

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 27, 2006

JOINT PETITION OF

LAKE HOLIDAY ESTATES UTILITY COMPANY, INC.,  
LAKE HOLIDAY COUNTRY CLUB, INC.,  
and  
AQUA LAKE HOLIDAY UTILITIES, INC.

CASE NO. PUE-2006-00013

For authority to transfer utility assets and  
certificates of public convenience and  
necessity pursuant to the Utility Transfers  
Act and the Utility Facilities Act

ORDER

On February 10, 2006, Lake Holiday Estates Utility Company, Inc. ("Lake Holiday Utility"); Lake Holiday Country Club, Inc. ("Lake Holiday Country Club"); and Aqua Lake Holiday Utilities, Inc. ("Aqua Lake Holiday") (collectively, "Joint Petitioners"), filed with the State Corporation Commission ("Commission") a joint petition for authority for Lake Holiday Utility and Lake Holiday Country Club to transfer utility assets and certificates of public convenience and necessity ("CPCNs") pursuant to the Utility Transfers Act, §§ 56-88 et seq. of the Code of Virginia ("Code"), and Utility Facilities Act, §§ 56-265.1 et seq. of the Code, to Aqua Lake Holiday. In addition, the Joint Petitioners requested approval of the proposed rates, fees, and charges for Aqua Lake Holiday. Finally, the Joint Petitioners requested that the Commission set Aqua Lake Holiday's rate base equal to the purchase price for the utility assets and approve specific accounting procedures proposed by Aqua Lake Holiday.

**Joint Petition**

Lake Holiday Utility is certificated by the Commission to provide water and wastewater service to the Lake Holiday subdivision in Frederick County, Virginia. Lake Holiday Country

Club is the subdivision's property owners association and owns all of the stock of Lake Holiday Utility. Lake Holiday Utility and Lake Holiday Country Club request transfer of the certificated water and sewer utility facilities and certificates to Aqua Lake Holiday. Aqua Lake Holiday is owned ultimately by Aqua America, Inc. ("Aqua America"), the nation's largest publicly traded water and wastewater holding company. Lake Holiday Utility and Lake Holiday Country Club maintain that the proposed transfer is needed to curb their operating losses.<sup>1</sup> Lake Holiday Utility and Lake Holiday Country Club represent the sale will ensure that the systems are professionally managed and that Aqua Lake Holiday will provide the expertise and resources necessary to meet the challenges involved in providing quality services to current and future customers.

The terms and conditions of the Purchase Agreements require Aqua Lake Holiday to: (i) pay Lake Holiday Country Club a cash payment at closing of \$800,000; (ii) reimburse Lake Holiday Utility for certain improvements to the water and wastewater systems made prior to closing; (iii) assume certain construction contracts for the expansion of the water and wastewater systems; and (iv) potentially make a series of contingency payments over fifteen (15) years that equal up to \$76,000 a year.

The rates, fees, and charges proposed in the Joint Petition include the following:

Water Connection Fee	\$5,000.00
Wastewater Connection Fee	\$7,000.00
Monthly Water Rates:	
Metered:	
First 3,000 gallons	\$32.00
Use over 3,000 gallons	\$ 4.50 per 1,000 gallons
Unmetered	\$32.00

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<sup>1</sup> The need for professional management of the utility was underscored by Lake Holiday Utility's claim that it incurred an operating loss of \$225,000 in 2004. (Joint Petition at paragraph 7.)

Monthly Wastewater Rates:

Residential	
Monthly Minimum Charge	\$43.00 per equivalent unit
Non-Residential	
Monthly Minimum Charge	\$43.00 per equivalent unit
or	
Monthly Minimum Charge	\$43.00 plus
Monthly First 5,000 gallons	\$ 1.13 per 1,000 gallons
Monthly Over 5,000 gallons	\$ 0.68 per 1,000 gallons
or	
Monthly Minimum Charge	\$43.00 plus
Quarterly First 15,000 gallons	\$ 1.13 per 1,000 gallons
Quarterly Over 15,000 gallons	\$ 0.68 per 1,000 gallons
Grinder Pump Maintenance Service Fee	\$ 5.00 per month
Availability Fees for Vacant Lots	
Water	\$10.00 per month
Wastewater	\$10.00 per month
Transfer of Service Charges	\$30.00
Turn on Charges	
During Regular Business Hours	\$50.00
After 4 pm or on weekends, holidays	\$100.00
Returned Check Charge	\$20.00
Late Charge	1 1/2 % per month on unpaid balances

