



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

James R. Paschall
General Attorney

EI-953
vjr

Writer's Direct Dial Number

(757) 629-2759
fax (757) 533-4872

July 30, 2004

via fax 919-715-6580 - 17 pages

Mr. Patrick B. Simmons, Director
NC Department of Transportation
Rail Division
1553 Mail Service Center
Raleigh, NC 27699-1533

Re: STB Docket No. AB-290 (Sub-No. 248X), Norfolk Southern Railway Company - Abandonment Exemption - In Washington County, NC

Dear Mr. Simmons:

This responds to your July 26, 2004 letter to the Surface Transportation Board (STB), with a copy to me. You stated that the track had been removed from the 7.3-mile Norfolk Southern Railway Company (NSR) railroad line between Plymouth, NC and Mackeys, NC, prior to the effective date of the STB decision (served July 26, 2004) granting NSR an exemption from the provisions of 49 U.S.C. 10903 to abandon the line and exemptions from the public use and offer of financial assistance provisions of 49 U.S.C. 10904-10905. The STB granted the exemptions from the public use and OFA provisions because on December 17, 2003, the property was sold to Dominion Virginia Power (Dominion), a public utility, for the public purposes of repairing, maintaining and improving its adjacent electric power transmission system. You requested clarification of "the process and rules that authorize a railroad to remove track prior to receiving formal abandonment authority from the Surface Transportation Board." The appended e-mails noted that rail and track material, but not ballast, actually were removed by Dominion's contractor, not NSR. Dominion had bought the tracks and material along with the right-of-way. Nonetheless, NSR remained responsible to provide common carrier rail service upon reasonable request over the line until NSR consummated abandonment of the line pursuant to STB decision or exemption, regardless of the party that removed the track.

Mr. Patrick B. Simmons
July 30, 2003 - 2

Removal of track in and of itself does not constitute abandonment of a rail line. Moreover, the railroad has not acted improperly by effectively allowing removal of track without STB authorization in this case (except to the extent that our admitted but inadvertent failure to update our environmental report, might be viewed as "improper," which we discuss below; we believe it certainly was not unlawful). Nor would a railroad act improperly or unlawfully in most other instances by removing track prior to the effective date of an abandonment, if an abandonment of the line were even filed or to be filed.

Generally, railroads may remove track and material from, or undertake other track work along, their rail lines without prior approval of the STB. If a railroad removes all tracks from a line of railroad for which it has not obtained STB abandonment or discontinuance authority or exemption, however, it does so at its own risk. After removal of the track, the railroad may not be able to comply with its common carrier obligation to respond to a reasonable request for rail service over the line through timely restoration of the track or before the railroad is relieved of the obligation by obtaining STB authority or exemption to abandon or formally to discontinue service over the line. This failure could subject the railroad at least to damages claims, unless it could meet its obligation temporarily by providing or arranging some sort of alternate transportation service or rate differential subsidy. Whether a rail carrier can fulfill its common carrier obligation in any specific case depends mainly on the facts of that case.

My observation is that railroads normally would not remove, or permit the removal of, any significant segment of track, especially on a line slated for or the subject of an abandonment or discontinuance filing, without STB approval or exemption of the abandonment or discontinuance of service. If restoration of the track subsequently were required, the costs of restoration would outweigh any advantage from the track removal. My other observations along these lines include: A railroad might want to keep a right-of-way, including tracks, intact as long as possible if there is any prospect of industrial development. A railroad might want to keep a line intact if there is any prospect of a sale or even an Offer of Financial Assistance. On the other hand, if there was little chance a track would need to be restored, perhaps due to prolonged non-use, a railroad might remove track from the line, but not abandon the line because there seemed to be long-term future development potential for the area or need for an additional route through it.

I think railroads are even less likely to remove any bridges, trestles, culverts or significant structures from a rail line, even a dormant one, before abandonment authority or exemption is secured and exercised. Replacement of these structures would take considerable time and expense. Removal of these structures also would prevent or inhibit any sale or conveyance of the property for a railroad line, commuter railroad line, trail or other corridor uses. More extensive removal of structures from a rail line might raise

Mr. Patrick B. Simmons
July 30, 2003 - 3

environmental concerns or the need to consult with or obtain the approval of other agencies. Since alternate public uses would not require the track and material, but might require the other structures, the STB often permits removal of track and material before all public use and other issues are settled or related time periods have expired. Emergency situations might require early action, of course. The Plymouth-Mackeys line has only one 8-foot long trestle over what seems to be a gully or ditch and this remains in place.

