

On June 19, 2012, Community Electric Cooperative ("CEC" or "Cooperative") filed an application and supporting documents ("Application") with the State Corporation Commission ("Commission") for a general increase in its electric rates.[1] CEC filed this Application pursuant to §§ 56-231.33, 56-231.34, 56-236, and 56-585.3 of the Code of Virginia ("Code").

In its Application, CEC seeks approval to increase test year jurisdictional sales revenues by $1,184,450.[2] According to the Application, the Cooperative seeks this increase to pay expenses, service debt, fund capital additions, retire patronage, and maintain equity as a percent of assets for the near term at a level near 50%.[3] The proposed increase produces total rate year jurisdictional margins of $962,020; a 2.50x jurisdictional Times Interest Earned Ratio ("TIER"); a Debt Service Coverage Ratio ("DSC") of 2.04x; and a rate of return on rate base of 5.00%.[4]

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[1] On June 20, 2012, the Cooperative filed revised copies of its Application to correct the incorrect cover pages that were included in the original submittal.

[2] Application at 5, 6-7. CEC's test year is the twelve months ending December 31, 2011. *Id.* at 3.

[3] *Id.* at 5.

[4] *Id.* at 5, 7. The rate year is defined by CEC as August 2012 through July 2013. *Id.* at 11. The proposed increase produces modified margins of $748,205; a modified TIER of 2.17x; and a modified DSC of 1.89x. *Id.* at 5, 7.

120720258

CEC states that its test year results, while strong, are somewhat misleading.[5] CEC represents that as of April 30, 2012, the Cooperative's financials indicate a deficit net operating margin of $170,000 year-to-date, which could put the Cooperative at risk of not meeting its financial obligations as contained in its Rural Utility Services ("RUS") mortgage.[6]

The Cooperative requests that the proposed rates and charges be permitted to take effect, on an interim basis and subject to refund, for bills rendered on and after August 24, 2012.[7]

With respect to its rate schedules, the Cooperative proposes the following: (1) to roll-in Rider G-21 to base rates; (2) achieve revenue-neutral rebalancing between the supply and distribution components such that the electric supply service rates of each tariff fully recover the supply-related cost of service; and (3) to adjust distribution rates to produce the proposed revenue increase and address intra-class parity issues.[8]

The Cooperative also proposes to add one new tariff, Rider RE, which would offer residential customers electric service provided 100% from renewable energy. According to CEC, energy provided pursuant to this tariff would be comprised of a combination of undifferentiated electric energy and the retirement of renewable energy certificates.[9] As

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[5] *Id.* at 3. According to the Cooperative, test year margins were inflated by approximately $412,000 of net 2010 unbilled sales revenue that CEC recorded in 2011, and an adjustment to CEC's SEPA rider calculations negatively impacted the Cooperative's revenues by nearly $140,000. A large Margin Stabilization adjustment also reduced CEC's power cost and inflated net income in 2011. Moreover, the Cooperative represents that there has been a decline in the growth of new service connections and that its distribution expenses have increased in recent years. *Id.*

[6] *Id.* According to CEC, RUS requires borrowers to have not less than a 1.25 TIER or a 1.1 Operating TIER for any two out of three consecutive years. CEC states that current projections indicate that the Cooperative will struggle to make its RUS required Operating TIER requirements even if proposed rates are approved and put in place as requested in the Application. *Id.*

[7] *Id.* at 5, 17.

[8] *Id.* at 7.

[9] *Id.* at 10.

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proposed, Rider RE would be available on a voluntary basis as a "companion rate" to any residential customer who contracts with CEC for the purchase and retirement of renewable energy attributes for all of the customer's monthly consumption under an existing rate schedule.[10] The Cooperative also requests to withdraw all of its Retail Access tariffs and instead include language in Schedules B, CH, IGS, and LP indicating that only the distribution portion of the tariff is applicable for customers not purchasing regulated supply service from CEC.[11] The Cooperative also proposes to eliminate Schedule AMR, under which no customers currently receive service.[12]

With respect to its Terms and Conditions, CEC seeks only to amend its list of available tariffs and revise the Primary Discount provision.[13] According to CEC, no new fees or changes to existing fees are proposed for Schedule F-Fees.[14]

Pursuant to § 56-237.1 C of the Code, CEC requests that the Commission waive the notice requirements of § 56-237.1 A and B of the Code, as not necessary to provide adequate notice to all of the Cooperative's customers.[15] In support of its request, CEC states that it provided notice of the rate filing by publication in the April 4, 2012 edition of the Smithfield Times, the Suffolk News Herald, and the Tidewater News.[16] The Cooperative also intends to

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[10] *Id.*

[11] *Id.*

[12] *Id.* at 11. Schedule AMR provides detailed load data to consumers or competitive service providers. Since competition for power supply service never developed, the service was never used. *Id.*

[13] *Id.* at 12.