The Purchase Agreements attached to the Joint Petition include a main extension policy that requires a requesting owner or developer to pay the cost of the main extension and be reimbursed \$1,000 for each water and \$1,000 for each wastewater customer connecting in an intervening lot to the extension over the next five (5) years, up to a maximum of the total cost of the extension. The provision for reimbursement will not apply in certain sections where lots are predominantly owned by developers who have agreed to forgo this reimbursement to further the development of the Lake Holiday subdivision.

## **Proceedings**

On March 14, 2006, the Commission issued its Order for Notice and Comment and Assigning Hearing Examiner ("Order for Notice") in which, among other things, the Commission appointed a Hearing Examiner to conduct all further proceedings.<sup>2</sup>

On March 15, 2006, Ogunquit Development, LLC ("Ogunquit"), filed its notice to participate and its opposition to the petition, especially the proposed rates, connection and extension policies, and fee structures.

On March 28, 2006, Joint Petitioners filed their Motion to Amend Order for Notice and Comment. Joint Petitioners noted they requested that the transfer of CPCNs be made pursuant to § 56-265.3 D of the Code. Nonetheless, the Commission, in its Order for Notice, provided that the Joint Petition should be considered under § 56-265.3 A of the Code for the issuance of new CPCNs to Aqua Lake Holiday. Joint Petitioners requested that the Order for Notice be amended to provide for consideration of the transfer of the CPCNs pursuant to § 56-265.3 D of the Code. However, Joint Petitioners' Motion to Amend Order for Notice and Comment was later withdrawn by filing on July 21, 2006.

On May 24, 2006, Joint Petitioners filed their Motion for Leave to Amend Joint Petition and Supplement Testimony and Amendment to Joint Petition ("Motion to Amend"). Joint Petitioners sought to reflect an increase in the amount of reimbursement that Aqua Lake Holiday would make to Lake Holiday Utility for capital expenditures prior to closing.

On May 30, 2006, a pre-hearing conference was convened as scheduled. During the pre-hearing conference, Joint Petitioners, Ogunquit, and Staff agreed upon a hearing date and procedural schedule for this matter. Furthermore, Ogunquit and Staff did not oppose Joint

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<sup>2</sup> An Order Nunc Pro Tunc was issued on March 16, 2006, correcting the prescribed notice to eliminate an error in the notice for sewage service connection fees.

Petitioners' Motion to Amend. The procedural schedule as agreed to by the parties and Staff was adopted in a Hearing Examiner's Ruling dated May 31, 2006. In addition, Joint Petitioners' Motion to Amend was approved in another Hearing Examiner's Ruling dated May 31, 2006.

On June 15, 2006, Ogunquit prefiled testimony and on July 25, 2006, Joint Petitioners prefiled testimony rebutting Ogunquit. On August 9, 2006, Staff prefiled testimony ("Staff Report").<sup>3</sup> On September 5, 2006, Joint Petitioners prefiled testimony in rebuttal to the Staff Report. Supplemental exhibits to Joint Petitioners' rebuttal testimony prefiled September 5, 2006, were prefiled September 8, 2006.

On September 13, 2006, the public hearing in this matter was convened as scheduled. Joint Petitioners and Staff appeared and participated in the hearing. Counsel for Respondent Ogunquit was excused from participation pursuant to an agreement to stipulate into the record Ogunquit's prefiled testimony. One public witness appeared and testified in support of the Joint Petition. Following the admission of all prefiled testimony and exhibits into the record with waiver of cross-examination, the Staff presented the testimony of Staff witnesses Sartelle, Larsen,<sup>4</sup> and Tufaro, who summarized the agreements reached with Joint Petitioners regarding Staff's recommended conditions for approval of the Joint Petition. The Staff witnesses testifying at the hearing referred to the Joint Petitioners' rebuttal testimony and exhibits prefiled on September 5 and 8, 2006, which evidence the agreements reached on Staff's recommendations.<sup>5</sup>

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<sup>3</sup> The Staff Report noted, among other matters, the receipt of a letter from the Frederick County Board of Supervisors endorsing the proposed transfer and several written or e-mailed comments from the public expressing varying concerns about the transfer.

