

NOTICES

James S. Copenhaver
Assistant General Counsel
Legal

RECEIVED MAY - 6 2010

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Chester, VA 23836
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May 3, 2010

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

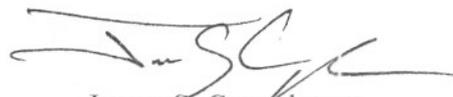
**RE: Application of Columbia Gas of Virginia, Inc.
For authority to increase rates and charges and to
revise the terms and conditions applicable to gas service
Case No. PUE-2010-00_____**

Dear Sir or Madam:

This correspondence serves as notice of the May 3, 2010 Application of Columbia Gas of Virginia, Inc., for authority to increase its rates and charges and to revise the terms and conditions applicable to gas service. This notice is being provided to you in accordance with Rule 20 VAC 5-201-10 of the Virginia State Corporation Commission's Rules Governing Utility Rate Applications and Annual Informational Filings.

Please be advised that an electronic (CD) or written copy of the complete Application (approximately 2000 pages) may be obtained at no cost by making a request therefore by contacting me at the address, phone number or email address provided above.

Sincerely,



James S. Copenhaver

Enclosures

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Application of)
)
COLUMBIA GAS OF VIRGINIA, INC.) CASE NO. PUE-2010-00 ____
)
For authority to increase rates)
and charges and to revise the terms and)
conditions applicable to gas service)

**APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.**

Pursuant to Chapter 10 of Title 56 of the *Code of Virginia*, and in accordance with the State Corporation Commission’s (“Commission”) Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30 (“Rate Case Rules”), as well as the Commission’s Final Order on December 28, 2006¹ (“Final Order”), Columbia Gas of Virginia, Inc. (“CGV” or the “Company”) hereby requests authority to increase its rates and charges, effective January 1, 2011, and to revise the terms and conditions applicable to gas service as described more fully herein. The proposed rates and charges are designed to increase the annual operating revenues of CGV by \$13 million.

¹ *Application of Columbia Gas of Virginia, Inc. For approval of a performance based rate regulation methodology pursuant to Va. Code §56-235.6, Case No. PUE-2005-00098 and Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte, In Re: Investigation of the justness and reasonableness of current rates, charges, and terms and conditions of service, Case No. PUE-2005-00100.*

In support of its Application, CGV respectfully states the following:

1. The name, post office address and telephone number of CGV and its counsel are as follows:

James S. Copenhaver
T. Borden Ellis
Columbia Gas of Virginia, Inc.
1809 Coyote Drive
Chester, VA 23836
Telephone: (804) 768-6408 (JSC)
Telephone: (804) 768-6475 (TBE)
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Bernard L. McNamee
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One James Center
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Richmond, VA 23219-4030
Telephone: (804) 775-7877 (BLM)
Telephone: (804) 775-4730 (KMD)
Telephone: (804) 775-1090 (ESR)
bmcnamee@mcguirewoods.com
kdahl@mcguirewoods.com
eryan@mcguirewoods.com

2. CGV is a public service corporation organized and existing under the laws of the Commonwealth of Virginia. It also is a local distribution company providing natural gas distribution service to approximately 240,000 customers in Central and Southern Virginia, the Piedmont region, most of the Shenandoah Valley, as well as portions of Northern and Western Virginia and the Hampton Roads region. The gas distribution services and operations of CGV are regulated by the Commission.

Current Performance-Based Regulation Plan

3. The Commission issued the Final Order on December 28, 2006 that authorized CGV to implement a performance based form of regulation (“PBR”) for a period commencing January 1, 2007 and ending December 31, 2010. The PBR provided, *inter alia*, for the continuation of CGV’s non-gas base rates that had been in effect since October 1998, annual \$2 million non-gas credits to all CGV customers (except LVTS and LVEDTS) in 2007 and 2008, an earnings sharing mechanism applicable to CGV earnings in excess of a 10.5% return on equity (“ROE”) during the term of the PBR, a CGV commitment to take reasonable steps within its control to obtain upstream capacity from specified upstream pipeline system expansions², a CGV commitment to make a good faith effort to negotiate the take-over of master meter systems in its service territory, and the implementation of significant tariff enhancements. The Final Order also reflected the Commission’s expectation that CGV’s service and reliability would remain at or exceed present levels during the term of the PBR plan and provided for the development of meaningful metrics to assist the Commission in monitoring CGV’s compliance with those expectations. Company witnesses Carl W. Levander and Danny G. Cote describe the Company’s performance under the PBR Plan.

4. The Final Order also required CGV to file a proposal for a new PBR, a request to extend the PBR, or a general rate case by May 1, 2010.³ This filing is a general rate case application and includes the schedules and exhibits required by the Rate

² The upstream pipeline capacity projects include Transcontinental Gas Pipe Line Corporation’s Potomac Expansion Project, Dominion Transmission, Inc.’s USA Expansion Project, Columbia Gas Transmission LLC’s Eastern Market Expansion Project, and Virginia Natural Gas, Inc.’s Joint Use Pipeline and Hampton Roads Crossing (“HRX”) Projects.

³ Rule 5 VAC 5-20-140 provides that, when a filing would otherwise be due on a day when the Clerk’s office is not open for public business (e.g. May 1, 2010), the filing will be timely filed if made on the next business day the office is open to the public.

Case Rules as well as supporting testimony as required by the Final Order. CGV is not requesting an extension or amendment to the PBR Plan in this Application. The Application instead contemplates the expiration of the PBR on December 31, 2010.

Request for Increase in Base Rates

5. CGV was last authorized to increase its base rates nearly 12 years ago, in Case No. PUE-1998-00287, which was based on a test year ended December 31, 1997. During the intervening years, CGV has been able to maintain the same base rates despite the fact that inflation, as measured by the U.S. Bureau of Labor Statistics Consumer Price Index (“CPI”), has risen 32% over that same period. Over that period, CGV has nearly doubled its gas plant in service (from approximately \$350 million to \$665 million), while increasing its customer base by 38%. In addition, usage per residential customer has declined from the period upon which the Company’s current rates are based.

6. During the initial three years of the PBR Plan, CGV has not exceeded the 10.5% ROE sharing threshold authorized by the PBR. Moreover, the evidence demonstrates that CGV is not earning sufficient annual revenues to cover its cost of service, including a fair return on its common equity capital. The Company’s ROE in 2007, 2008 and 2009 was 9.38 %, 8.48 % and 8.98 %, respectively.

7. An analysis of the Company’s operations presented in this Application shows that CGV will experience an annual revenue deficiency of approximately \$13 million through the rate year ending December 31, 2011. This revenue deficiency reflects CGV’s costs and revenues for the test year ended December 31, 2009, the increase in the Company’s rate base since its last base rate increase in 1998, an updated

ROE and capital structure, and certain rate year adjustments that are “reasonably predicted to occur during the rate year” as permitted by Va. Code § 56-235.2.

8. An analysis of the Company’s test year jurisdictional operations, after accounting adjustments and the exclusion of the LVTS customer class, shows an overall rate of return of 6.499% on rate base and a 6.791% return on common equity capital. An analysis of actual test year revenues, as described above, shows that CGV is experiencing an annual revenue deficiency in the amount of \$13 million for the 12 month rate year ending December 31, 2011.

9. The Company’s seeks an 11.5% ROE, which reflects an upward 25 basis point adjustment to the midpoint of the ROE range of 10.75 % to 11.75 % in recognition of the Company’s superior operating performance. The application of an 11.5% ROE to the appropriate ratemaking capital structure for CGV produces an overall return on rate base of 8.566 %.