In decisions granting rail line abandonment authority or exemptions, the STB may place conditions on the salvage of materials and structures. This is not inconsistent with the principles just stated. Practical considerations might be that the salvage of the line is likely to include more than just removal of rail, ties, tie plates and spikes. Upon permanent abandonment of a line, a railroad could undertake large scale work over a wider area than its usual work might require, remove ballast as well as other track material, affect the contour of the ground, or possibly remove bridges, trestles, culverts or other structures. Perhaps more importantly, the Board considers whether there are National Environmental Policy Act issues connected with actions contemplated upon abandonment of rail lines.

Insofar as the subject Plymouth-Mackeys line is concerned, Dominion's contractor did none of the types of more extensive work just described. There is only one 8-foot trestle on the entire line, which Dominion retained. Dominion also retained the ballast and kept the contour of the property for use as a service road, as the pictures faxed with your letter appear to confirm.

It is my further observation that a railroad rarely would undertake any significant track removal or related work on a line that is subject to an abandonment filing until the STB had issued its notice or decision in the proceeding. After the railroad had completed and submitted an environmental report concerning the line with the filing of its abandonment notice, petition or application, subsequent work on the line would render the report at least partially obsolete. Unfortunately, that has happened in this case. Although it was unintentional, I must accept responsibility and apologize for the oversight and the inattention to the changed circumstances of the case that inadvertently has resulted in the STB staff doing unnecessary work and led the Board to issue now partially or completely moot consultation conditions in connection with salvage of the line.

Little would be achieved by a review of my schedule and like considerations. The unusual nature of the case played some part. Normally we would not need to monitor such activities by third parties. Any small work that might be done during the pendency of a case would not render the report obsolete. That should not be a main point, either. Instead, I will concentrate on a review of the facts and circumstances to show that Dominion's activity was limited, benign and in accord with the STB's objectives in issuing

Mr. Patrick B. Simmons
July 30, 2003 - 4

the conditions. I also will make every effort to pay greater attention to the details if this type of situation arises again.

After Hurricane Isabel's widespread damage in Washington County, NC last September, Dominion was anxious to repair the hurricane's damage to their adjacent power line, upgrade that line prior to this hurricane season and keep convenient access to the property by maintaining the right-of-way as a service road, using any existing ballast or structures. After Dominion made temporary repairs to its power line, the continuous supply of electric power to the area over the old system was still tenuous. Relatively frequent power outages in the whole area around Edenton as well as the Mackeys-Plymouth area continued. Dominion needed full access to the right-of-way as quickly as possible to remedy this situation.

For several years before the hurricane struck, NSR carried very little traffic over the Plymouth-Mackeys line for a single shipper. NSR could not maintain and operate the line profitably even before the hurricane. After the hurricane, NSR had no reasonable prospect of recovering the substantial rehabilitation costs that then would be required to keep the line in service. The area served by the line is rural and sparsely populated, a considerable distance from interstate highways and despite the County's efforts at industrial development, without definite industrial development commitments for the area served by the Plymouth-Mackeys line segment. NSR has offered to help with siting development in other areas of the county in the past, and will assist with any such future projects to the extent we are invited to do so and have someone available to help.

After the hurricane, NSR secured agreement with the only shipper using the line in recent years (Royster-Clark, located at both Plymouth and Mackeys), to move all of its rail traffic to the Plymouth location, where NSR retained rail service. Therefore, NSR's need to abandon the line to end continuing losses on its operation and maintenance and to avoid rehabilitation work coincided with Dominion's desire to obtain complete access to the property for its extensive power line work and to maintain the right-of-way and power line for the future, a public purpose. NSR and Dominion co-operated to convey the line, including the track and materials, promptly to Dominion, on December 17, 2003. Since an environmental report was already in preparation, NSR contemplated filing an abandonment exemption petition promptly with the STB. It did not quite work out that way.