<sup>4</sup> Staff witness Larsen sponsored the prefiled testimony of Staff witness Armistead.

<sup>5</sup> The Joint Petitioners' rebuttal testimony and supplemental exhibits prefiled September 5 and 8, 2006, also address respondent Ogunquit's earlier objections.

On October 13, 2006, the Report of Alexander F. Skirpan, Jr., Hearing Examiner ("Hearing Examiner Report") was filed. After reviewing all of the evidence prefiled and considering the testimony adduced at hearing, the Hearing Examiner concluded that all issues appeared to have been resolved among the Joint Petitioners, Staff, and the parties. Based on the Joint Petition and review of the record, the Hearing Examiner found that the transfer of assets and proposed rates and tariffs, as amended, offer a reasonable and just resolution of all of the issues in this case and that the Joint Petition, as amended, should be adopted. The Hearing Examiner Report contains the following findings:

(1) It is in the public interest to issue certificates of public convenience and necessity, pursuant to § 56-265.3 A, authorizing Aqua Lake Holiday to provide water and wastewater service in the Lake Holiday subdivision in Frederick County, Virginia;

(2) Aqua Lake Holiday's proposed rates, terms and conditions, as amended, shall be implemented on an interim basis and subject to refund;

(3) Within thirty days of completing the proposed transfer, Aqua Lake Holiday shall file a Report of Action ("Report") with the Commission. The Report shall include the date of transfer, the actual sales price, the settlement sheet, any legal documentation, a schedule showing all capital reimbursements through the closing date, and all accounting entries recording the transfer;

(4) Aqua Lake Holiday shall maintain its books and records in accordance with the Uniform System of Accounts; and

(5) Aqua Lake Holiday shall file a balance sheet, income statement, and a rate of return statement within ninety days following the first full calendar year that Aqua Lake Holiday has ownership of the Company.

The Hearing Examiner Report contains the following recommendations for the Commission to enter an Order that:

1. **ADOPTS** the findings in this Report;

2. **GRANTS** Aqua Lake Holiday certificates of public convenience and necessity pursuant to § 56-265.3 A; and

3. **DISMISSES** this case from the Commission's docket of active cases and passes the papers herein to the file for ended causes.

On October 26, 2006, Joint Petitioners filed a Response to the Hearing Examiner's Report, which requests that the Hearing Examiner's findings and recommendations be adopted with one modification to reflect the record made. Rather than all of Aqua Lake Holiday's proposed rates, terms, and conditions, as amended, being implemented on an interim basis and subject to refund, the Joint Petitioners request that only the proposed metered water rate be implemented on an interim basis, subject to refund, and that all other proposed rates, terms, and conditions, as amended, be given final approval.

On November 3, 2006, the Staff filed a Response to the Hearing Examiner's Report. The Staff agreed with Joint Petitioners that interim approval should only be given to the proposed metered water rate and that final approval should be given to Aqua Lake Holiday's proposed "flat" water and sewer rates, as well as the proposed fees, charges, terms, and conditions, as amended. The Staff further requested that the case not be dismissed as recommended, but that the case be continued to receive the recommended financial reporting and to approve final metered water rates. The Staff suggested that the case be remanded to the Hearing Examiner to conduct such further proceedings as may be necessary to finalize Aqua Lake Holiday's metered water rates. Finally, the Staff requested the Commission approve the Staff recommendations not found or recommended in the Hearing Examiner's Report.<sup>6</sup> We note from the record of proceedings that Staff's recommendations are now uncontested by Joint Petitioners.

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<sup>6</sup> These include Staff witness Sartelle's recommendations 2, 3, 4, and 5 in Exhibit No. 12; Staff witness Armistead's recommendations A., B., and C. in Exhibit No. 13; and Staff witness Tufaro's recommendations 1, 2, 3, 4, as to permanent flat rates and fees; and 5 and 6 in Exhibit No. 14.

Ogunquit filed no response to the Hearing Examiner's Report.