[14] *Id.*

[15] *Id.* at 14, 17.

[16] *Id.* at 14-15.

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provide notice in an article appearing in the July edition of *Cooperative Living*.[17] Additionally, CEC represents that it has communicated its intent to seek a rate adjustment: (1) through notice on the Cooperative's website; (2) on recent bills to the Cooperative's members; (3) through a press release for an article in local papers discussing the need for a rate adjustment; and (4) in postings at the Cooperative's offices. The Cooperative also states that it plans to have displays and discussion about the proposed rate increase at CEC's annual meeting on August 13, 2012.[18]

Pursuant to Rule 20 VAC 5-200-21 B 7 of the Commission's *Rules governing streamlined rate proceedings and general rate proceedings for electric cooperatives subject to the State Corporation Commission's rate jurisdiction*, CEC requests a waiver of Rule 20 VAC 5-200-21 E, which requires any electric cooperative filing a rate application pursuant to § 56-582 of the Code to submit Schedules 15 through 19.[19] In support of its request, the Cooperative refers to the 2004 amendments to the Virginia Electric Utility Regulation Act as significantly changing the dynamics that gave rise to these filing requirements.[20] CEC further states that given that it is now 2012, no purpose is served in projecting financial data and predicting rate adjustments on an annual basis through 2007, as called for in Schedules 15-19.[21]

NOW THE COMMISSION, upon consideration of the matter and the applicable statutes and rules, is of the opinion and finds that a public hearing should be convened to receive evidence on the Cooperative's Application. We also find that pursuant to 5 VAC 5-20-120 A,

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[17] *Id.* at 15.

[18] *Id.*

[19] *Id.* at 15, 17.

[20] *Id.* at 16.

[21] *Id.*

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Assignment, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice"), this matter should be assigned to a Hearing Examiner to conduct all further proceedings. We deny the Cooperative's request for waiver of § 56-237.1 C of the Code and direct it to give notice to the public of its Application. We find that interested persons should have an opportunity to comment on the Application or to participate as a respondent in this proceeding. The Staff of the Commission ("Staff") shall investigate the Application and present its findings in testimony. The Cooperative will be permitted to file testimony in rebuttal to the testimony filed by any respondents and the Staff.

We grant the Cooperative's request for waiver of Schedules 15 through 19 as required by Rule 20 VAC 5-200-21 E.[22] We also will permit CEC's proposed rates to become effective for bills rendered on and after August 24, 2012, on an interim basis and subject to refund.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUE-2012-00041.

(2) Pursuant to 5 VAC 5-20-120 A of the Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter.

(3) CEC's proposed rates and charges shall take effect for bills rendered on and after August 24, 2012, on an interim basis and subject to refund.

(4) CEC's request for waiver of Rule 20 VAC 5-200-21 E with regard to the filing of Schedules 15 through 19 also is granted.

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[22] CEC's request for waiver of Schedules 15-19 is similar to requests for waivers granted previously by the Commission. *See, e.g., Application of Central Virginia Electric Cooperative, For a general increase in electric rates*, Case No. PUE-2010-00095, 2011 S.C.C. Ann. Rept. 354, Order for Notice and Hearing (Jan. 25, 2011); *Application of A&N Electric Cooperative, For a revenue-neutral adjustment of its electric rates and consolidation of tariffs*, Case No. PUE-2011-00096, Doc. Con. Cen. No. 120110096, Order for Notice and Hearing (Jan. 6, 2012).