10. The revenue level requested by the Company, excluding the LVTS customer class, would produce revenues not in excess of the aggregate total costs incurred by CGV in serving customers within the jurisdiction of the Commission, subject to normalization for nonrecurring costs, adjustments for known future increases in costs, adjustments for increases reasonably predictable to occur within the rate year ending December 31, 2011, and a fair return on the Company’s rate base used to serve those customers, as such costs, normalizations, adjustments and return are calculated, allowed and prescribed in the Rate Case Rules for general rate cases.

Proposed Rate Design

11. The Company proposes to increase the monthly customer charge for residential customers from \$12.25 to \$21, and to increase the monthly customer charge for small general services customers (“SGS”) from \$23.25 to \$32, based upon an updated customer cost study performed in accordance with the Commission’s historical methodology. The Company proposes to increase these customer charges pursuant to the traditional cost-based methodology employed in previous proceedings in lieu of seeking a full straight-fixed variable rate (which would equate to a \$32 customer charge for residential customers and a \$77.64 customer charge for small general service customers). The Company proposes to reduce its residential and small general service non-gas volumetric rates, in order to accommodate the proposed increase in the customer charges.

12. Similarly, the Company proposes to increase the monthly customer charge applicable to Rate Schedules LGS1 and TS1 from \$500 to \$550 and to increase the monthly customer charge applicable to Rate Schedules LGS2 and TS2 from \$1500 to \$1955. The Company correspondingly proposes to reduce non-gas volumetric rates applicable to those Rate Schedules to accommodate the proposed increase in the respective customer charges.

13. The Company also proposes to replace the declining block structure of residential rates with a single volumetric rate in order to simplify billing. This is also consistent with the policy objective of removing the disincentive to energy conservation for residential customers that might otherwise result from declining block rates.

14. The Company proposes to recover the gas cost component of uncollectible accounts expense, carrying costs on gas storage inventory, and short term interest on

Actual Cost Adjustment balances through the Company's Purchased Gas Adjustment / Actual Cost Adjustment ("PGA/ACA") mechanism, rather than non-gas base rates, in order to more accurately reflect the cost of these items in rates, recognizing that they often vary significantly with changes in the Company's gas costs.

15. The Company proposes to apply a weather normalization adjustment ("WNA") in order to remove the impact of weather from customers' bills. The WNA is designed to adjust customer usage reflected in the temperature-sensitive portion of residential and small commercial customers' bills to offset monthly variations from the normal weather levels that were the basis upon which non-gas rates are designed and approved. The WNA is being proposed as a change in rate design and not as an amendment to the Company's CARE Plan. The WNA will not apply to the recovery of gas costs, which are variable in nature.

Other Filing Elements

16. The Company proposes removing LVTS from the cost of service used to develop rates for all other classes of customers. Removing LVTS from the cost of service will ensure that the returns generated by LVTS contracts remain available to fulfill the risk allocation negotiated with these individual customers, while other jurisdictional customers will be appropriately allocated the costs and revenues associated with their services.

17. The Company proposes to simplify and enhance its retail choice program ("Choice Program"), which is made possible, in part, by the addition of upstream capacity since the Choice Program was initiated.

18. The Company is also updating a number of service charges to reflect updated costs, proposes changes to other fees and charges, and has amended a number of provisions of its Rate Schedules, General Terms and Conditions and Service Agreements.

Evidence Supporting Application

19. Evidence in support of this Application is included in the schedules required by the Rate Case Rules as well as the pre-filed direct testimony and exhibits of the following individuals, which are filed with this Application:

Carl W. Levander, President, Columbia Gas of Virginia, Inc., will provide background on the Company's performance under the PBR Plan, as well as providing an overview of why CGV is entitled to and needs a base rate increase beginning January 1, 2011. He also sponsors Schedule 27, which is the NiSource corporate organizational chart.

Danny G. Cote, General Manager of Operations for CGV, will describe the Company's recent operating performance and initiatives that the Company has undertaken, including metrics associated with the PBR Plan, as well as anticipated changes in operation and maintenance expenses and the Company's planned capital expenditures through the rate year.

Michael D. Anderson, Director of Supply Planning for NiSource Corporate Services Company ("NCSC"), describes the acquisition of additional upstream capacity resources committed to by the Company in its PBR, as well as proposed modifications to CGV's Choice Program.

Paul R. Moul, Managing Consultant, P. Moul & Associates, presents evidence and a recommendation concerning the capital structure and the rate of return CGV seeks in this proceeding.

Mark P. Balmert, Manager of Regulatory Strategy and Support for NCSC, supports the Company's proposed accounting adjustments, including reasonably predictable costs that will occur through the rate year ending December 31, 2011. Mr. Balmert sponsors Schedules 1 through 7, 9 through 34 (with the exception of Schedule 29, Adjustment 4-E and 4-F), 36, 38 through 43, and work papers. Mr. Balmert also sponsors the allocated cost of service studies (Schedule 40c and Attachments MPB – 1 and MPB – 2 to his testimony). He addresses the appropriate revenue allocation among customer classes, discusses potential rate design changes for residential and small general service classes and modifications in the large general service and transportation service rate structures.

Joel B. Cohen, Senior Forecast Analyst for NCSC, will describe the manner in which residential and commercial usage volumes are normalized for weather in determining the Company's revenue requirement. He will also present the Company's proposed WNA mechanism. Finally, he will explain the methodology and inputs used in the development of the projected rate year customer and load growth.

John J. Spanos, Vice President of Valuation and Rate Division, Gannett Fleming Inc., describes and sponsors the depreciation study performed for CGV.

Julie C. Wozniak, Accounting Manager, Special Studies for NCSC, will address aspects of affiliate charges to and from CGV and sponsors Schedule 35.

Susanne M. Taylor, Controller of NCSC, will address the role of NCSC and reasonably predictable charges from NCSC anticipated through the rate year.

Patrick L. Baryenbruch, President of Baryenbruch & Company, LLC, provides testimony and sponsors his study of the reasonableness of affiliate charges and services provided to CGV.

Robert E. Horner, Regulatory Policy Manager for CGV, describes proposed changes to the Company's Rate Schedules, General Terms and Conditions, and Form of Service Agreements. He also provides cost support for a number of rates and charges, including Other Service Charges in Section 19 of the General Terms and Conditions. Mr. Horner further describes the Company's proposals to recover the gas cost component of uncollectible accounts expense, carrying costs on gas storage inventory, and short term interest on ACA balances through the Company's PGA/ACA mechanism rather than through base non-gas rates.

Miscellaneous

20. The Company respectfully requests that the Commission grant a waiver of Rule 20 VAC 5-10-10 and corresponding policies established by the Commission in its January 10, 1977 Opinion and Final Order in Case No. 19589⁴ (the "1977 Final Order") in order to authorize three modifications to the Company's General Terms and

⁴ *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte, in re: Investigation to determine the reasonableness of certain practices and charges by public utilities.*

Conditions. In particular, the Company proposes to (i) increase the threshold under which customer deposits may be paid in monthly installments from \$40 to \$100⁵; (ii) increase its returned check charge from \$14 to \$17⁶; and (iii) impose a minimum late payment charge of \$5 on residential accounts and \$10 on small general service accounts.⁷ The proposed modifications reflect reasonable exceptions to Rule 20 VAC 5-10-10 and the corresponding policies established the 1977 Final Order and should be granted as in the public interest for the reasons set forth in the testimony of Company witness Robert Horner.