### **Summary of the Proposed Transfer and Rates**

Aqua Lake Holiday's witness Kropilak sponsored and explained the Purchase Agreements for the Lake Holiday water and wastewater utilities. Witness Kropilak described Lake Holiday Utility as an aging system requiring substantial repairs and upgrades, operating at a loss, and lacking funds to make required improvements. Witness Kropilak listed needed improvements, including a new treatment plant for the wastewater system and additional water supply and treatment for the water system. The total cost of required improvements is estimated to be \$12 million. Aqua Lake Holiday, backed by the resources of its parent, Aqua America,<sup>7</sup> plans to make all of the required improvements during the period 2006-2011. Witness Kropilak testified that Aqua Lake Holiday will be professionally managed and employ three full-time employees.

The Purchase Agreements were made contingent upon the Commission's determination that a rate base for Aqua Lake Holiday will be equal to or greater than the initial investment in the system, approval of the proposed rates, fees and charges, and approval of the transfer of assets and approval of operating certificates by the Commission and State Water Control Board.

The initial investment to be made by Aqua Lake Holiday pursuant to the amended Purchase Agreements remains undetermined. In addition to the initial purchase price of \$800,000 cash, payable at closing, witness Kropilak explained that Aqua Lake Holiday will reimburse the other Joint Petitioners for capital expenditures between August 1, 2005, and closing for up to \$220,000 for the water system and \$300,000 for the wastewater system. The

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<sup>7</sup> Witness Kropilak stated that Aqua America provides service to an estimated 2.5 million customers in thirteen states, including Virginia. Aqua America's Virginia operations include seventeen water and wastewater companies that serve approximately 25,000 customer accounts, or about 70,000 people.



reimbursement ceiling for wastewater was later agreed to increase to \$500,000, due to problems of infiltration and inflow. Additionally, costs associated with the design of the wastewater plant from January 1, 2006, to the time of closing will also be reimbursed by Aqua Lake Holiday.

Staff witness Sartelle provided the latest estimate of transfer costs to Aqua Lake Holiday as of June 1, 2006, totaling \$649,000 for the water assets and \$1,110,000 for the wastewater assets. Witness Sartelle added that these transfer costs do not include reimbursements made after June 1, 2006. Therefore, Staff recommended that Joint Petitioners be required to include in its report of action on the transfer an updated transfer costs schedule showing all capital reimbursements through the closing date.

Witness Kropilak explained that the development of Aqua Lake Holiday's proposed fixed monthly rates are based upon the current rates of Lake Holiday Utility. Witness Kropilak stated that certain rate changes were necessary to: (i) establish a new, initial rate for grinder pump maintenance; (ii) correct the unused volumetric rate of \$1.25 per thousand gallons which he regards as insufficient to promote conservation;<sup>8</sup> and (iii) recognize the major funding need for the water and wastewater systems in the tapping fee/capacity fee.<sup>9</sup>

Staff witness Armistead's prefiled testimony stated that the proposed increase in flat rates above would produce additional annual revenue of \$53,373, but would fail to eliminate annual operating losses projected at (\$304,305).

The Staff initially opposed the implementation of the proposed metered rates, chiefly because Aqua Lake Holiday's cost of service after the transfer is unknown, and it cannot be

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<sup>8</sup> Witness Kropilak testified that the proposed water volumetric rate will encourage conservation and delay the need to bring additional water supply on line. He estimated that migration to volumetric rates after meters are installed would increase monthly water revenue per customer from \$32.00 to \$36.50.

<sup>9</sup> Witness Kropilak explained that the \$5,000 water connection fee and \$7,000 wastewater connection fee is intended to recover part of the \$12 million in capital improvements to be made over the next six years.

determined at this time whether the metered rates would therefore be reasonable. Witness Larsen then testified in the hearing that Staff is in agreement with the metered water rates being implemented on an interim basis, subject to refund and with subsequent reporting by Aqua Lake Holiday to allow the Staff to review the reasonableness of the rates before the Commission grants final approval.

While we have reviewed the record of the agreements reached between Joint Petitioners and Staff regarding the terms for approval of the joint petition, we will review also the objections of Ogunquit which remain in the respondent's prefiled testimony and which have been addressed in rebuttal to determine if any issues remain.