The agreement and the deed itself, which is attached, contain an easement and certain reservations designed to protect the STB's jurisdiction over the line and NSR's ability to meet any common carrier obligation to provide service over the line. The conditions are effective until abandonment of the line, pursuant to STB authorization, is consummated. As events have shown, it was unlikely that a reasonable request for rail

Mr. Patrick B. Simmons
July 30, 2003 - 5

service over the line would be made, or restoration of the line would be required, before the STB served a decision. Nonetheless, provisions in the agreement and deed were added to permit NSR to promptly respond to such a request or an STB or court order. The agreement and deed also required Dominion to restore any track they might remove, at their expense, if the restoration were required to meet NSR's common carrier obligation or comply with an STB or court order. While the sentence dealing with any track removals should be read in the context of the whole paragraph and perhaps the more limited work that might be contemplated in the usual case (probably involving a crossing or small area), by itself, we note the sentence could be read broadly.

As mentioned above, NSR also intended to file a petition for exemption to abandon the line with the STB promptly. Ironically, we were unable to file this petition as promptly as we planned and wished to under the circumstances because of further work on the environmental report. This is the origin of the problems that have arisen in connection with the handling of this case.

NSR's contractor sent preliminary environmental notice and solicitation of information for a final report to the environmental agencies in October, two months before the transaction with Dominion was closed.¹ However, revised drafts did not go out until the end of January and the report and filing could not be finalized and submitted to the Board until April 7, 2003. While perhaps we should have more control over the speed and priorities for the preparation of these reports, we do not.² As it developed, Dominion's program to complete their work in remedying current problems with their system in this area and putting an upgraded transmission system in place before this hurricane season had to progress to meet its timetable. I believe our principal failure in handling this matter was not that we allowed Dominion's activity, either directly or indirectly through the structure and timing of the transaction and language used, but was that we inadvertently did not update the STB on these developments when we could not file our petition more promptly.

The easements and reservations in the agreement and deed preserved the STB's jurisdiction over the line and NSR's ability to meet its common carrier obligation in the remote chance NSR would be called upon to serve or restore the line despite the early removal of the track by Dominion's contractors. However, because of the delayed

¹NSR now uses an outside contractor to prepare environmental reports for filing in STB proceedings due to internal reductions in staff.

²The contractor is thorough, and visits and examines each line for which they prepare a report.

Mr. Patrick B. Simmons
July 30, 2003 - 6

preparation of the environmental report, and the unfortunate timing of the work just after the report was revised and finalized, as well as the large scope of the track removal, the STB environmental work and the subsequent STB consultation conditions were based on an outdated environmental report, at least with respect to the condition and potential salvage of the rail, ties, tie plates and spikes.³ Since Dominion's track removal took place after our contractor's site visit and report work, and we did not pay enough attention to the progress of Dominion's work, our completed environmental report was soon outdated. We did not address the possibility that Dominion might do this early work in the report, except in a most general way. However, although we may not have been able to predict the early work when the report was prepared, we should have made a timely correction to the report when it occurred. I do not think legal questions arise out of this embarrassing omission. Yet, if we had provided a timely update to the STB, the Board could have dealt with the case based on subsequent developments and the actual condition of the property, rather than have staff spend time on superfluous work and the issuance of unnecessary conditions.

I do not take this omission and its result lightly. But I would like to review a few background facts and note the manner and results of the track removal in order to show that NSR acted to preserve the Board's jurisdiction and that Dominion's contractor seems to have performed the work in a manner that should have satisfied the Board's environmental concerns. Some of the points may be a little repetitive, but several contain important additional information.

- Dominion Virginia Power (Dominion), a public utility, urgently required extensive access to NSR's Plymouth-Mackeys rail line to repair and upgrade its electric power transmission line which had been damaged in Hurricane Isabel in September 2003. Dominion also desired to purchase the line to provide full access to the line for its work, control its costs, and control access to the power line right-of-way then and for the future.

- NSR was operating the rail line at an annual loss in excess of \$100,000. The line also needed additional rehabilitation work that would cost at least \$270,000.

- NSR sold the line, and a short rail line segment at Edenton, NC, including the track and materials, to Dominion December 17, 2003. The sale of the Plymouth-Mackeys line to Dominion for public purposes was reported to the STB in NSR's petition for exemption to abandon the line. The environmental report to the STB suggested Dominion might convert the right-of-way to a service road, but did not give specific details.

³Although additional salvage work might have been possible in this case, we understand no more work to which the conditions might apply currently is contemplated.