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(5) A public hearing shall be convened on January 8, 2013, at 10 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive evidence related to the establishment of rates in this proceeding. Any person desiring to offer testimony as a public witness at the hearing concerning the Application need only appear in the Commission's Courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(6) CEC shall forthwith make copies of its Application and this Order available for public inspection during regular business hours at CEC's business office at 52 West Windsor Boulevard, Windsor, Virginia 23487-0267. Copies also may be obtained by submitting a written request to counsel for CEC, John A. Pirko, Esquire, LeClair Ryan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. In addition, interested persons may review copies in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays, or download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(7) On or before September 5, 2012, CEC shall cause a copy of the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation in its service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
COMMUNITY ELECTRIC COOPERATIVE, FOR A GENERAL
INCREASE IN ELECTRIC RATES
CASE NO. PUE-2012-00041

On June 19, 2012, Community Electric Cooperative ("CEC" or "Cooperative") filed an application and supporting documents ("Application") with the State Corporation Commission

("Commission") for a general increase in its electric rates. CEC filed this Application pursuant to §§ 56-231.33, 56-231.34, 56-236, and 56-585.3 of the Code of Virginia.

In its Application, CEC seeks approval to increase test year jurisdictional sales revenues by $1,184,450. According to the Application, the Cooperative seeks this increase to pay expenses, service debt, fund capital additions, retire patronage, and maintain equity as a percent of assets for the near term at a level near 50%. The proposed increase produces total rate year jurisdictional margins of $962,020; a 2.50x jurisdictional Times Interest Earned Ratio; a Debt Service Coverage Ratio of 2.04x; and a rate of return on rate base of 5.00%.

The Cooperative requests that the proposed rates and charges be permitted to take effect, on an interim basis and subject to refund, for bills rendered on and after August 24, 2012.

With respect to its rate schedules, the Cooperative proposes the following: (1) to roll-in Rider G-21 to base rates; (2) achieve revenue-neutral rebalancing between the supply and distribution components such that the electric supply service rates of each tariff fully recover the supply-related cost of service; and (3) to adjust distribution rates to produce the proposed revenue increase and address intra-class parity issues.

The Cooperative also proposes to add one new tariff, Rider RE, which would offer residential customers electric service provided 100% from renewable energy. According to CEC, energy provided pursuant to this tariff would be comprised of a combination of undifferentiated electric energy and the retirement of renewable energy certificates. As proposed, Rider RE would be available on a voluntary basis as a "companion rate" to any residential customer who contracts with CEC for the purchase and retirement of renewable energy attributes for all of the customer's monthly consumption under an existing rate schedule. The Cooperative also requests to withdraw all of its Retail Access tariffs and instead include language in Schedules B, CH, IGS, and LP indicating that only the distribution portion of the tariff is applicable for customers not purchasing regulated supply service from CEC. The Cooperative also proposes to eliminate Schedule AMR, under which no customers currently receive service.

With respect to its Terms and Conditions, CEC seeks only to amend its list of available tariffs and revise the Primary

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Discount provision. According to CEC, no new fees or changes to existing fees are proposed for Schedule F-Fees.

Interested persons should TAKE NOTICE that after considering all the evidence, the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Cooperative's Application, or may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Cooperative's Application.

The Commission entered an Order for Notice and Hearing ("Order") in this proceeding that, among other things, scheduled a public hearing on January 8, 2013, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony from members of the public and evidence related to the Application from the Cooperative, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff. Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

Copies of the Cooperative's Application and this Order are available for public inspection during regular business hours at CEC's business office at 52 West Windsor Boulevard, Windsor, Virginia 23487-0267. Copies also may be obtained by submitting a written request to counsel for CEC, John A. Pirko, Esquire, LeClair Ryan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. In addition, interested persons may review copies of all public documents filed in this proceeding in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays, or download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

Any person or entity may participate as a respondent in this proceeding by filing, on or before October 10, 2012, a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to

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Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of the notice of participation as a respondent also must be sent simultaneously to counsel for CEC, John A. Pirko, Esquire, LeClair Ryan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUE-2012-00041. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order.

On or before January 2, 2013, any interested person wishing to comment on the Cooperative's Application shall file with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, written comments on the Application. Any interested person desiring to file comments electronically may do so on or before January 2, 2013, by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUE-2012-00041.

The Commission's Rules of Practice and Procedure may be viewed at http://www.scc.virginia.gov/case. A printed copy of the Commission's Rules of Practice and Procedure and an official copy of the Commission's Order in this proceeding may be obtained from Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

COMMUNITY ELECTRIC COOPERATIVE

(8) On or before September 5, 2012, CEC shall serve a copy of this Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager of every city and town (or upon equivalent officials in counties, towns, and cities having alternate forms of government) in which the Cooperative provides service. Service shall be made by first class mail to the customary place of business or residence of the person served.