### **Ogunquit's Objections**

Ogunquit owns thirty-two lots in the Lake Holiday subdivision, with nine served by existing utility lines and twenty-three unserved. Ogunquit's first objection is to Aqua Lake Holiday's proposed line extension policy, which Ogunquit contends is a departure from the current line extension policy of Lake Holiday Utility in that it: (i) eliminates any utility contribution; (ii) caps refunds at \$1,000 per new customer; and (iii) reduces the time period for refunds from ten years to five years. Ogunquit further objects to the proposed line extension policy for: (i) the introduction of a "prerequisite" of providing a road in order to obtain a line extension; and (ii) the recognition of an "Established Applicant" who is entitled to no reimbursements when intervening lots are connected to the extended main. These two changes, Ogunquit contends, create the potential for discriminatory treatment, as the "Established Applicant" is identified as the owner of undeveloped lots which presumably has control over

road improvements and is otherwise entitled by contract to avoid paying for assessments for wastewater treatment facilities.<sup>10</sup>

Ogunquit next objects to the accounting for undeveloped lots that are due connection credits, contained in the Purchase Agreements. Finally, Ogunquit generally objects to the structure of the transaction between Joint Petitioners, which Ogunquit contends will not afford utility customers reasonable rates, fair access to treatment facilities, and non-discriminatory line extension policies.

### **Joint Petitioners' Rebuttal**

Joint Petitioners addressed the concerns of Ogunquit and Staff in rebuttal, which we will review in the order of Ogunquit's objections set out above. Aqua Lake Holiday's witness Kropilak agreed to provide a contribution by the utility to line extensions by modifying the proposed line extension policy to provide that Aqua Lake Holiday will contribute three and one-half times the estimated normal annual revenues from the applicant's lot. (See proposed Rule 20 to tariff, Exhibit No. 10.) Mr. Kropilak clarified that the cap on refunds to connection charges is actually \$1,000 for water and an additional \$1,000 for wastewater connections made to intervening lots, rather than the \$1,000 cap per new customer complained of by Ogunquit. Mr. Kropilak then agreed to extend the refund period of the proposed line extension policy from five years to ten years.

Witness Allison's prefiled rebuttal testimony established with regard to the supposed road construction prerequisite for Ogunquit obtaining a line extension that no road need be built; rather, the requirement is only to clear for a road. Witness Allison confirmed that no lot owned by Ogunquit would, therefore, be prohibited or delayed with respect to extension of utility lines.

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<sup>10</sup> As noted, the exemption allowed to "Established Applicant" is offset by the relinquishment of any claim for refunds of line extension payments when intervening lots are connected.

With regard to Ogunquit's claim that undeveloped lots due certain credits are not accounted for, witness Allison gave an updated accounting of lots due credits, confirmed that Aqua Lake Holiday has agreed to assume liability for these credits, and acknowledged that Lake Holiday Utility or Lake Holiday Country Club remain responsible for any credits not specifically assumed by Aqua Lake Holiday.

With regard to Ogunquit's concern that there be fair access to wastewater treatment facilities, witness Kropilak testified on rebuttal that there is no need to ration capacity, as Aqua Lake Holiday is committed to meeting the needs of up to ninety new homes a year and that the current capacity of the wastewater treatment plant is sufficient to serve 1,000 homes.

NOW THE COMMISSION, having considered the record in this case, the Hearing Examiner Report and Responses thereto, and the applicable law, is of the opinion and finds that all issues have been resolved in this case. The Commission further finds that the proposed transfer of utility assets to Aqua Lake Holiday, pursuant to the Purchase Agreements, as amended and subject to the Staff's recommended conditions, will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates.

The Commission finds that a determination of Aqua Lake Holiday's rate base, as requested, is premature at this time. Instead, Aqua Lake Holiday should be required to make a final report upon the transfer closing. The Commission determines that the findings and recommendations of the Hearing Examiner's Report should be adopted with the modifications requested in the Responses of the Joint Petitioners and Staff.

Accordingly, IT IS ORDERED THAT:

(1) Lake Holiday Utility and Lake Holiday Country Club are hereby granted authority pursuant to the Utility Transfers Act and Utility Facilities Act to transfer utility assets to Aqua

Lake Holiday in accordance with their Purchase Agreements, as amended, subject to all recommendations of the Staff, which are adopted and approved herein, and subject to the findings of the Hearing Examiner Report except for finding (2).