21. The Company proposes that the requested increase in rates and charges and the proposed revisions to its Rate Schedules, General Terms and Conditions, and Form of Service Agreements become effective January 1, 2011, consistent with the provisions of the PBR Plan, except for tariff modifications relating to its Choice Program. In particular, the Company proposes that Rate Schedule CSPS and the Competitive Service Provider Service Agreement become effective April 1, 2011 in order to facilitate a seamless transition to new provisions of its Choice Program.

22. CGV has served a true copy of this Application in compliance with Rate Case Rule 20 VAC 5-201-10 (J) (together with a statement that a true copy of the complete Application may be obtained at no cost by making a request therefore orally or in writing to a specified Company official or location), by placing same in the United States first class mail, addressed to the customary places of business or residence of each of the following:

⁵ See Section 7.2(a) of the Company's proposed General Terms and Conditions.

⁶ See Section 19 of the Company's proposed General Terms and Conditions.

⁷ See Section 7.4 of the Company's proposed General Terms and Conditions.

- (a) The County Attorney and the Chairman of the Board of Supervisors of each county (or equivalent officials in the counties having alternate forms of government) in this State affected by the proposed increase; and
- (b) The Mayor or Manager and the Attorney of every city or town (or equivalent officials in the counties having alternate forms of government) in this State affected by the proposed increase.

CGV also has served a true copy of the complete Application upon the Division of Consumer Counsel of the Office of the Attorney General of Virginia, by hand delivery.

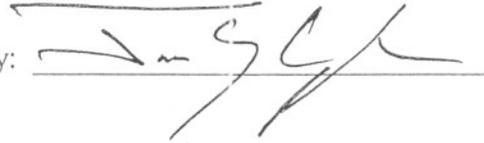
23. CGV has invested substantial amounts of capital in rate base, has experienced substantial growth in its customer base, and has experienced corresponding increases in its Operation and Maintenance expenses since its last base rate increase nearly 12 years ago and will continue investing in its system for the benefit of customers.

WHEREFORE, CGV respectfully requests that the Commission: (1) enter an order accepting this Application for a general increase in rates; (2) authorize the implementation of the rate and tariff modifications proposed herein effective on and after January 1, 2011, except as to the Choice Program modifications, which should be authorized effective April 1, 2011; (3) grant the requested waiver of Rule 20 VAC 5-10-10 and the corresponding policies established the 1977 Final Order as in the public interest; and (4) provide such other relief as the Commission deems necessary and appropriate.

Respectfully submitted,

COLUMBIA GAS OF VIRGINIA, INC.

By:

A handwritten signature in black ink, appearing to read 'JSC', is written over a horizontal line.

James S. Copenhaver, Assistant General Counsel
T. Borden Ellis, Senior Attorney
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May 3, 2010

James S. Copenhaver
Lead Counsel
Legal

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March 1, 2010

CLERK'S OFFICE

VIA HAND DELIVERY

2010 MAR -1 P 4: 12

Joel H. Peck, Clerk
State Corporation Commission
c/o Document Control Center
Tyler Building, First Floor
1300 East Main Street
Richmond, Virginia 23219

DOCUMENT CONTROL

**Re: Application of Columbia Gas of Virginia, Inc.
For a general increase in natural gas rates and charges
Case No. PUE-2010-00__**

Dear Mr. Peck:

Please be advised that Columbia Gas of Virginia, Inc. ("Columbia") intends to file an Application for a general increase in rates and charges on or about May 3, 2010. This Notice is being provided to the Commission as required by Rule 20 VAC 5-201-10 of the Rules Governing Utility Rate Applications and Annual Informational Filings. An original and fifteen (15) copies this Notice are included for the Commission's records.

An additional copy of the Notice is enclosed. Please date stamp and return the additional copy in the enclosed envelope.

Thank you for your attention to this matter.

Very truly yours,



James S. Copenhaver

cc: Mr. Ronald A. Gibson
Mr. William F. Stephens
Mr. Howard M. Spinner
Mr. Massoud Tahamtani
William H. Chambliss, Esq.
C. Meade Browder, Jr., Esq.
John Dudley, Esq.
Bernard L. McNamee, Esq.
T. Borden Ellis, Esq.



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CA

COMMONWEALTH of VIRGINIA

KAREN REMLEY, MD., M.B.A, F.A.A.P
STATE HEALTH COMMISSIONER

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

J.WESLEY KLEENE, Ph. D., P.E.
DIRECTOR, Office of Drinking Water

NOTICE OF VIOLATION

SUBJECT: SOUTHAMPTON COUNTY
Water - Town of Courtland
MAY 04 2010

Mayor Lewis Davis Sr.
22219 Meherrin Road
P.O. Box 39
Courtland, VA 23837

Re: Exceeding the Primary Maximum Contaminant Level for Fluoride

Dear Mayor Davis:

This notice is to advise that you may be in violation of §12 VAC 5-590-410 of the *Waterworks Regulations* for exceeding the Primary Maximum Contaminant Level (PMCL) for fluoride. Test results of the quarterly water samples taken at the entry point(s) of the Town of Courtland waterworks during the compliance period of April 1, 2009-March 31, 2010 indicate that the running annual average fluoride concentration calculated at 4.9 mg/l exceeds the PMCL for fluoride of 4.0 mg/l.

The Town of Courtland has entered into a voluntary binding agreement known as a Consent Order with the Virginia Department of Health. The Order contains a compliance schedule to resolve the ongoing exceedance of the fluoride PMCL standard. The Town of Courtland has met all milestones and deadlines established in the Order so far.

Required Actions

Public Notice: The Federal Public Notification Rule characterizes this as a Tier 2 situation. You are required to notify consumers that the fluoride PMCL was exceeded, as follows:

- You must distribute a notice to consumers no later than 30 days of receipt of this letter.
- Your notice to consumers must be mailed or directly delivered to each customer receiving a bill, and to other service connections served by your waterworks.
- If your waterworks serves consumers who do not pay water bills, or who do not have service connection addresses (apartment dwellers, university students, or nursing home patients, for example) you must also use other delivery methods to provide notice to these consumers as well. Examples of other methods include (but are not limited to) notice publication in local newspapers, delivery of multiple copies to apartment buildings, or posting the notice in public places served by the system.
- Until the violation is resolved, you must give a copy of the notice to all new billing units or new customers, before or at the time service begins.
- You must repeat distribution of the notice every three months, for as long as the violation persists.

MAY 04 2010

SUBJECT: SOUTHAMPTON COUNTY
Water - Town of Courtland

- Until the violation is resolved, you must give a copy of the notice to all new billing units or new customers, before or at the time service begins.
- You must repeat distribution of the notice every three months, for as long as the violation persists.

Draft Notice: Attached is the draft notice that you are required to use for fluoride exceedance. Please note that the notice requires you to insert certain information before distribution to your customers. You may use this notice as is (after making the required insertions). If, after making the required insertions, you wish to change this notice in any manner, you must obtain approval from this Office before distribution.

Public Notice Confirmation: Within ten (10) days of completing public notification you must provide this Office with a copy of the notice you distribute, along with signed certification of the distribution completion date and methods used. Failure to distribute public notice and report to the Virginia Department of Health may be a violation of State and Federal Public Notification Rule. A public notification completion form is enclosed for your use.

If you have questions, please call.