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(9) On or before September 26, 2012, CEC shall provide proof of the notice and service required by Ordering Paragraphs (7) and (8) herein.

(10) On or before October 10, 2012, any person or entity may participate as a respondent in this proceeding by filing a notice of participation in accordance with 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any person or entity shall simultaneously serve a copy of the notice of participation upon counsel for CEC at the address set forth in Ordering Paragraph (6) above. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Respondents shall refer in all filed papers to Case No. PUE-2012-00041.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, CEC shall serve upon each respondent a copy of this Order, a copy of the Application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(12) On or before October 31, 2012, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (10) above and serve on the Staff and all parties, in accordance with 5 VAC 5-20-140 and 5 VAC 5-20-150 of the Rules of Practice, any testimony and exhibits by which the respondent expects to establish its case. If not filed

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electronically, an original and fifteen (15) copies of such testimony shall be submitted to the Clerk of the Commission.

(13) The Staff shall investigate the reasonableness of CEC's Application. On or before November 30, 2012, the Staff shall file with the Clerk of the Commission and serve on the Cooperative and all parties in accordance with the Rules of Practice, its testimony and exhibits regarding its investigation of the Application. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission.

(14) On or before December 14, 2012, CEC shall file with the Clerk of the Commission and serve on the Staff and all parties, in accordance with 5 VAC 5-20-140 and 5 VAC 5-20-150 of the Rules of Practice, any testimony and exhibits that it expects to offer in rebuttal to the testimony and exhibits of the respondents and the Staff. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony shall be submitted to the Clerk of the Commission.

(15) On or before January 2, 2013, any interested person may file an original and fifteen (15) copies of any written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (10) above. Diskettes, compact disks, or any other form of electronic storage medium may not be filed with written comments. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's website: http://www.scc.virginia.gov/case. All comments shall refer to Case No. PUE-2012-00041. Any person not participating as a respondent as provided for in Ordering Paragraph (10) above may make a statement as a public witness at the hearing on January 8, 2013.

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(16) Responses and objections to written interrogatories and requests for production of documents shall be served within ten (10) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney[23] if the interrogatory or request for production is directed to the Staff. Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(17) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: John A. Pirko, Esquire, and Eric M. Page, Esquire, LeClair Ryan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia, 23060; C. Meade Browder, Jr., Esquire, Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 900 East Main Street, Second Floor, Richmond, Virginia 23219; and a copy shall be delivered to the Commission's Office of General Counsel and Divisions of Energy Regulation and Utility Accounting and Finance.

[23] The assigned Staff attorney is identified on the Commission's website http://scc.virginia.gov/case by clicking "Case Search" and entering the case number, PUE-2012-00041, in the appropriate box.

Southampton County Historical Society

Founded 1964

Franklin, Virginia

Courtland, Virginia

33335 Statesville Rd.

Newsoms, VA 23874

August 22, 2012

Mr. Mike Johnson, County Administrator

Southampton County

P. O. Box 400

Courtland, VA 23837

Dear Mike:

On behalf of the Southampton County Historical Society I'd like to thank Southampton County for the check we recently received for $4,750.00. We will use to offset our mowing and landscaping costs at the Rochelle-Prince House, the Southampton Heritage Village / Ag & Forestry Museum and the Museum of Southampton History during the past year.

You might be interested in knowing that we have a completed museum plan for the Museum of Southampton History, from the formation of the county through Franklin becoming a city and the end of segregation, including a side bar on many of the athletes from our area over the years. (Wayne Cosby is helping with that aspect.)

We have also filmed sixteen Here & Then's about the Southampton Insurrection of 1831 and they are already appearing on WHRO and available to all area schools. We have more ready as funding becomes available.

Thank you for your continued interest and support.

Yours truly,

Lynda Updike

Mrs. Lynda T. Updike

President

Southampton County was formed from part of Isle of Wight County in 1749

SOUTHAMPTON COUNTY

26022 Administration Center Drive
P. O. Box 400
Courtland, Virginia 23837

757-653-3015
Fax: 757-653-0227

August 29, 2012

Mr. Bruce B. Carr, Assistant Chief
Sedley Volunteer Fire Department
18080 Johnsons Mill Road
Sedley, VA 23878

RE: Capital Improvement Funding

Dear Assistant Chief Carr:

Enclosed herewith please find remittance in the sum of fourteen thousand dollars ($14,000.00) which represents your department's allocable share of capital funding set aside by the Board of Supervisors for fire and rescue in FY 2013.

