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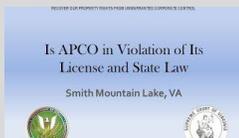


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**This news letter will exceed our one page self-imposed limit ... so we can provide more background on the History of Smith Mountain Lake ...**

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### APCO STIMULATED DEVELOPMENT

Date: **January 8, 1990** Section: NATIONAL/INTERNATIONAL Page: A1

By *David M. Poole/Staff writer*

Shrewd land management at Smith Mountain Lake enabled Appalachian Power Co. to help transform the 20,000 acre reservoir into a resort lined with condominiums and waterfront homes.

Retiring Apco President John Vaughan said power company managers in the 1950s saw the Smith Mountain dam project as more than a hydroelectric generating facility. "Many of our people recognized that it had a potential for development," Vaughan said in a recent interview.

Through its extensive waterfront land holdings, Apco helped determine the way in which Smith Mountain Lake developed. When the lake was completed in 1966, Apco owned about 20 percent of the 500-mile shoreline, or about 4,000 acres. Vaughan said the power company created four waterfront subdivisions in the mid-1960s in an attempt to "seed" development of single family homes. At the same time, Apco assembled large tracts that private developers one day would find attractive for residential communities.

Apco did not put all its land on the market at one time. The company released acreage over a period of time as land prices rose, which in turn encouraged more upscale development. The company's land management helped change Smith Mountain Lake from a rustic getaway lined with trailers and shanties to a resort destination where million dollar homes have become commonplace.

The land management strategy also paid rich dividends for Apco: The utility now serves more than 6,700 electric accounts at the lake, an area that 30 years ago had only a few hundred homes. Apco had made millions of dollars selling waterfront land that appreciated tremendously since the power company bought in the 1960s. The power company still owns more than 2,000 acres at Smith Mountain Lake assessed at nearly \$14 million.

The surrounding counties benefited as well. In Franklin County, real estate along Smith Mountain Lake now accounts for one third of the county's real estate tax base. The area also benefited from land that Apco donated for a state park and 4H Center.

Vaughan called Smith Mountain Lake the "most important economic development" opportunity ever to hit this part of Virginia. "This potential for development was never lost on our people," he said. Apco officials have not always been so eager to tout the company's role in development at Smith Mountain Lake.

In 1975, the company's land holdings at the lake became an emotional issue when Apco submitted a request to increase electric rates. Politicians responding to widespread consumer dissatisfaction about rising electric rates suggested that Apco should raise money by selling its lake land instead of asking electric customers to foot the entire bill. Regulators raised a deeper question: Should a public utility be in the business of developing land?

The State Corporation Commission assigned a retired Richmond judge, M. Ray Doubles, for an advisory opinion on the legality of Apco's land holdings. In 1978, Doubles found that Apco had no authority under state law to engage in land development. Doubles said the commission could order Apco to sell off most of the 5,254 acres it held at Smith Mountain Lake. He said a five year deadline would not disrupt the real estate market at Smith Mountain Lake.

Apco attorneys disputed Doubles' findings, arguing that the company's waterfront land was not held for development but for purposes "related to its [Apco's] duty to provide electric service." The commission took no action on Doubles' report after Apco agreed to dispose of the land voluntarily.

Rules have been relaxed, allowing utilities greater access to nonregulated businesses. In fact, Virginia Power Co. later created a subsidiary to develop housing projects and shopping centers without objections from the State Corporation Commission. "It's amazing how things change in 10 years," Vaughan said.

## Appalachian Power Company to auction SML land

Posted: Monday, May 11, 2015 3:51 pm

Laker Weekly

Appalachian Power Company will sell one of its tracts of land on Smith Mountain Lake at auction in October. The property, located in Franklin County's Penhook area, includes 2.7 miles of shoreline.

"Over the years, Appalachian Power has sold land directly to developers who created such premier properties as The Water's Edge, Waverly and Park Place, to name a few," said Jim Woltz, president of Woltz & Associates. "However, this time the company has decided to use an auction to make this land available to both individuals and developers. The property, known as the Kennedy Tract, is perfectly suited to accomplish this, with long road frontage and miles of shoreline. The plan is to offer it in 24 tracts ranging from approximately 2.9 to 18 acres, with most being six acres or less."

Bids will be allowed on any individual tract, combination of tracts or on the entirety. Woltz & Associates will manage the auction in cooperation with Schrader Real Estate and Auction Company and Murray Wise Associates. For more information about the properties and the upcoming auction can visit [woltz.com](http://woltz.com) or call Woltz & Associates at 800-551-3588.

- Laker Weekly

**CURB COMMENT: APCO properties were sold and represented as waterfront, no restrictions were placed upon the lands and recreational uses were encouraged. No revocable permits or licenses were issued by APCO, because APCO had no requirement and the profit motive was foremost. It is noteworthy that APCO agreed in 1978 to sell off its lake front holdings over a period of five years. Now 32 years later they're finally getting around to honoring their 1978 commitment to the State Corporation Commission.**