Sincerely,



Renée S. Hall
District Engineer

RSH/bjm
Enclosures

pc: Dr. Nancy M. Welch, Acting Director, Southampton County Health Department
Mr. Michael Johnson, County Administrator, Southampton County
Robert A. K. Payne, JD, VDH Compliance Manager



RECEIVED MAY - 6 2010

COMMONWEALTH of VIRGINIA

KAREN REMLEY, MD., M.B.A, F.A.A.P
STATE HEALTH COMMISSIONER

J.WESLEY KLEENE, Ph. D., P.E.
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

MAY 05 2010

SUBJECT: SOUTHAMPTON COUNTY
Water - General
(Southampton Commerce and Logistics Center)

Mr. Michael W. Johnson, County Administrator
Southampton County
P.O. Box 400
Courtland, VA 23837

Dear Mr. Johnson:

This letter refers to an inspection of well sites to serve the proposed Southampton Commerce and Logistics Center waterworks in Southampton County. In accordance with § 12VAC5-590-280 of the Commonwealth of Virginia *Waterworks Regulations*, the proposed well sites are tentatively approved by this Department for the construction of a well to be utilized as a public drinking water supply, subject to the following conditions:

Proposed Well Nos. 1 and 2	
Location:	City / County: Southampton County
	Latitude: 36° 42' 41.2
	Longitude: 77° 18' 14.2
	Marked: Blue Flagging Tape
Well Construction Class:	Class II-B
Approval Expiration Date:	April 13, 2011. If drilling of the well has not commenced by this date, re-inspection of the well site will be required.
Well Lot Characteristics:	Minimum distance of 50 feet between the well and all potential sources of contamination, property lines, and rights-of-way or easements on the property. See attached sketch and topographic map.
	The well lot must be graded as necessary to divert surface run-off from the well and to prevent ponding on the well lot
	The well lot must be served by an all-weather access road.
	The entirety of the well lot must be located higher than the 100-year flood elevation.

SUBJECT: SOUTHAMPTON COUNTY
 Water - General
 (Southampton Commerce and Logistics Center)

MAY 05 2010

Grouting:	Notify this office of the date and time that the well will be grouted. Provide this information as soon as possible so that a member of our staff may be present during grouting.
Yield and Drawdown Test Duration:	A yield and drawdown test must be run for at least 48 hours. We recommended the pumping rate be controlled throughout the test to maximize the production from the well and to produce a stabilized pump water level for at least the last six hours of the yield test. Immediately following the yield and drawdown test the water level recovery in the well should be recorded for no less than 6 hours or until the well returns to its static water level, whichever occurs first. If water will discharge into streams during pumping tests, please contact the Department of Environmental Quality Tidewater Regional Office to determine if a discharge permit is required.
Simultaneous Testing Required:	Because the proposed well is located within 500 feet of an existing well, and both wells will be used, simultaneous pump testing of both should be conducted. At a minimum, the adjacent well(s) must be monitored during the test if they cannot be tested simultaneously. This will assure better information with which to determine the safe yield of both sources.
Well in Groundwater Management Area:	This waterworks is located in a Groundwater Management Area as declared by the State Water Control Board. Contact Mr. Henry Ghittino, Department of Environmental Quality (DEQ) Tidewater Regional Office at 757-518-2197 for further information on the Groundwater Withdrawal Permit requirements and procedures. It is strongly recommended that you do this <u>prior to</u> drilling and testing the well, since DEQ's requirements may be more restrictive. For more information, please visit DEQ's website http://www.deq.virginia.gov/gwpermitting/ .
Required Bacteriological and Chemical Sampling:	A series of twenty bacteriological samples must be collected from the well discharge and submitted to a certified laboratory (DCLS or private laboratory) in order to determine the bacteriological quality of the raw groundwater. One bacteriological sample must be collected once an hour during the last half of the pump test. These samples must be analyzed by the total coliform and <i>E. coli</i> Most Probable Number (MPN) test method.
	Water samples must be collected to analyze for cyanide, nitrite, nitrates, inorganic chemicals, metals, radiological, and volatile organic chemicals. The chemical samples should be collected near the end of the pump test, prior to the recovery period.
Submittals Required Prior to Issuance of Construction Permit:	Well Completion Report (GW2)
	Plumbness and alignment test report.
	Well yield and drawdown test results
	Results of required bacteriological and chemical sampling (if not reported directly by laboratory)
	Preliminary engineering report
	Construction permit application (for completion of the well installation / waterworks)

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MAY 05 2010

SUBJECT: SOUTHAMPTON COUNTY
Water - General
(Southampton Commerce and Logistics Center)

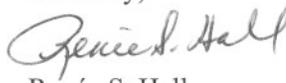
Submittals Required Prior to Issuance of Construction Permit (cont.):	Final construction plans and specifications, including recorded plat of the well lot, and a recorded dedication document for the well lot. The dedication document shall clearly state that the well lot will be used only for the waterworks appurtenances as long as the lot is being used as part of the waterworks.
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Upon receipt of the required documentation and after plans and specifications have been approved, a construction permit will be issued by the State Health Commissioner in accordance with § 12VAC5-590-230 of the *Waterworks Regulations*. Construction of the waterworks facilities shall not be started until the construction permit has been issued.

All water well drillers are required to be licensed by the State Board for Contractors. You may contact the State Board for Contractors, Virginia Department of Professional and Occupational Regulation, 9960 Mayland Drive, Suite 400, Richmond, VA 23233 (804/367-8511) to determine if a well driller is licensed.

If you have any questions, please contact me.

Sincerely,



Renée S. Hall
District Engineer

RSH/bjm
Enclosures

pc/enc: Mr. Todd A. Beach, DEQ – OSGWSP/Ground Water Characterization
V.D.H. – Office of Drinking Water

pc: Mr. Julian Johnson, Southampton County Utilities
Mr. John Jenkins, Building Official, Southampton County
Southampton County Health Department

ES

WELL SITE INSPECTION FORM

Preliminary Information	
Well site selection visit requested by: Mr. Wes Hunnius	Date: March 29, 2010
Scheduled for (date/time) April 13, 2010 at 10: 00 a.m.	
Meet at : The proposed well site	
ODW Well Development Handbook <input type="checkbox"/> mailed prior to inspection <input checked="" type="checkbox"/> distributed at inspection <input type="checkbox"/> not needed (submitted previously)	
Owner/agent advised to contact local health department? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	
Will local health department representative be present at site inspection? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	
Proposed development is in Groundwater Management Area <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	
Owner/agent advised to contact DEQ? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	
Waterworks is <input type="checkbox"/> existing <input checked="" type="checkbox"/> proposed	
Waterworks type: <input type="checkbox"/> Community <input checked="" type="checkbox"/> NTNC <input type="checkbox"/> TNC	
Waterworks is/will serve 185 population at 74 service connections	
Waterworks name: Southampton Commerce And Logistics Center	PWSID: 3175720 (proposed)
City/County: Southampton County	

Attendance at Inspection	
Inspected by: Renee S. Hall	Date: April 13, 2010
Name: Mr. Julian Johnson Affiliation: Superintendent of Public Utilities Address: P.O. 400 Courtland, VA 23837 Phone: (757) 653-3015 Email: N/A Receives correspondence? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Name: Mr. Robert Croak Affiliation: Deputy Superintendent of Public Utilities Address: P.O. 400 Courtland, VA 23837 Phone: (757) 653-3015 Email: N/A Receives correspondence? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N
Name: Mr. Wes Hunnius Affiliation: Timmons Group Address: 1001 Boulders Parkway, Suite 300 Richmond, VA 23225 Phone: 804-200-6385 Email: wes.hunnius@timmons.com Receives correspondence? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Name: _____ Affiliation: _____ Address: _____ _____ Phone: _____ Email: _____ Receives correspondence? <input type="checkbox"/> Y <input type="checkbox"/> N

Site Characterization (prepare a separate form for each marked well site)

Well name: Well #1 and Well #2

Marked: Flagged

Latitude: 36° 39' 26.6

Longitude: 76° 58' 12.6

Datum: NAD 27

Geologic conditions: Coastal Plain

Is wellhead protected from 100-yr flood Y N

All-weather access road available: Y N

Electrical service available: Y N

Minimum 50 ft distance: to property lines, rights-of-way Y N

from septic tank, pit privy, cesspool, barn yard, hog lot, etc. Y N

from petroleum or chemical tank or line Y N

from sewer lines Y N from sanitary drainfield Y N

from well of unknown or inadequate construction Y N

from surface runoff Y N

Are any of the following located in the wellhead area (1000 ft radius from well)?