Your request was approved by the Board of Supervisors in regular session on August 27, 2012. It's fun to watch the outstanding principal on Engine 81 continue to decline – I know that you and your guys are working hard to retire the debt.

On behalf of the Board of Supervisors, please accept my appreciation for all the time and effort your volunteer firefighters contribute.

With kind personal regards, I remain

Very truly yours,

Michael W. Johnson
County Administrator

Va. details where I-95 toll mone

Priorities include improved interchange in Petersburg, safety upgrades in Richmond

BY PETER BACQUÉ
Richmond Times-Dispatch

Rebuilding the interchange of Interstate 95, Interstate 85 and U.S. 460 in Petersburg would be one of the state's top priorities if Virginia gets federal approval to put tolls on I-95.

Other top priority projects for use of the first six years of toll money would be repaving 76 lane-miles of I-95 mostly south of Richmond, rebuilding four deficient bridges south of Richmond, and making safety improvements at I-95 and Interstate 64 in Richmond.

The state detailed its plans for the initial use of I-95 toll revenue in its application, released Monday, to the Federal Highway Administration. The toll program requires federal approval.

"These projects, critically needed in the aging and congested corridor, will make substantial improvements in travel times and reliability, safety and ride conditions," the Virginia Department of Transportation said in the toll-program application.

"Current funding is not able to keep u with the needs of the I-95 corridor, VDOT said. Over the next 25 years, VDO said, I-95 will need $12.2 billion in work while the agency expects to have onl $2.1 billion in state and federal funds.

Over the first six years, VDOT expect that the tolls will generate a total of $25 million, for a net of $155 million for th period after paying the toll system' upfront capital and operations-and maintenance costs. Toll revenue avail able for I-95 improvements would in crease once the initial costs are paid.

The tolls would have no end date. "It i VDOT's intent to continue collecting toll

gone into this document

y would go

on I-95 in perpetuity, or as long as the funding is needed to reconstruct, rehabilitate, operate, maintain and/or improve I-95," the application said.

"We don't take putting tolls on I-95 lightly," said Michael Estes, VDOT's director of strategic initiatives, though "with tolling, we can fund the No. 1 priority" for the Tri-Cities' regional transportation planning agency: the I-95/I-85/U.S. 460 interchange improvements.

Toll revenue also would pay $22.7 million for the replacement or rehabilitation of high-priority bridges: the Courtland Road span over I-95 in Prince

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Tolls

From Page B1

George County, the I-95 bridge over the Nottoway River in Sussex County, and the U.S. 301 and the Old Halifax Road bridges over I-95 in Greensville County.

Of the proposed repaving projects, seven would be in Chesterfield County, six would be in Prince George, four in Sussex, and one each in Henrico and Dinwiddie counties. Those projects would total $42.6 million.

The toll revenue would free VDOT to use more of existing state and federal highway money on two projects to expand I-95's capacity — in Stafford County at the state Route 630 interchange, and between Fredericksburg and Garrisonville Road, Estes said.

The Commonwealth Transportation Board would have to approve the projects paid for by the toll revenue.

Under the state's I-95 toll plan, cars would pay $4 and five-axle tractor-trailer trucks $12 at a toll plaza located in Sussex near Emporia. The toll would apply to vehicles traveling north and south.

By using electronic collection on "open-road" tolling lanes, travelers won't have to slow down to pay the fee, VDOT said.

The state's toll-program application noted that Sussex and nearby Emporia have some of the highest overall proportions of low-income residents and minorities in the highway corridor. In that area, local drivers are likely to use parallel U.S. 301 as an alternative to I-95, the application said, "thereby mitigating some of the effects of the tolls."

Seventeen local governments in the state have opposed the plan to place tolls on the highway. Nationally, drivers can use most of the interstate highway system toll-free.

A mainstay of public transportation funding, Virginia's gas tax has remained at 17.5 cents per gallon since 1986, and the General Assembly has rejected raising it.

I-95 carries about 40 percent of the interstate traffic in Virginia and has some of the worst congestion in the U.S.

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Hanover tax deferral estimated $5.8M

Farms, forests, open spaces qualify for acceptance in program

BY KATHERINE CALOS
Richmond Times-Dispatch

More than half of the land in Hanover County gets a tax break. If anybody's complaining, it's quietly.