Mr. Patrick B. Simmons
July 30, 2003 - 7

- NSR's agreement and the deed for the Plymouth-Mackeys property itself contained a freight easement for the rail line and provisions intended to preserve the STB's jurisdiction and to allow NSR to comply with its common carrier obligation, if required. NSR's first reservation, on page 2 of the deed, is of the freight easement for a rail line on the property. The last paragraph on page 2 of the deed provides that NSR will file a petition for exemption to abandon the property with the STB and reads in part: "Grantor shall promptly consummate such abandonment after receiving an exemption from the STB that will permit the abandonment and upon removal or satisfaction of all legal impediments or conditions imposed by the STB or a court to Grantor's consummation of the abandonment. Grantor's Freight Easement on the Property shall automatically terminate upon consummation of the abandonment." Thus, the STB's jurisdiction over the line was preserved. A copy of the deed is attached.

- The same paragraph ends with the provision: "If the abandonment of Grantor's common carrier obligation with respect to the Property is withdrawn by Grantor or denied by the STB, Grantor and Grantee agree to act in a reasonable manner to reinstall any railroad tracks removed by Grantee, at Grantee's sole cost and expense, so that Grantor can reinstitute rail operations on the property." Thus, together with the easement itself and the remainder of the provisions of this paragraph, NSR retained the right and capability to respond to a reasonable request for rail service over the line.

- Dominion's contractor removed the track and materials from the line, but with minimal excavation or disturbance to the right-of-way or its surroundings. The ballast and one small 8-foot trestle on the line were left in place. Work started in February and apparently was completed in April. See Dominion's July 29, 2004 letter, which is attached.

- The Plymouth-Mackeys, NC line is a dead-end branch line with no overhead traffic. For several years, Royster-Clark at Mackeys has been the only railroad customer on the line. Before the sale of the line to Dominion, in October 2003, NSR and Royster-Clark reached an agreement under which Royster-Clark would receive or ship all of its future rail shipments from its Plymouth facility, which is located on a segment of NSR line that has been retained as an active rail line. Thus, no shippers lost rail service as a result of the track removal. No reasonable request for rail service over the line has been made since Royster-Clark shifted all of its rail traffic to its Plymouth location.

- There is little industrial development potential for the area immediately adjacent to this line segment, which is sparsely populated. Any recent industrial development inquiries or discussions did not involve any immediate prospect of an agreement or a definite commitment to NSR of the traffic for the rail line that would generate enough revenue to cover the costs of its maintenance and operation. It is well

Mr. Patrick B. Simmons
July 30, 2003 - 8

settled that the STB will not deny or delay abandonment authority or exemptions based on speculative predictions of future rail traffic over a line. Any further NSR losses from continuing to keep the line in service, including repairing or rehabilitating it, would simply have to be passed on in some form to other NSR customers, which is not a good outcome or in the general public interest. NSR is willing to help with industrial development in nearby areas where it retains rail service.

- All of Dominion's users of electricity and ratepayers ultimately would have had to bear Dominion's extra costs and delays if they had delayed their work, and would have continued to suffer from frequent power outages until the work was completed. Area residents and businesses will benefit from the cost savings generated from Dominion's efficient work on the right-of-way and the more reliable service from the improved facilities now in place. The upgraded line should be better able to resist the effects of big storms.

- Because Dominion's use of the property is a public purpose, and no one would likely submit an OFA to acquire a line in poor condition on which there was no existing, or realistic potential, traffic, no OFAs or public use conditions were contemplated. NSR requested an exemption from the provisions of the Act on those subjects, which the STB has granted.

- Dominion performed a Phase I Environmental Assessment of the line before it did any work on the track and found nothing of significance. See the attached February 5, 2004 letter from Phyllis M. Rubinstein, Dominion's outside counsel.

- While the photographs that you submitted were of poor quality by the time they were sent through a fax machine, they appear to show that the right-of-way, and the roadbed itself, have been well preserved and remain relatively undisturbed. This means that the track could have been quickly restored in the event of a reasonable demand for rail service. It also means that Dominion removed the rail, ties, tie plates and spikes with considerable care.

- In a letter dated July 29, 2004, Dominion affirms that the track and ties were removed with a minimum excavation activity, and that the 8-foot trestle on the line was not removed. Thus, there was no work in streams or waterways or disturbance of aquatic life.

- Dominion's letter also affirms that the "USGS" (National Geodetic Survey) markers in the vicinity of the line were not removed or disturbed by their contractor during the track removal work.