- none landfill or dumps service stations dry cleaners machinery repair shops
- electronic repair shops paint shops light/heavy industry other wells sinkholes

Will topography in the wellhead area (1000 ft radius from well) direct contamination toward the well Y N

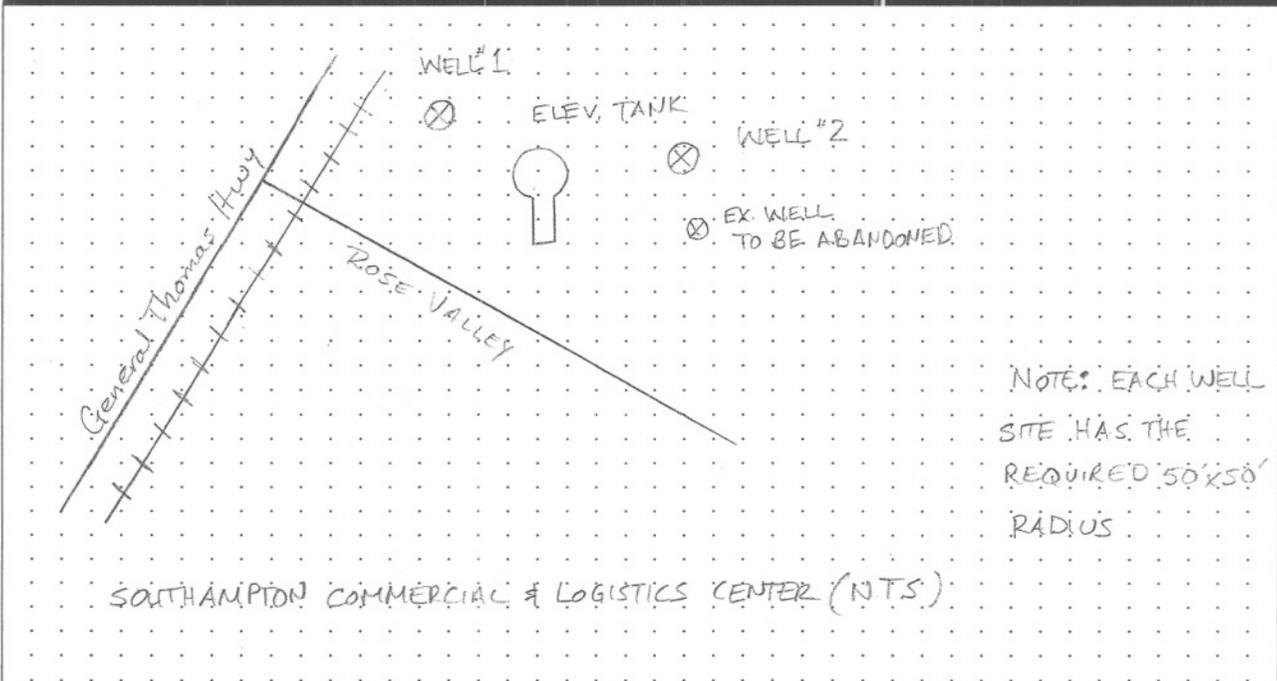
Characterize the general land use in the wellhead area (1000 ft radius from well) as

- residential industrial livestock crops undeveloped
- other _____

Is the well site approved? Y N

If yes, Class and Type: IIB

Well Site Sketch



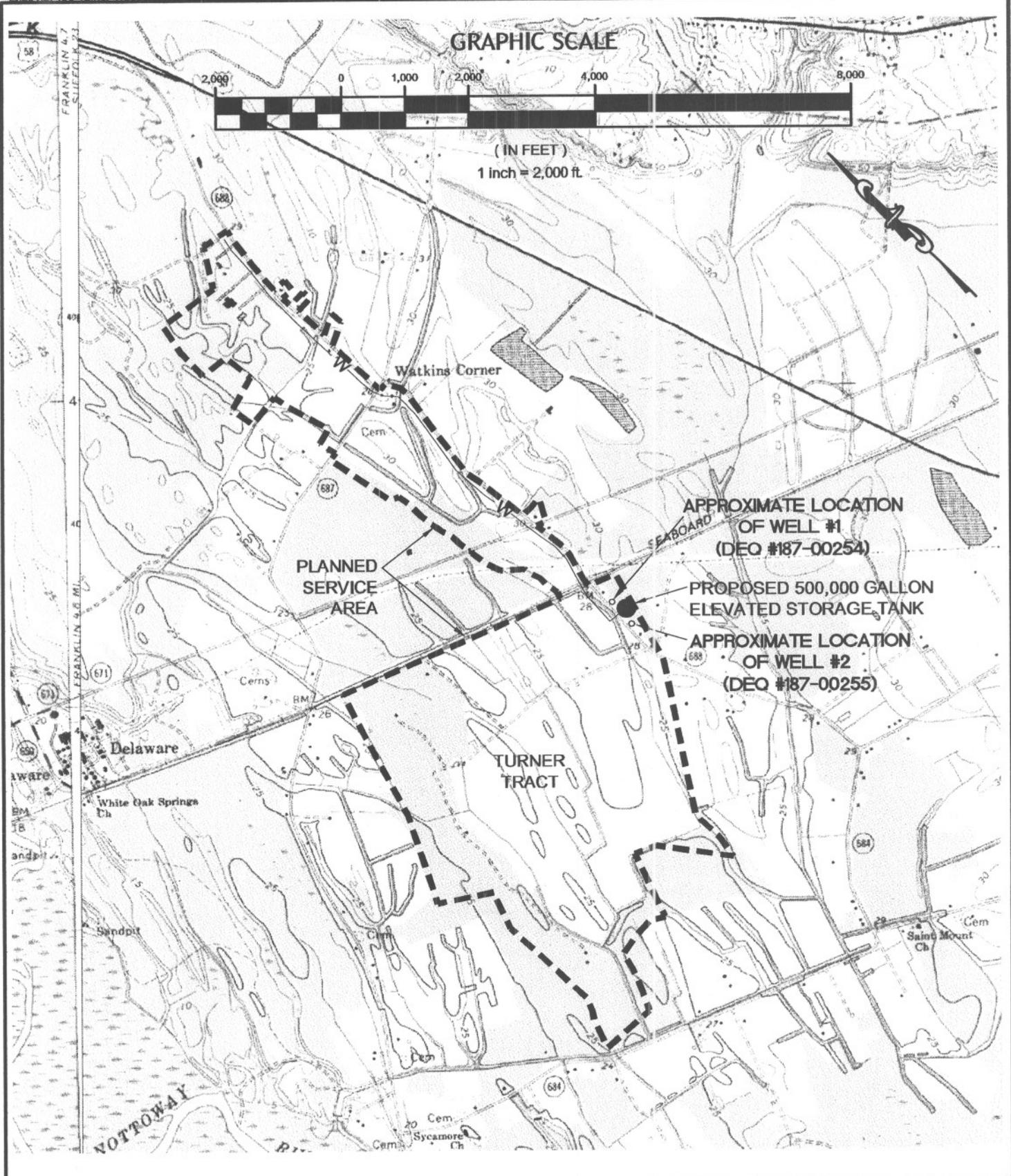
Topographic maps attached:

Water-Southampton Commerce and Logistics Center

Summary (approved sites only)						
Well Name	Construction Class	Yield / Drawdown Test Duration (hrs.)	Yield/Drawdown Simultaneous With Adjacent Wells	Dedicated Well Lot Dimensions (specify minimum)	Site Improvements Needed	Dev Testing Required
Well #1 DEQ #187-00254	Class IIB	<input checked="" type="checkbox"/> ODW Protocol for ___48___ hours	Yes	50' x 50'	Yes-trees to be cleared, existing well to be abandoned and house demolished	<input checked="" type="checkbox"/> MPN Qty___20___
		<input checked="" type="checkbox"/> DEQ Protocol (Groundwater Management Area permittees ONLY)				<input checked="" type="checkbox"/> IOC
Well#2 DEQ #187-00255	Class IIB	<input checked="" type="checkbox"/> ODW Protocol for ___48___ hours	Yes	50' x 50'	Yes-trees to be cleared, existing well to be abandoned and house demolished	<input checked="" type="checkbox"/> Metals
		<input checked="" type="checkbox"/> DEQ Protocol (Groundwater Management Area permittees ONLY)				<input checked="" type="checkbox"/> Nitrate <input checked="" type="checkbox"/> Nitrite
		<input type="checkbox"/> ODW Protocol for ___ hours				<input checked="" type="checkbox"/> VOCs
		<input type="checkbox"/> DEQ Protocol (Groundwater Management Area permittees ONLY)				<input checked="" type="checkbox"/> Radiological
		<input type="checkbox"/> ODW Protocol for ___ hours				<input type="checkbox"/> SOC Carbamates
		<input type="checkbox"/> DEQ Protocol (Groundwater Management Area permittees ONLY)				<input type="checkbox"/> SOC Chlor Acid Herb
		<input type="checkbox"/> ODW Protocol for ___ hours				<input type="checkbox"/> SOC Diquat
		<input type="checkbox"/> DEQ Protocol (Groundwater Management Area permittees ONLY)				<input type="checkbox"/> SOC Semi-Volatile
		<input type="checkbox"/> ODW Protocol for ___ hours				<input type="checkbox"/> SOC Volatile Fumigants
		<input type="checkbox"/> DEQ Protocol (Groundwater Management Area permittees ONLY)				<input type="checkbox"/> Cyanide

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I:\2011\27195-Turner Tract.GW\FADWG\27195C-XPUSGS.REV.3-4-2010.dwg 1 Plotted on 3/29/2010 2:33 PM I by Wes Hunnis



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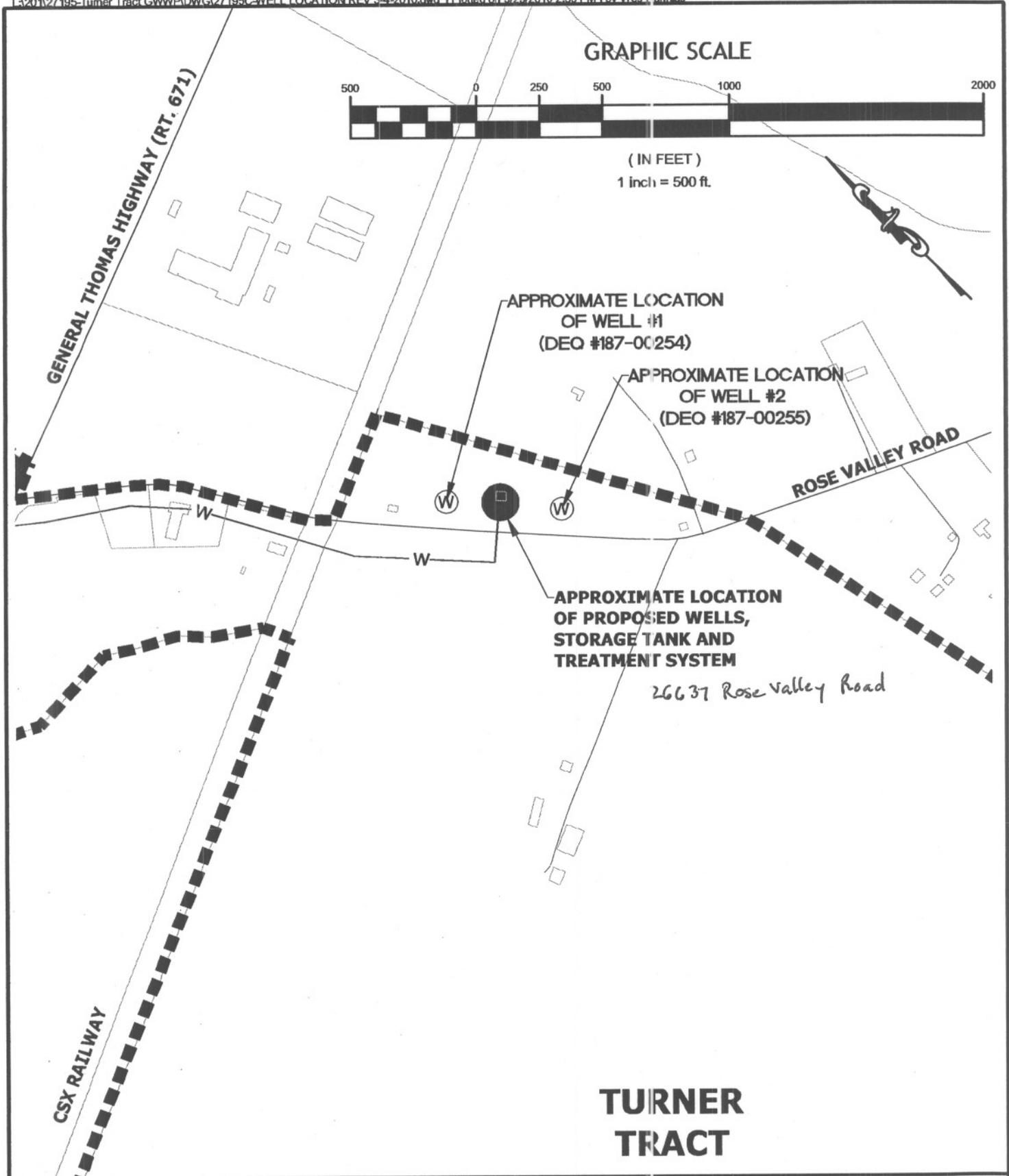
YOUR VISION ACHIEVED THROUGH OURS.