(2) Aqua Lake Holiday is hereby granted, pursuant to § 56-265.3 A of the Code, CPCN W-320 to provide water utility service in the territory presently certificated in Frederick County to Lake Holiday Utility, and Lake Holiday Utility's CPCN W-191 to provide water utility service shall be terminated.

(3) Aqua Lake Holiday is hereby granted, pursuant to § 56-265.3 A of the Code, CPCN S-93 to provide wastewater utility service in the territory presently certificated in Frederick County to Lake Holiday Utility, and Lake Holiday Utility's CPCN S-63 to provide wastewater utility service shall be terminated.

(4) Aqua Lake Holiday is hereby authorized to implement its proposed metered water rates as set out above on an interim basis, subject to refund.

(5) Aqua Lake Holiday is hereby granted final approval of its proposed "flat" water and sewer rates, as well as the proposed fees, charges, terms, and conditions, as amended and as set out above.

(6) Aqua Lake Holiday, upon closing the purchase and transfer of the utility assets, shall promptly file tariffs and terms and conditions of service, in accordance with the findings above, with the Division of Energy Regulation. Contemporaneous with the filing of Aqua Lake Holiday's tariffs, Lake Holiday Utility shall cancel all tariffs and terms and conditions of service.

(7) Aqua Lake Holiday is hereby granted approval of its Rule 20 as revised in the proposed tariff in its Exhibit No. 10.

(8) Within thirty (30) days of completing the proposed transfer, the Joint Petitioners shall file a Report of Action with the Commission that shall include the date of transfer, the actual sale price, the settlement sheet, any legal documentation, and Aqua Lake Holiday's accounting entries recording the transfer. Such accounting entries shall be in accordance with the Uniform System of Accounts, which shall include separately booking the difference between the purchase price and the utility's assets' net book values as any acquisition adjustment to Account 114.

(9) Lake Holiday Utility is ordered to provide all records related to the transferred assets at closing to Aqua Lake Holiday, and Aqua Lake Holiday is hereby ordered to maintain such records transferred in accordance with the Uniform System of Accounts.

(10) The Commission's Utility Transfers Act approval ordered above shall have no ratemaking implications and shall not be deemed to guarantee recovery of any costs directly or indirectly related to the transfer.

(11) The Commission hereby defers any ratemaking decision on the contingency payments provided for in the Purchase Agreements until such time as they actually occur and are potentially includible in Aqua Lake Holiday's cost of service in the context of a rate proceeding. Upon notification by Aqua Lake Holiday that a contingency payment has been made, the Staff is directed to develop and provide accounting guidance to Aqua Lake Holiday so that appropriate data is available for the Commission's consideration in future rate proceedings.

(12) Aqua Lake Holiday is hereby ordered to maintain all invoices in the utility's files that pertain to both expenses and capital disbursements.

(13) Aqua Lake Holiday is hereby ordered to maintain both historical and current property records on capitalized plant items and to maintain records to enable an analysis of the costs between water and sewer operations.

(14) Within ninety (90) days following the first full calendar year that Aqua Lake Holiday takes ownership of the utility assets, Aqua Lake Holiday shall file in this case a balance sheet, income statement, and a rate of return statement.

(15) Aqua Lake Holiday is hereby ordered to prevent any deterioration in the quality of utility service due to a lack of maintenance or capital investment; to prevent deterioration in quality of utility service due to a reduction in the number of employees providing utility services; and to maintain a high degree of cooperation with the Commission's Staff and take all actions necessary to ensure timely response to Staff's inquiries regarding Aqua Lake Holiday's provision of utility services in Virginia.

(16) This case shall be continued for finalization of Aqua Lake Holiday's metered water rates and is hereby remanded to the Hearing Examiner to conduct such further proceedings as are necessary to finalize Aqua Lake Holiday's metered water rates.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:  
Donald G. Owens, Esquire, Troutman Sanders LLP, 1001 Haxall Point, P.O. Box 1122,  
Richmond, Virginia 23218-1122; Kathy Lee Pape, Esquire, Vice President, Treasurer, and Rate  
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900 East Main Street, 2nd Floor, Richmond, Virginia 23219; and the Commission's Office of  
General Counsel and Divisions of Energy Regulation, Public Utility Accounting, Economics and  
Finance, and Public Service Taxation.