The break goes to 162,600 acres of farms, forests and open space, which maintain the county's rural character beyond the interstate highways and subdivisions. Applications to enroll in the program are being accepted Sept. 1 to Nov. 1 and Jan. 1 to Feb. 1. The total tax deferral is about $5.8 million, according to the county.

As fifth-generation farmers in Beaverdam, Walton and Billie Smith consider land-use taxation a reasonable solution to high land values for housing tracts.

"We're not being taxed on the potential of the property, but taxed on what the property is," said Billie Smith, who's also a retired county school principal and administrator with a doctorate in education.

"We're not in the business of planting houses."

Instead, they grow soybeans, corn, grain and trees. At times they have some livestock.

"As a farmer, you have to be diversified enough to go into the market with the right thing at the right time," she said. Even then, it's a risky business when nature can take away the profit in so many ways: drought, flood, hail, wind, freeze, disease, insects, etc.

Keeping taxes low for farmers helps keep food prices low, she said.

"The investment some of these farmers are putting out here, you could build a brand new McDonald's and pretty much be guaranteed an income."

Land-use tax relief became an option statewide in the mid-1970s. Hanover was among a handful of counties that adopted ordinances in 1974.

"It enabled counties and cities to manage agricultural land, open space and forestry," said Gordon Groover, project leader of the State Land Evaluation and Advisory Council.

"It's a tool to help in working with urbanization and growth. ... It's not a means in itself. You have to put it together with a county or city that has thought through how it should grow."

To qualify for the tax deduction, a property must be zoned for agriculture or rural conservation and have been in agricultural, horticultural, forest or open space uses for at least five years.

At least 5 acres used is required for agricultural or horticultural designation. For timber, the minimum is 20 acres.

Groover and the Smiths consider it a win-win. Localities have lower costs for services for farmland, and farmers get a break on their bills.

A hundred houses on quarter-acre lots require a lot more services than a 25-acre farm, Smith pointed out. After all, Groover said, "cows don't ride school buses."

kcalos@timesdispatch.com
(804) 649-6433

Roanoke County officials seek an answer to prayer

BY ANNIE McCALLUM
The Roanoke Times

ROANOKE — Roanoke County Board of Supervisors meetings soon could be off to a somewhat different start.

For months, county officials have grappled with the issue of prayer after the county's long-standing practice of opening meetings with an invocation came under scrutiny in May.

Now officials are poised to consider a nonsectarian prayer policy, potentially putting an end to a controversy involving a mix of religion and government. But as the county moves forward with what officials see as a possible solution, some are still unsettled by the pre-meeting prayers, including the Wisconsin-based group that made initial complaint to the county.

Roanoke County Attorney Paul Mahoney said last week that he has been working on a policy. A resolution establishing a policy regarding opening invocations is on the agenda for Tuesday's supervisors meeting.

Supervisors directed Mahoney to craft a nonsectarian prayer policy after reaching consensus last month following a lengthy and emotional meeting where more than 30 people spoke out about the issue, all but a handful asking officials to keep prayer.

Since then, the county has received another complaint from the Freedom From Religion Foundation. The group sent a letter Aug. 1 stating it was renewing its objection to sectarian prayer. Mahoney [illegible]

For months, county officials have grappled with the issue of prayer after the county's long-standing practice of opening meetings with an invocation came under scrutiny in May.

field County's nonsectarian policy, which has successfully withstood a challenge in 4th U.S. Circuit, as well as information from supervisors that a local citizen submitted.

Richmond's City Council and the supervisors in Hanover County and Chesterfield County all lead with invocations. Policies in Richmond and Chesterfield call for nonsectarian prayers.

Alex Marshall, vice president of Secular Humanists of Roanoke, said he understands that a nonsectarian prayer policy will comply with the law, but he's still frustrated. Marshall sees his group as being overlooked and ignored.

"It's frustrating. It really is, when you hear public officials, elected officials, who in my mind are there to serve their entire constituency. They are not there to serve a certain section of their constituency," he said.

Susan Edwards, who organized the pro-prayer rally in July and has given supervisors information on possible prayer policy, is on the other side of the debate.

She said she's pleased with the supervisors' decision, though she is waiting to see what the policy will entail. She said she was glad that officials didn't do away with prayer completely, which was the case recently in Henrico County when officials received a complaint from the Freedom From Religion Foundation and dropped invocations.

She also added she was encouraged by the number of people who turned out to voice their opinion, even those who do not agree with her position.