THIS DRAWING PREPARED AT THE CORPORATE OFFICE
 1021 Builders Parcours, Suite 300 | Richmond, VA 23225
 TEL: 804-200-6200 FAX: 804-560-1816 www.timmons.com

Site Development Residential Infrastructure Technology

JOB NO. 27195	TURNER TRACT Southampton County, VA	SCALE AS SHOWN	DATE 11/24/09	DATE	REVISION DESCRIPTION
		CHECKED BY W. HUNNIS	DRAWN BY C. McMAIR	DESIGNED BY C. McMAIR	
SHEET NO. 1 OF 1	FIGURE 1: COURTLAND AND FRANKLIN USGS QUADRANGLE				

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TURNER TRACT

TIMMONS GROUP

YOUR VISION ACHIEVED THROUGH OURS.
 THIS DRAWING PREPARED AT THE CORPORATE OFFICE
 1001 Boulder Parkway, Suite 300 | Richmond, VA 23225
 TEL 804.290.6500 FAX 804.560.1016 www.timmons.com

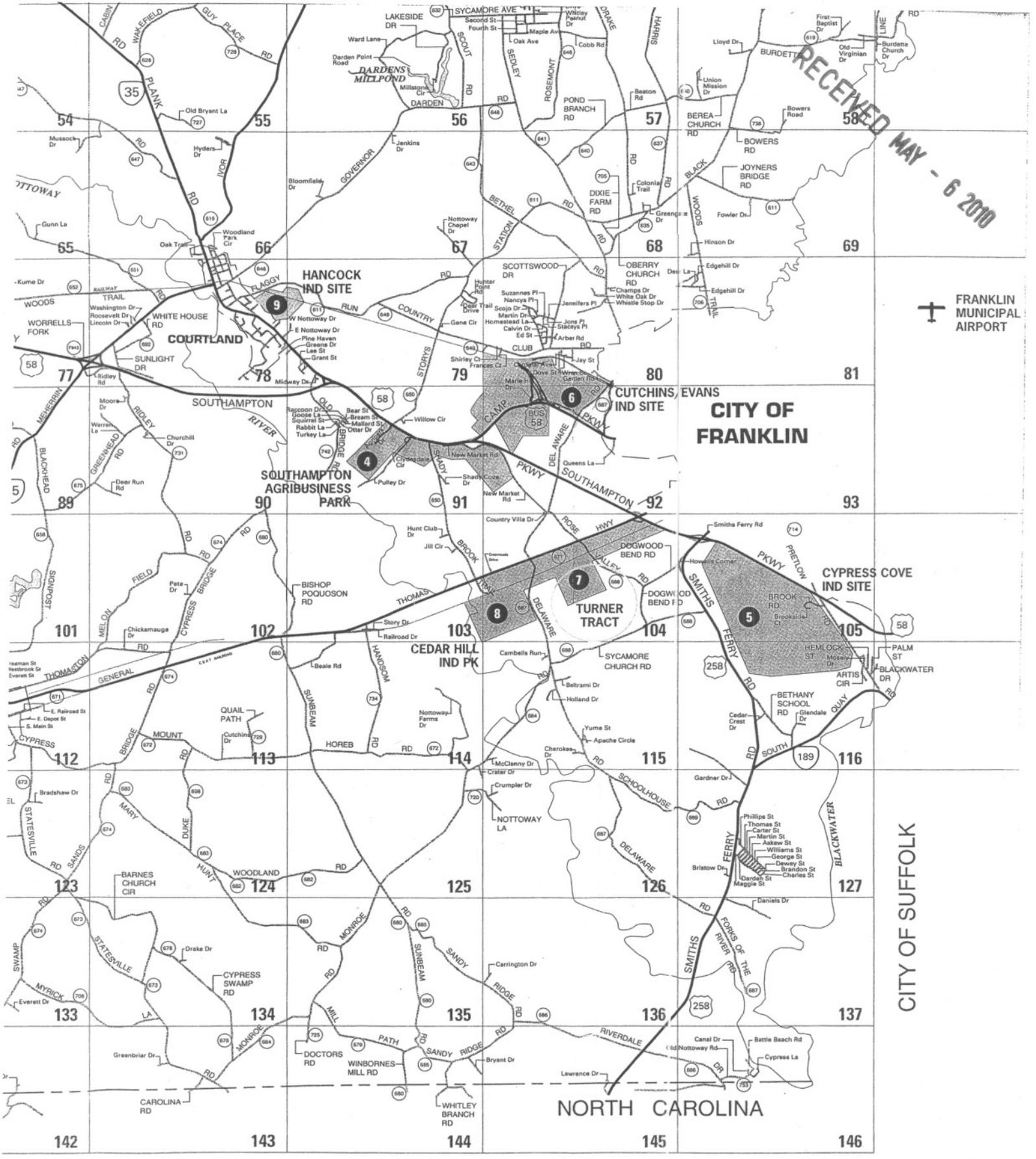
Site Development	Residential	Infrastructure	Technology
REVISION DESCRIPTION			

JOB NO. 27195	TURNER TRACT GWWP		SCALE AS SHOWN	DATE 11/24/09
SHEET NO. 1 OF 1	Southampton County, VA		DRAWN BY C. McMATR	DESIGNED BY C. McMATR
FIGURE 2: DETAILED WELL LOCATION MAP				

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FRANKLIN MUNICIPAL AIRPORT



NORTH CAROLINA

CITY OF SUFFOLK

Mr Johnson



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COMMONWEALTH of VIRGINIA

DEPARTMENT OF HEALTH

OFFICE OF DRINKING WATER

Southeast Virginia Field Office

KAREN REMLEY, MD., M.B.A, F.A.A.P
STATE HEALTH COMMISSIONER

J.WESLEY KLEENE, Ph. D., P.E.
DIRECTOR, Office of Drinking Water

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

APR 28 2010

SUBJECT: SOUTHAMPTON COUNTY
Water - Agri-Business Industrial Park
(Courtland Self-Storage and Retail Center)

WATERWORKS CONSTRUCTION PERMIT

Permit No.: 301510 Effective Date: April 28, 2010 Expiration Date: April 28, 2015

Issued to:

Southampton Real Estate LLC
19134 Lakeside Drive
Courtland, VA 23837

ATTN: Mr. Jack Randall

Plans with specifications thereon for the construction of modifications to the Agri-Business Industrial Park nontransient noncommunity waterworks, prepared by Art-Ray Corp., have been reviewed by this Office. The plans entitled "Site Development Plan Courtland Self-Storage and Retail Center for Southampton Real Estate LLC Tax Parcel 76-36A Southampton, Virginia" with a revision date of April 9, 2010 and include sheet numbers C-1.0 through C-1.2, C-2.0, C-2.1, C-3.0, C-4.0 through C-4.3, C-5.0, C-6.0, C-7.0 through C-7.3 and C-8.0. The plans refer to the Hampton Roads Planning District Commission Regional Construction Standards 4th Edition approved on January 5, 2007.

The project consists of the installation of approximately 146 feet of 12-inch diameter, 53 feet of 8-inch diameter and 53 feet of 6-inch diameter waterline to serve the proposed Courtland Self-Storage and Retail Center for fire and domestic water service.

Based on our review, it appears that the existing waterworks has sufficient capacity to meet the domestic flow demands for the proposed facility.

During the review it was noted that the engineer's water narrative states that, based on the International Fire Code (IFC), a fire flow demand of 1,500 gpm for two hours duration will be required for the facility. This amounts to 180,000 gallons needed for fire flow demand. It should be noted that the Agri-Business Industrial Park's elevated storage tank has a capacity of 150,000 gallons. It appears that an additional 30,000 gallons of storage will be required for the proposed facility to meet the full fire flow demands as set forth under the IFC.

The plans with specifications thereon are technically adequate and are approved by this Office, in accordance with Commonwealth of Virginia *Waterworks Regulations*, §12 VAC 5-590-220. One copy of these documents has been stamped approved and is enclosed. This approval does not suspend, minimize, or otherwise alter the waterworks obligation to comply with federal, state, or local laws and regulations or permits.

Mr. Jack Randall

Page 2

APR 28 2010

SUBJECT: SOUTHAMPTON COUNTY
Water - Agri-Business Industrial Park
(Courtland Self-Storage and retail Center)

This Waterworks Construction Permit is issued in accordance with § 12 VAC 5-590-230 of the *Waterworks Regulations*. This is your authorization from the State Health Commissioner to construct modifications to the subject waterworks in accordance with the approved documents. Any deviations from the approved documents affecting capacity, hydraulic conditions, operating units, the functioning of the treatment processes, or the water quality delivered, must be approved by this Office before any such changes are made. Revised plans and specifications shall be submitted to this office in time to permit review and approval before construction.