- We have located information on the internet that showed us there are three

Mr. Patrick B. Simmons
July 30, 2003 - 9

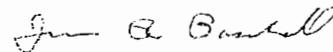
geodetic survey markers within 100 yards of this line. They are 2.4 miles southwest from Mackeys, 27 feet from the north rail, not documented since 1963; 3.2 miles southwest from Mackeys, 45.5 feet south of the south rail, last reported recovered in 1985; and 4.4 miles southwest from Mackeys, 27.8 feet north from the north rail, last reported recovered in 1986. Markers at Plymouth are beyond the end point of the subject rail segment. Since these markers are at least 27 feet from the outside rail of the track, Dominion's statement that they were not disturbed by its contractors work is certainly quite credible.

- With the possible exception of the National Geodetic Survey, whose mail was sent to the wrong address, NSR notified each of the environmental agencies with respect to which consultation conditions were required at least two and in some cases three or four times by letter, sending the environmental report or phone. The conditions appear to be directed mostly to giving the agencies another chance to comment rather than dealing with any actual concerns raised by them. It appears that Dominion's limited and careful work would not have raised any concerns by these agencies. With respect to the National Geodetic Survey, Dominion's report concerning the markers and our information about their distance from the track affirms that the National Geodetic Survey's concerns have been taken into account.

I again apologize for the delay in filing our abandonment petition and our inadvertent failure to monitor the scope of Dominion's removal of track and report it to the Board - or at least to better report the possibility of early removal in the environmental report. This omission resulted in extra work for the Board's staff, concern about the track removal being in compliance with environmental laws and regulations and the issuance of the ~~now~~ apparently superfluous consultation conditions, for which I again apologize. Although such situations are rare, I will take greater care in any future similar situations. I had information as recently as a week ago that no work had been done on the small segment at Edenton, but I will make an inquiry on Monday.

I also hope that my general explanation of track removal situations and legal principles that may apply to many of them, in general terms, will be helpful, in accord with any comments the STB might have, and will suit your purposes. If you need further explanation or citations to the law or ICC/STB decisions, please let me know.

Very truly yours,



James R. Paschall

Encl. 1 additional page and 7 attached pages

Mr. Patrick B. Simmons
July 30, 2003 - 10

cc: via fax 202-565-9002

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

w/encl. 7 pages

Prepared by Jerry L. Causey, Norfolk Southern Railway Company

Return to:
Phyllis M. Rubinstein, Esq.
Post Office Box 796
Richmond, VA 23218-0796

STATE OF NORTH CAROLINA

COUNTY OF WASHINGTON

THIS QUITCLAIM DEED, made this 17th day of December, 2003, between NORFOLK SOUTHERN RAILWAY COMPANY (formerly known as Southern Railway Company), a Virginia corporation, Grantor, party of the first part, whose address is 110 Franklin Road, S.E., Roanoke, Virginia 24042; and the VIRGINIA ELECTRIC POWER COMPANY, Grantee, party of the second part, whose address is 120 Tredegar Street, Richmond, Virginia 23219;

W I T N E S S E T H:

THAT the said Grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid at and before the sealing and delivery of these presents, the receipt of which is hereby acknowledged, by these presents does release, remise and quitclaim, subject to the conditions and reservations as herein set forth, unto the said Grantee, its successors and assigns, all right, title and interest of Grantor in and to the property lying and being in Washington County, North Carolina and being

described on Exhibit A, attached hereto and made a part hereof (hereinafter referred to as "Property").

The foregoing conveyance is made SUBJECT TO all easements, conditions and restrictions, whether or not of record.

GRANTOR RESERVES unto itself and its successors and assigns an exclusive, perpetual, irrevocable, assignable, divisible, licensable and transferable easement over, under, across and upon the Property solely for all freight railroad purposes, including, without limitation, accessing (ingress/egress), owning, repairing, renewing, replacing, installing, removing, constructing, operating and maintaining a railroad track or tracks, structures and appurtenant facilities and equipment (the "Freight Easement") provided such Freight Easement does not interfere with or endanger the construction, operation or maintenance of Grantee's facilities.

GRANTOR FURTHER RESERVES unto itself and its successors and assigns all track material and railroad signal systems located on but not affixed to the Property, including, without limitation, all rails, tracks, ties, tie plates, spikes, fastenings, switches, switch mechanisms, frogs, signals, ballast and associated appurtenances, as well as all personal property not affixed to the Property, including without limitation, locomotives, railroad cars and other rail vehicles and piles of rail-related materials. Grantor shall remove the above stated materials within 120 days from the consummation date of any abandonment of Grantor's common carrier obligation with respect to the Property.

Grantor shall file a petition for exemption with the Surface Transportation Board ("STB") to abandon its common carrier obligation with respect to the Property. Grantor shall diligently prosecute the abandonment. If the STB imposes any material adverse condition on Grantor in connection with such abandonment, and Grantee does not agree to meet such condition or to indemnify Grantor for the costs and expenses of meeting such condition, then Grantor shall have the right to withdraw or partially withdraw such abandonment. Grantor acknowledges that mandatory labor protection under Oregon Short Line R. Co. - Abandonment - Goshen, 360 I.C.C. 91 (1979), is not a material adverse condition. Grantor shall promptly consummate such abandonment after receiving an exemption from the STB that will permit the abandonment and upon the removal or satisfaction of all legal impediments or conditions imposed by the STB or a court to Grantor's consummation of the abandonment. Grantor's Freight Easement on the Property shall automatically terminate upon consummation of such abandonment. After such automatic termination, upon Grantee's request, Grantor and/or its successors and assigns, if applicable, shall execute a quitclaim deed of such Freight easement with respect to the Property. If the abandonment of Grantor's common carrier obligation with respect to the Property is withdrawn by Grantor or denied by the STB, Grantor and Grantee agree to act in a reasonable manner to reinstall any railroad tracks removed by Grantee, at Grantee's sole cost and expense, so that Grantor can reinstitute rail operations on the Property.

TO HAVE AND TO HOLD said Property, with all and singular the rights, members and appurtenances thereof, the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the Grantee, its successors and assigns, forever.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, Norfolk Southern Railway Company has caused these presents to be executed, and its seal to be hereunto affixed and attested by its officers, thereunto duly authorized, the day and year first above written.

~~XXXXXX~~

NORFOLK SOUTHERN RAILWAY
COMPANY


Assistant Corporate Secretary

By: 
Vice President
Daniel D. Smith

Phyllis M. Rubinstein
Direct Dial: 804.775.3814
Facsimile: 804.775.3800
E-Mail: prubinstein@lawmh.com



Richmond, Virginia
Arlington, Virginia
Guangzhou, China

McCandlish Holton
A PROFESSIONAL CORPORATION

February 5, 2004

Jerry L. Causey, Esquire
General Attorney-Real Estate
Norfolk Southern Corporation
One Georgia Center, Suite 1702
600 W. Peachtree Street, NW
Atlanta, Georgia 30308-3603

***Phase I Environmental Site Assessment of Fee Property
between Edenton and Plymouth, North Carolina***

Dear Jerry:

Reference is made to that certain Contract of Purchase and Sale dated December 17, 2003 between Norfolk Southern Corporation and Virginia Electric and Power Company. In connection with paragraph 10(b) of the Contract, Dominion Virginia Power has had a Phase I Environmental Assessment performed by Groundwater and Environmental Services, Inc. (GES) for the various fee properties located between Edenton and Plymouth, North Carolina. The Phase I reports no Actionable Environmental Contamination as defined in the Contract. Although Dominion Virginia Power is able to provide you with a copy of the Phase I Environmental Report, you have indicated that that is not necessary at this time.

If you have any questions in connection with this matter, please do not hesitate to call me.

Sincerely yours,

Phyllis M. Rubinstein

cc: Thomas W. Ambler, Esquire
Sarah B. Corey
Donald W. Hoover
Jimmy Hughes

396535v1

Dominion Virginia Power
120 Tredgar Street, Richmond, VA 23219
Mailing Address: P.O. Box 26532
Richmond, VA 23261



July 29, 2004

Norfolk Southern
Three Commercial Place
Norfolk, Virginia 23510
Attention: Mr. John T. Moon, II

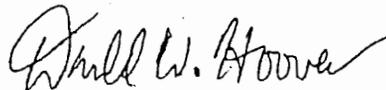
**Re: Track Removal in Washington County, North Carolina
Existing Electric Transmission Line Corridor**

Dear John,

Dominion Virginia Power employed a contractor to remove the Norfolk Southern railroad tracks and ties from the Albemarle Sound to MilePost 90 near Plymouth, NC in February of this year. During removal, the tracks and railroad ties were removed with minimum excavation activity. The trestle that you inquired about was not removed during this activity. Also, the USGS markers were not removed or disturbed by our contractor according to our field construction supervisor.

Please let me know if I can be of any further assistance.

Sincerely,



Donald W. Hoover
Coordinator Right-of-Way
Electric Transmission

C: Jimi Duke – Project Manager