Upon completion of construction, the owner shall submit a statement signed by a professional engineer licensed in Virginia certifying that the work was completed in accordance with the approved documents.

Upon receipt of this statement and satisfactory results of the bacteriological analysis, the project may be put into service.

If we can be of additional assistance, please contact Ms. Renée S. Hall, District Engineer, at (757) 683-2000, extension 113.

Sincerely,

ORIGINAL SIGNED BY DANIEL B. HORNE

Daniel B. Horne, P.E., Engineering Field Director
Southeast Virginia Field Office



J. Wesley Kleene, P.E., Director
Office of Drinking Water
For the State Health Commissioner pursuant to VA Code §2.2-604

RSH/DBH/bjm

Enclosure

pc: Mr. Christopher Parrish, P.E., Art-Ray Corp.
Dr. Nancy Welch, Acting Director, Southampton County Health Department
Mr. Michael Johnson, County Administrator, Southampton County
Mr. Robert L. Barnett, Southampton Building Inspector

pc/enc: V.D.H. - Office of Drinking Water



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CA

COMMONWEALTH of VIRGINIA

DEPARTMENT OF HEALTH

OFFICE OF DRINKING WATER

Southeast Virginia Field Office

APR 22 2010

NOTICE OF VIOLATION

KAREN REMLEY, MD., M.B.A., F.A.A.P.
STATE HEALTH COMMISSIONER

J.WESLEY KLEENE, Ph. D., P.E.
DIRECTOR, Office of Drinking Water

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

SUBJECT: SOUTHAMPTON COUNTY
Water - Courtland Inn
PWSID : 3175755

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

Dear Mr. Desai:

Re: Failure to Collect Required Bacteriological Sample

Dear Mr. Desai:

This notice is to advise that you may be in violation of §12 VAC 5-590-370 of the Commonwealth of Virginia *Waterworks Regulations* for failure to complete required monitoring of the bacteriological quality of water your waterworks serves to consumers. According to our records, a bacteriological sample was required for the first calendar quarter (January through March) of 2010, and none was collected, analyzed, or reported.

Required Actions

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

- You must provide notice to consumers within one year of receipt 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 posted for a minimum of seven days even if the violation has been resolved, and must remain in place for as long as the violation persists.

Draft Notice: Attached is a draft notice for you to provide to consumers. You may use this notice as is, or modify it to better meet your situation, as long as the information is accurate and the notice contains all of the required elements and mandated language. If you decide to change the notice, we suggest that you contact this Office to verify that your proposed changes meet the requirements of the *Waterworks Regulations*. Please insert the name, address, and phone number of a waterworks representative in the spaces provided on the draft notice.

Mr. Manoj Desai

Page 2

APR 22 2010

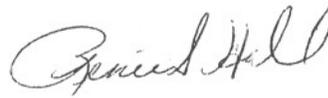
SUBJECT: SOUTHAMPTON COUNTY
Water - Courtland Inn

Public Notice Confirmation: Within ten (10) days of completing public notification, you must provide this Office with a copy of the notice you distribute, along with signed certification of the distribution completion date and methods used. Failure to distribute public notice and report to the Virginia Department of Health may be a further violation of the *Waterworks Regulations*. A Public Notification Completion Form is enclosed for your use.

Follow-up Actions: You must collect your regularly scheduled bacteriological sample during the next calendar quarter April – June 2010. We recommend that you collect all future samples early during each monitoring period, to allow ample time for the collection of repeat or replacement samples when necessary. Please note that the laboratory must receive and begin analysis of bacteriological samples within thirty (30) hours of collection. You should select a sample delivery method that meets this thirty-hour criterion.

If you have questions, please call, ext. 113.

Sincerely,



Renée S. Hall
District Engineer

CAE/RSH/bjm

Enclosures

pc: Mr. Michael Johnson, County Administrator, Southampton County
Nancy Welch, MD, MPH, Acting Director, Western Tidewater Health District
Southampton County Health Department
V.D.H. - Office of Drinking Water



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COMMONWEALTH of VIRGINIA

KAREN REMLEY, MD., M.B.A., F.A.A.P.
STATE HEALTH COMMISSIONER

J.WESLEY KLEENE, Ph. D., P.E.
DIRECTOR, Office of Drinking Water

DEPARTMENT OF HEALTH
OFFICE OF DRINKING WATER

Southeast Virginia Field Office

APR 20 2010

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

NOTICE OF VIOLATION

SUBJECT: SOUTHAMPTON COUNTY
Water - Kingsdale-Moseley

Ms. Shanda Harper
Aura, Inc.
137 Kenmore Street
Suffolk, VA 23434

Re: Failure to Collect Required Bacteriological Samples

Dear Ms. Harper:

This notice is to advise that you may be in violation of §12 VAC 5-590-370 of the Commonwealth of Virginia *Waterworks Regulations* for failure to complete required monitoring of the bacteriological quality of water your waterworks serves to consumers. The *Regulations* require your system to collect one routine water sample for bacteriological examination each month and report the results of the test to this office no later than the 10th day of the following month. According to our records no bacteriological sample was collected, analyzed or reported for the month of March 2010.

Required Actions

Public Notice: The *Waterworks Regulations* characterizes this as a situation that requires Tier 3 public notification. According to § 12 VAC 5-590-540, you are required to notify consumers that the prescribed monitoring was not performed, as follows:

- You must provide notice to consumers no later than one year following receipt of this notice.
- Your notice to customers must be mailed or directly delivered to each customer receiving a bill, and to other service connections served by your waterworks.
- If your waterworks serves consumers who do not pay water bills, or do not have service connection addresses (apartment dwellers, university students, or nursing home patients, for example), you must also use other delivery methods to provide notice to these consumers as well. Examples of other methods include (but are not limited to) publication in local newspapers, delivery of multiple copies to apartment buildings, or posting the notice in public places served by the system.

APR 20 2010

SUBJECT: SOUTHAMPTON COUNTY
Water - Kingsdale-Moseley

- You may choose to distribute an annual report of all Tier 3 violations incurred by your waterworks during 2010. If so, your annual notice must satisfy the timing, content, and distribution requirements for each Tier 3 violation.
- Until the violation is resolved, you must give a copy of the notice to all new billing units or new customers, before or at the time service begins.
- You must repeat distribution of the notice annually, for as long as the violation persists.
- If you are using a private laboratory, you should advise them that the monthly samples are for compliance purposes and ask that they submit results directly to this office.

Draft Notice: Attached is a draft notice for you to provide to consumers. You may use this notice as is, or modify it to better meet your situation, as long as the information is accurate and the notice contains all of the required elements and mandated language. If you decide to change the notice, we suggest that you contact this Office to verify that your proposed changes meet the requirements of the *Waterworks Regulations*.

Public Notice Confirmation: Within ten (10) days of completing public notification, you must provide this Office with a copy of the notice you distribute, along with signed certification of the distribution completion date and methods used. Failure to distribute public notice and report to the Virginia Department of Health may be a further violation of the *Waterworks Regulations*. A public notification completion form is enclosed for your use.

Follow-up Actions: You must collect a routine bacteriological sample during each monthly monitoring period. In the future collecting samples earlier in the month will give you more time to rectify the problems with shipping and handling that affected your February sample. If you have questions, please call.

Sincerely,

Renée S. Hall
District Engineer

CAE/RSH/bjm
Enclosures

pc: Dr. Nancy Welch, Acting Director, Southampton County Health Department
Mr. Michael W. Johnson, County Administrator, Southampton County
V.D.H. – Office of Drinking Water